

Cabinet

Agenda

MONDAY
3 DECEMBER 2018
7.00 pm

COURTYARD ROOM
HAMMERSMITH
TOWN HALL
KING STREET
LONDON W6 9JU

Membership

Councillor Stephen Cowan, Leader of the Council
Councillor Sue Fennimore, Deputy Leader
Councillor Larry Culhane, Cabinet Member for Children and Education
Councillor Andrew Jones, Cabinet Member for the Economy and the Arts
Councillor Wesley Harcourt, Cabinet Member for the Environment
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Adam Connell, Cabinet Member for Public Services Reform
Councillor Sue Macmillan, Cabinet Member for Strategy

Date Issued
23 November 2018

If you require further information relating to this agenda please contact:
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Reports on the open Cabinet agenda are available on the Council's website: www.lbhf.gov.uk/councillors-and-democracy

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (15 to 19) which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

The Cabinet has received no representations as to why the relevant part of the meeting should not be held in private.

Members of the Public are welcome to attend.
A loop system for hearing impairment is provided, together with disabled access to the building

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to Kayode Adewumi at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 28 November 2018.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 5 January 2018**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Monday 10 December 2018 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Monday 10 December 2018**.

Cabinet Agenda

3 December 2018

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<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
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CONTRACT TO WATER PLUS

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The Cabinet is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

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|------------|---|--|
| 15. | FACILITIES MANAGEMENT STRATEGY FOR TERMINATION OF TOTAL FACILITIES MANAGEMENT CONTRACT: EXEMPT ASPECTS (E) | |
| 16. | AWARD OF H&FS NON-RESIDENTIAL PROPERTY WATER CONTRACT TO WATER PLUS: EXEMPT ASPECTS (E) | |
| 17. | APPOINTMENT OF CLIENT TECHNICAL ADVISOR HAMMERSMITH TOWN HALL REFURBISHMENT PROJECT: EXEMPT ASPECTS | |
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| 19. | REFORMING SPECIALIST HOUSING: EXEMPT ASPECTS (E) | |

London Borough of Hammersmith & Fulham

Cabinet

Minutes



Monday 5 November 2018

PRESENT

Councillor Stephen Cowan, Leader of the Council
Councillor Sue Fennimore, Deputy Leader
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
Councillor Adam Connell, Cabinet Member for Public Services Reform
Councillor Larry Culhane, Cabinet Member for Children and Education
Councillor Wesley Harcourt, Cabinet Member for the Environment
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Sue Macmillan, Cabinet Member for Strategy
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services

ALSO PRESENT

Councillor Adronie Alford
Councillor Victoria Brocklebank-Fowler

66. MINUTES OF THE CABINET MEETING HELD ON 8 OCTOBER 2018

RESOLVED:

That the minutes of the meeting of the Cabinet held on 8 October 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

67. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Andrew Jones.

68. DECLARATION OF INTERESTS

RESOLVED:

There were no declarations of interest.

69. CORPORATE REVENUE MONITOR 2018-19 MONTH 4 - JULY 2018

RESOLVED:

1. To provide a clear steer on intentions with regards to opportunities and available actions to manage the general fund forecast in-year deficit.
2. To note the HRA forecast underspend.
3. To agree the virements detailed in appendix 10 and use of the fire safety reserve to fund £3.640m of costs that are forecast to be incurred on HRA fire Safety work in 2018/19.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

70. BETTER SOLUTIONS FOR COUNCIL LEASEHOLDERS IN HIGH-RISES

Councillor Lisa Homan stated that occasionally the Council had the opportunity to acquire properties previously sold under the Right to Buy scheme which could help increase the supply of affordable housing.

RESOLVED:

1. To delegate authority to the Strategic Director for Growth and Place, in consultation with Strategic Director for Finance and Governance and the Cabinet Member for Housing to acquire properties previously sold under the Right to Buy, focusing on older high-rise blocks, to the total value of £4.9m, of which 30% will be funded from Right to Buy receipts.
2. To approve the creation of a £4.9m budget in the Decent Neighbourhoods Programme Budget to use for acquiring properties previously sold under the Right to Buy, focusing on older high-rise blocks.
3. To delegate authority to the Strategic Director for Growth and Place to take steps to create processes to facilitate implementation of property acquisition and Equity Swap options.
4. To delegate authority to the Strategic Director for Growth and Place, in consultation with Cabinet Member for Housing to acquire properties

previously sold under the Right to Buy through the Equity Swap option for resident leaseholders, within the budget envelope set out in 2.1 above, the final balance between Equity Swap options and cash purchases to be determined by the Strategic Director for Growth and Place, in consultation with Cabinet Member for Housing.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

71. DRAFT TRANSPORT LOCAL IMPLEMENTATION PLAN (LIP3)

RESOLVED:

1. To submit the draft Local Implementation Plan (LIP3) to Transport for London.
2. To issue the draft LIP3 for consultation to the statutory consultees, i.e. the police, organisations representing disabled people, and other boroughs likely to be affected by the consultation,
3. To issue the draft LIP3 for consultation to residents' groups, business groups, environmental and transport interest groups, with an on-line consultation for the public.
4. To note that the Cabinet Member for the Environment, following analysis of the results of the consultation, and comments from TfL, will submit a revised final version of LIP 3 to TfL.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

72. DESIGNATION OF CONSERVATION AREA EXTENSIONS AND CONSERVATION AREA BOUNDARY AMENDMENTS AND ADOPTION OF CONSERVATION AREA CHARACTER PROFILES

Councillor Harcourt stated this report proposed boundary amendments to Conservation Areas, mostly led by local residents and local amenity groups.

RESOLVED:

- 1.1. To approve the designation of an extension to the Brook Green Conservation Area as set out in the plan in Appendix 2 to include the following property:
 - No. 50F Brook Green.
- 1.2. To approve the designation of an extension to the Crabtree Conservation Area as set out in the plan in Appendix 3 to include the following properties:
 - That part of Fulham Cemetery (spur to Munster Road gate), Fulham Palace Road not currently included in the Conservation Area; No. 381 Lillie Road; Lillie Road Fitness Centre, Lillie Road and Lillie Road Recreation Ground, Fulham Palace Road.
- 1.3. To approve the designation of an extension to the Fulham Reach Conservation Area as set out in the plan in Appendix 4 to include the following properties:
 - Nos. 36-44 (even) Chancellors Road and that part of Thames Water Treatment Facility (yard), 46 Chancellors Road not currently in the Conservation Area.
- 1.4. To approve the designation of an extension to the Hurlingham Conservation Area as set out in the plan in Appendix 5 to include the following properties:
 - Nos. 21-23 (odd) Broomhouse Road and that part of No. 25 Broomhouse Road (house and garden) not currently in the Conservation Area.
- 1.5. To approve the designation of an extension to the Ingersoll/Armingers Conservation Area as set out in the plan in Appendix 6 to include the following properties:
 - Garden area to the rear of Nos. 2-48 (even) Armingers Road and east of No. 4 Ethelden Road; that part of Shepherds Bush Mosque (rear yard), Nos. 300-302 (even) Uxbridge Road not currently in the Conservation Area.
- 1.6. To approve the designation of an extension to the King Street (East) Conservation Area as set out in the plan in Appendix 7 to include the following properties:
 - Nos. 1-3a Felgate Mews; Charter House, No. 3a Felgate Mews; that part of No. 130 King Street (rear yards) and that part of No. 162 King Street (rear yard) not currently in the Conservation Area; No. 172 King Street; Nos. 2-4 (even) Studland Street

and to approve the removal of the following properties from the King Street (East) Conservation Area:

- No. 5 Albion Court, Albion Place and that part of Nos. 34-36 (even) Galena Road (rear courtyard) currently in the Conservation Area

and to rename the King Street (East) Conservation Area as:

- Hammersmith Town Hall Conservation Area.

1.7. To approve the designation of an extension to the St Mary's Conservation Area as set out in the plan in Appendix 8 to include the following properties:

- Nos. 683-689 (odd) Harrow Road; commercial building to rear of No. 683 Harrow Road.

1.8. To approve the designation of an extension to the Studdridge Street Conservation Area as set out in the plan in Appendix 9 to include the following property:

- That part of the rear garden of Aragon House Public House & No. 247 New King's Road not currently in the Conservation Area.

1.9. To approve the designation of an extension to the Walham Green Conservation Area as set out in the plan in Appendix 10 to include the following properties:

- No. 7 Dawes Road; Regal Court, Dawes Road; The Gatehouse & The Hub & Carmelita House, No. 20 Dawes Road; Epirus Mansions, Epirus Road; Epirus Flats & Nos. 1-9 (consec.) Epirus Mews; Wahleeah Public House, No. 18 Farm Lane; Nos. 645-651 (odd) Fulham Road; Nos. 312-320 (even) North End Road; Nos. 322-334 (odd) North End Road; Nos. 2-6 (even) Shorrolds Road; Tournay House, No. 2 & Nos. 4-6 (even) Tournay Road; site of former Laundry Building, Samuel Lewis Trust Estate, Vanston Place; part of the Waitrose surface car park (turning head) at the rear of No. 402 North End Road which is not currently within the Conservation Area; that part of the Royal Mail Delivery Office (building and yard), No. 639 Fulham Road not currently in the Conservation Area; that part of No. 643 Fulham Road (rear garden) not currently in the Conservation Area; that part of No. 344 North End Road (rear) not currently in the Conservation Area; that part of No. 358 North End Road (rear) not currently in the Conservation Area; that part of No. 368 North End Road (rear) not currently in the Conservation Area; those parts of Nos. 392-402 (even) North End Road (building) not currently in the Conservation Area; that part of McCoy House (building and yard), No. 1 Shorrolds Road not currently in the Conservation Area

and to approve the removal of the following properties from the Walham Green Conservation Area:

- Nos. 1-20 (consec.) Blunden Court, Farm Lane; part of the Waitrose surface car park and ramp at the rear of No. 402 North End Road which is currently in the Conservation Area; that part of No. 21 Effie Road (building and yard) currently in the Conservation Area.

- 1.10. To approve a boundary amendment to the Moore Park Conservation Area as set out in the plan in Appendix 10 to transfer the following properties to the Walham Green Conservation Area:
- Fulham Broadway Methodist Church, No. 452 Fulham Road; that part of the Fulham Broadway Centre (building and yard), Fulham Road within the Moore Park Conservation Area.
- 1.11. To approve a boundary amendment to the Walham Grove Conservation Area as set out in the plan in Appendix 10 to transfer the following property to the Walham Green Conservation Area:
- Walham House, Walham Grove.
- 1.12. To adopt the Colehill Gardens, Hammersmith Town Hall and Old Oak & Wormholt Conservation Area Character Profiles as set out in Appendices 11-13.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

73. BUSINESS CASE & PROCUREMENT STRATEGY - APPROVAL TO PROCURE CONTRACTOR FOR DRAINAGE AND LANDSCAPE WORK AT SHEPHERDS BUSH GREEN

Councillor Harcourt stated that the poor drainage across the common meant that large areas were frequently not useable following periods of heavy rain. The aim of this paper was to address these drainage and landscape issues across the open area of the site.

RESOLVED:

That in accordance with the Council's Contracts Standing Orders 8.12 and 10.2 Cabinet approves the Business Case & Procurement Strategy for the procurement of a contractor to complete the landscaping and drainage works at Shepherds Bush Green, as set out in Appendix 1, with an estimated value of £350,000.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

74. THE HAMMERSMITH AND FULHAM PLASTIC FREE POLICY PROPOSAL

RESOLVED:

1. To approve the Hammersmith and Fulham Plastic-Free Policy Statement.
2. To approve the Hammersmith and Fulham Plastic-Free campaign for residents and businesses, including the promotion of pledges.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

75. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

76. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the remaining items of business on the grounds that they contain information relating to the financial or business affairs of a person (including the authority) as defined in paragraph 3 of Schedule 12A of the Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

The following is a public summary of the exempt information under S.100C (2) of the Local Government Act 1972. Exempt minutes exist as a separate document.

77. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 8 OCTOBER 2018 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 8 October 2018 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

78. **BETTER SOLUTIONS FOR COUNCIL LEASEHOLDERS IN HIGH-RISES: EXEMPT ASPECTS (E)**

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:


None.

Note of dispensation in respect of any declared conflict of interest:

None.

Meeting started: 7.00 pm
Meeting ended: 7.05 pm

Chair

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">3 DECEMBER 2018</p>	<p style="text-align: right;">Agenda Item 4</p> 
<p style="text-align: center;">CORPORATE REVENUE MONITOR 2018/19 MONTH 5 – 31ST AUGUST 2018</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For decision and for information</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Director Finance & Governance</p>	
<p>Report Author: Emily Hill – Assistant Director, Corporate Finance</p>	<p>Contact Details:</p> <p>Tel: 020 8753 3145</p> <p>Emily.Hill@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. Section 151 of the 1972 Local Government Act requires the Chief Financial Officer (as the responsible officer) to ensure proper administration of the Council's financial affairs. This monitoring report is part of the Council's 2018/19 budgetary control cycle. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Cabinet Members, the Chief Executive, and Directors in discharging the statutory responsibility.
- 1.2. The month 5 General Fund forecast outturn variance is an unfavourable **£6.364m**. Action plans of **£1.889m** are proposed as partial mitigation. If delivered they will reduce the forecast overspend to **£4.475m**. The Strategic Leadership Team and Cabinet need to identify further mitigating actions that will reduce the forecast overspend.
- 1.3. The High Needs Block and Early Years Block, funded through Dedicated Schools Grant (DSG), is forecast to be overspent by a cumulative £14.232m at the close of 2018/19. This is £0.8m greater than at month 4. Cabinet have previously approved the set aside of reserves of £13.432m to meet the forecast deficit.
- 1.4. A government announcement was made that an extra £240m will be made available to ease NHS winter care pressures. Indicative modelling suggests that the LBHF share could be £0.918m. This has yet to be confirmed and the use of the funding will

be subject to discussion with Health partners. No allowance for this funding is made in the month 5 forecast.

1.5. The HRA forecast is a favourable variance of **£4.366m**.

2. RECOMMENDATIONS

- 2.1. To note the forecast General Fund outturn and require the Strategic Leadership Team and Cabinet to identify further mitigating actions that offset the forecast overspend.
- 2.2. To increase the sum set aside in reserves for the forecast overspend against the High Needs Block and Early Years Block Dedicated Schools Grant by £0.8m to £14.432m.
- 2.3. To note the HRA forecast underspend.

3. REASONS FOR DECISION

- 3.1. To report the revenue expenditure position and comply with Financial Regulations.

4. MONTH 5 GENERAL FUND

- 4.1. The forecast month 5 overspend is **£6.364m** with risks of £11.799m identified. This compares to a forecast overspend of £4.887m at month 5 last year.

Table 1: 2018/19 General Fund Gross Forecast Outturn Variance – Month 5

Department ¹	Revised budget month 5 £m	Forecast outturn variance month 5 £m	Forecast outturn variance month 4 £m
Children's Services	40.357	2.735	2.690
Corporate Services	0.409	(0.048)	(0.192)
Finance & Governance	2.902	0.326	0.351
Growth & Place	9.514	(0.442)	(0.451)
Public Services Reform	2.811	4.658	2.615
Residents' Services	63.388	1.659	1.627
Controlled Parking Account	(23.331)	(0.899)	(0.907)
Social Care	51.343	1.260	1.331
Centrally Managed Budgets	20.454	(0.260)	(0.010)
Total	167.847	8.989	7.054

¹ Figures in brackets represent underspends/ favourable movements

Department ¹	Revised budget month 5 £m	Forecast outturn variance month 5 £m	Forecast outturn variance month 4 £m
Adjustment for limiting use of the unallocated contingency to 50% (£0.850m) and not distributing the contingency (£1.775m) held for the 2018/19 pay award (Cabinet Decision Corporate Revenue Monitor Month 2).	0.000	(2.625)	(2.625)
Revised Overspend	167.847	6.364	4.429

- 4.2. Action plans received from departments to mitigate the forecast overspends are summarised in table 2. All overspending departments will need to respond with further actions to reduce the net forecast overspend by year-end. Delivery of action plans has been assigned to relevant responsible officers. The forecast variance, net of planned mitigations is £4.475m (£1.955m at month 4). The Strategic Leadership Team and Cabinet will consider what further actions can be taken to address the forecast overspend.

Table 2: Summary of net forecast outturn variances after action plans

Department	Gross forecast outturn variance month 5 £m	Potential value of action plan mitigations month 5 £m	Forecast outturn variance net of planned mitigations £m
Children's Services	2.735	0.190	2.545
Corporate Services	(0.048)	0.000	(0.048)
Finance & Governance	0.326	0.200	0.126
Growth & Place	(0.442)	0.000	(0.442)
Public Services Reform	4.658	0.000	4.658
Residents' Services	1.659	0.294	1.365
Controlled Parking Account*	(0.899)	0.000	(0.899)
Social Care	1.260	1.205	0.055
Centrally Managed Budgets	(0.260)	0.000	(0.260)
Total	8.989	1.889	7.100

Department	Gross forecast outturn variance month 5 £m	Potential value of action plan mitigations month 5 £m	Forecast outturn variance net of planned mitigations £m
Adjustment for limiting use of the unallocated contingency to 50% and not distributing the contingency held for the 2018/19 pay award.	(2.625)	0.000	(2.625)
Revised Overspend	6.364	1.889	4.475

5. CORPORATE REVENUE MONITOR 2018/19 MONTH 5 HOUSING REVENUE ACCOUNT

- 5.1. The Housing Revenue Account is currently forecasting a favourable outturn variance of £4.366m at month 5 (Appendix 9).

Table 3: Housing Revenue Account forecast outturn - month 5

Housing Revenue Account	£m
Balance as at 31 March 2018	(9.946)
Less: Budgeted (contribution) / appropriation from balances	1.835
Add: Forecast favourable outturn variance	(4.366)
Projected balance as at 31st March 2019	(12.477)

6. DEDICATED SCHOOLS GRANT (DSG)

- 6.1. The cumulative total DSG deficit balance carried forward to 2018/19 was £7m with an additional £7.4m deficit now forecast in 2018/19. This is a further increase of £0.8m from month 4.
- 6.2. Cabinet previously approved that reserves of £13.4m be set aside against the forecast deficit. It is recommended that this be increased to £14.2m.
- 6.3. A dedicated project team is looking at options to tackle the underlying funding deficit.
- 6.4. An emergent risk has also been identified for 2019/20 regarding Early Years funding because of the commitment to fund school nurseries on a protected budget share basis. Activity and therefore income to fund commitments is less than budgeted for 2018/19. The precise pressure on the budget will be understood

following October 2018 and January 2019 census which will determine final grant allocations. A further pressure is shown in risks for 2018/19 to reflect a possible further adverse movement in early years participation. Opportunities to partially mitigate the likely pressure and risk is being modelled.

Table 4: Dedicated Schools Grant

	£m
DSG deficit brought forward from prior years	7.032
In-year forecast deficit	7.200
Forecasted deficit at end of 2018/19 financial year	14.232

7. GENERAL FUND RESERVES UPDATE

7.1 Reserves can only be spent once. The latest reserves forecast to 2021/22 is summarised in Table 5.

Table 5 – Reserves forecast to 2021/22

General Fund summary	Opening balance	Budgeted contributions to 2021/22	Known commitments to 2021/22	Available balance
	£000's	£000's	£000's	£000's
General balances	(19,004)	0	0	(19,004)
Earmarked reserves	(79,146)	(7,691)	42,615	(44,222)
	(98,150)	(7,691)	42,615	(63,226)
Earmarked restricted	(15,583)	0	0	(15,583)
Total	(113,733)	(7,691)	42,615	(78,809)

7.2 Within the table:

- Known commitments identify where approval has been given to use a reserve for a specific purpose (for example invest to save schemes, IT Strategy Investment or managed services implementation).
- Restricted reserves are those which there is a constraint on how they can be used (for example the insurance fund).
- General balances equate to 3.3% (12 days) of gross general fund spend (£575m). They fall within the range, £14m to £20m, identified within the 2018/19 revenue budget report as sufficient to allow for identified risks and to support effective medium term financial planning.

7.3 The forecast in Table 5 does not include further anticipated uses of reserves for which members are yet to make decisions an important example being expected use of reserves to fund the relocation of officers as part of the Town Hall refurbishment.

8. VIREMENTS & WRITE OFF REQUESTS

8.1. Cabinet is required to approve all budget virements that exceed £0.1m. No virements are requested in month 5.

9. CONSULTATION

9.1. All departments.

10. EQUALITY IMPLICATIONS

10.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the adjustments to the budgets required because of this Corporate Revenue Monitor.

10.2. In the event that any such adjustments might lead to a service change that could have a negative impact on groups with protected characteristics then an Equality Impact Assessment will need to be carried out.

10.3. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

11. LEGAL IMPLICATIONS

11.1. There are no legal implications for this report.

11.2. Implications verified by: Rhian Davies, Borough Monitoring Officer, tel. 07827 663794

12. FINANCIAL IMPLICATIONS

12.1. This report is financial in nature and those implications are contained within.

12.2. Implications completed by: Gary Ironmonger, Finance Manager, 0208 753 2109.

13. IMPLICATIONS FOR BUSINESS

13.1. There are no implications for local businesses.

13.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

14. COMMERCIAL IMPLICATIONS

- 14.1. The report seeks the approval of strategies developed to bring any staffing overspends in line with allocated budgets.
- 14.2. There are no procurement implications. Commercially, these strategies will have a positive impact on the Council's budgets and spending.
- 14.3. Implications completed by: Andra Ulianov, Procurement Consultant, x2284

15. IT STRATEGY IMPLICATIONS

- 15.1. There are no IT implications for this report.
- 15.2. Implications verified/completed by Howell Huws, Head of Contracts and Operations, tel. 020 8753 5025.

16. RISK MANAGEMENT

- 16.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.
- 16.2. Revenue expenditure against budget is monitored by regular reports to the Strategic Leadership Team and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council, and provide details of any projected additional budget pressures and risks, or any significant under or overspends. As the Section 151 Officer, the Strategic Director of Finance and Governance is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets.
- 16.3. Effective monitoring assists in the provision of accurate and timely information to Members and officers and allows services to better manage their resources. Corporate Revenue Monitoring contributes to the delivery of all Council Priorities but chiefly Being Ruthlessly Financially efficient and sound risk management.
- 16.4. There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the medium term:
 - Achievement of challenging savings targets.
 - Austerity imposed by national government and its impact on Local Government.
 - Brexit and the state of the UK economy.

- Commissioning and Procurement outcomes.
- Impact of the fall in the pound on inflation and pay.
- Demand-led Service Pressures E.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the various Grant Claims.
- Movement in interest rates.

Risks associated with specific services are mentioned elsewhere in this report.

16.5. Implications verified/completed by: Michael Sloniowski, Risk Manager, tel 020 8753 2587, mobile 07768 252703

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES

Appendix	Title
Appendix 1	Children's Services Revenue Monitor
Appendix 1a	Dedicated Schools Grant
Appendix 2	Corporate Services Revenue Monitor
Appendix 3	Finance & Governance Revenue Monitor
Appendix 4	Growth & Place Revenue Monitor
Appendix 5	Public Service Reform Revenue Monitor
Appendix 6	Residents' Services Revenue Monitor
Appendix 6a	Controlled Parking Account Revenue Monitor
Appendix 7	Social Care Revenue Monitor
Appendix 8	Centrally Managed Budgets Revenue Monitor
Appendix 9	Housing Revenue Account Revenue Monitor

APPENDIX 1: CHILDREN'S SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Family Services	27,681	2,559	2,484
Special Educational Needs and Disabilities	7,338	351	359
Education	872	0	0
Assets, Operations & Planning	4,556	(175)	(153)
School Funding	(90)	0	0
TOTAL	40,357	2,735	2,690

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Family Services		

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
<p>Family Services Social Care Placements - overspend primarily due to the continued increase in service demand, higher unit costs and more complex needs. Funding is not through a formula based on head count meaning that as demand is rising and the budget is reduced for savings, there is limited possibility to contain expenditure within budget.</p> <p>Looked after children numbers have increased to 240 in April 2019 compared with 185 in March 2015. An increase of 55 children at an average cost of £50k per child.</p> <p>As with other London Boroughs, we are seeing a rise in demand from adolescents at risk due to knife crime, child sexual exploitation and children being used for drug trafficking (County lines). Work continues to ensure that the forecast is robust and that young people are placed in the most appropriate placement type for their need.</p> <p>The net increase from period 4 (£0.340m) is predominantly caused by 23 new individuals placed totalling £0.347m. In addition, adjusted end dates and level of care have added £0.171m.</p> <p>£0.132m has been added for section 17 expenditure on escorts and sessional staff which was previously included in the Family Support and Child Protection non-placements forecast.</p> <p>This increase is offset by 12 individuals leaving their placements (-£0.131m) and 5 step-downs reducing the forecast by £0.094m. Contingency has also been reduced by £0.056m and other minor changes have reduced the forecast by £0.030m.</p> <p>The forecast assumes contingency of £0.394m or circa 6.4 FTE which is modelled on 2017/18 net new placements.</p>	2,141	1,801
<p>The Dubs special project to take additional children was intended to be centrally funded as it sits outside the usual remit of children's services. The net overspend on Dubs is £0.169m after allowing for £0.239m growth in the 2018/19 budget and all associated grant income. This overspend is expected to rise to £0.260m in 2019/20 based on the full year cost of placements and changes to associated income. Costs rise as young people become care leavers as the grant income falls significantly.</p>	169	169

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
<p>Family Support and Child Protection Staffing pressures arising from the need to use agency staff whilst permanent recruitment is taking place and due to demand pressures (3 additional social workers) are being covered in year through the one-off use of reserve funding of £0.348m.</p> <p>The decrease in forecast from period 4 relates to additional placement related overspend on escorts and sessional staff of £0.242m being reduced and reallocated following a review of the expenditure. £0.146m has moved to the family services placements forecast and £0.030m to Special Education Needs & Disabilities placement forecasts with the remaining forecast removed. This decrease is partly offset by a £0.050m forecast for Children in Need under 3 nursery placements.</p>	6	199
<p>Contact and Assessment Service - The staffing overspend forecast has been eliminated by the service reducing the agency staff to 3 from 10 within the next 3 months having successfully interviewed 3 agency staff to fill newly qualified social worker vacant posts. The remainder has been mitigated by applying previously undistributed staffing inflation budget. Clarity over funding for historical income budgets is being sought to address the remainder of the Contact and Assessment overspend.</p>	91	91
<p>LAC and Leaving Care Non-placement costs - projected increase in service user related travel expenses, interpreter's fees and an additional security requirement as necessary for challenging service users.</p>	187	189
Other minor variances.	(35)	35
Total of Family Services	2,559	2,484
Special Educational Needs and Disabilities		
<p>Children with Disability Placements - pressure from prior years in relation to complex needs of the current cohort. The total budget for residential children's homes is £1.1m of which one placement accounts for £0.6m. This placement is due to age out in 2019/20.</p>	257	282
<p>DCT, Short Breaks and resources - there is a one off in year pressure on contract expenditure following the delayed opening of the Stephen Wiltshire Centre.</p>	40	40
Other minor variances	54	37
Total of Special Educational Needs and Disabilities	351	359

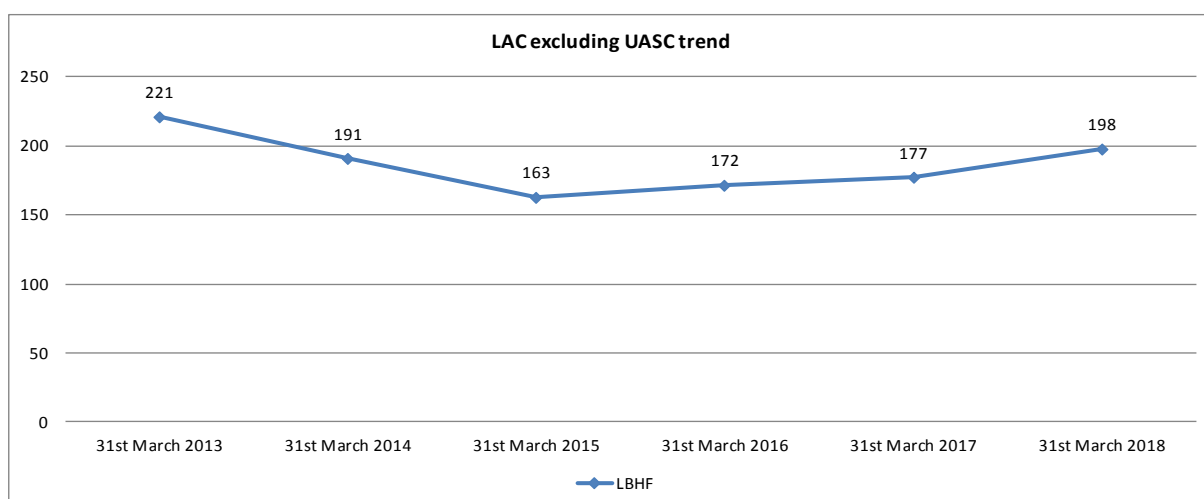
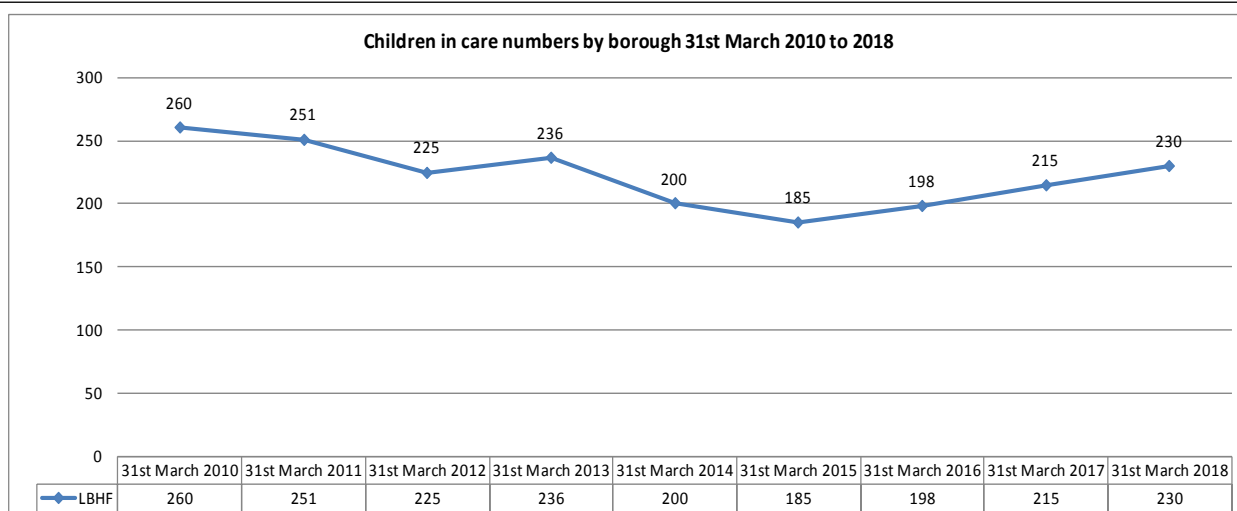
Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Education Service		
No net variance reported	0	0
Total of Education	0	0
Assets, Operations & Planning		
<p>The underspend predominantly relates to staffing budget held here prior to being allocated out to the service as part of a staffing budget realignment. This will take place in August so staff budgets reflect the new structures implemented as part of 'Moving On'. This underspend partly offsets staffing overspends in Family Services.</p> <p>Although mitigated in year, an overall staffing variance will remain due to pressures in individual services and an overall pressure caused by the unbudgeted 2% pay award estimated at £0.350m.</p> <p>The reduction in forecast from period 4 relates to the recoding of one business support staff member to Education and a reduced call on funds allocated to offset safeguarding overspend.</p>	(175)	(153)
Total of Assets, Operations & Planning	(175)	(153)
TOTAL VARIANCE	2,735	2,690

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Tower Hamlets Judgement - the likely liability should all connected carers be paid carers fees for prior years possibly back to 2011 is estimated to be in the region of £2.1m. Three families (6 children) have brought claims in previous financial years via the same solicitors totalling £141k. In 2018/19 one family has brought a claim in April with costs expected to be c£20k.	2,100	2,100

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
<p>New Burdens funding - The introduction of the Children and Social Work Act 2017 provides all care leavers up to the age of 25 with access to a personal advisor. We have a duty to provide a service to young people who are 21 or over and not in education, previously our involvement would have ended. The main impact and cost will be the additional social work resource required to support this new co-hort.</p> <p>The 2018/19 New Burdens grant has allocated £15k for this additional support. Initial calculation based on the DfE's assumptions of level of support required have costed the social work resource required as £65k. As this is a new duty on local authorities, it is not yet clear what the likely impact will be.</p>	45	45
<p>Children with Disability Placements - the forecast contains £0.060m contingency for demand led growth so the risk has been reduced. Any net increase in demand above this will increase the overspend on the service. The risk estimate is based on one additional placement with significant complex needs.</p>	190	250
<p>UASC - Risk of cases moving into Care Leavers with ongoing costs.</p>	TBC	TBC
<p>Placements - Placement savings through LAC and Family Assist continue to be monitored to ensure that delivery is on track. The continuing high cost placements forecast puts pressure on this activity being delivered. The number of young people in residential care remains small, however, they are often complex expensive cases meaning that LAC assist must work with the young person for some time before they can be considered for step-down or non-residential placement. In addition to the contingency for net placement increase in year of circa £0.5m, there is a risk of further exceptional demand growth, particularly from high cost residential placements.</p>	300	300
TOTAL RISKS	2,635	2,695

Supplementary Monitoring Information

Trend data for Looked After Children (LAC) is presented in the graphs below.



	Children in Care numbers					Children in Care rates					Decrease/ increase
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017	
England	68,070	68,820	69,500	70,450	72,670	60	60	60	60	62	3%
London	10,080	10,110	9,980	9,860	9,910	54	54	52	51	50	-7%
LBHF	235	205	185	200	215	72	61	55	58	61	-15%

**APPENDIX 1a: DEDICATED SCHOOLS GRANT
BUDGET REVENUE MONITORING REPORT MONTH 5**

Table 1 - Variance by Departmental Division			
Dedicated Schools Grant - Paid in support of the Local Authority's School Budget	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
High Needs Block Expenditure	17,950	6,400	6,400
Early Years Block Expenditure	19,520	800	0
Schools Block Expenditure	38,100	0	0
Central School Services Block Expenditure	4,400	0	0
DSG Income	(79,970)	0	0
TOTAL	0	7,200	6,400

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
High Needs Block (<i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i>)		
A full system review is being undertaken to reconcile activity, funding, and expenditure. A project team and governance is in place to identify opportunities and work streams to recover the financial position on the High Needs Block for the Local Authority and to support Special Schools with their financial planning and efficiency.		
The forecast overspend of £6.4m in 2018/19 is based on levels of expenditure coming into the new financial year and before mitigations and actions resulting from the High Needs Block Recovery Project. The forecast allows for growth of £0.6m from increasing numbers of Education and Healthcare plans versus the 2017/18 baseline.	6,400	6,400
Analysis is being undertaken to explore the opportunities for expenditure reduction and income generation in 2018/19 and beyond.		
Total of High Needs Block	6,400	6,400
Early Years Block (<i>Funding for Early Years including Two-Year-Old funding and Early Years Pupil Premium</i>)		

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
<p>There is an emerging pressure on the Early Years Block in 2018/19 because of the commitment to fund school nurseries on a protected budget share basis. Activity and therefore income to fund commitments is less than budgeted for 2018/19.</p> <p>The precise pressure on the budget will be understood following October 2018 and January 2019 census which will determine final grant allocations. A further pressure is shown in risks for 2018/19 to reflect a possible further adverse movement in early years participation.</p> <p>Opportunities to partially mitigate the likely pressure and risk is being modelled.</p>	800	0
Total of Early Years Block	800	0
Schools Block (<i>This budget of the DSG forms the core funding for mainstream maintained schools</i>)		
Nil variance forecast. The budget has been set for 2018/19 on available activity data	0	0
Total of Schools Block	0	0
Central School Services Block (<i>Funding for the Local Authorities ongoing responsibilities</i>)		
Nil variance forecast	0	0
Total of Central School Services Block	0	0
TOTAL VARIANCE	7,200	6,400

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
<p>Early Years Dedicated Schools Grant Funded Expenditure 2018/19 Risk</p> <p>£0.8m of cost pressure is included in the period 5 forecast position. There is a further estimated risk of £0.8m in 2018/19 due to rebasing of Early Years Dedicated Schools Grant funding by DfE for both 2017/18 (retrospective adjustment) and 2018/19 in June 2018, and higher than budgeted expenditure for the summer term 2018.</p> <p>Finance are modelling the impact with summer term Early Years census data and activity trend data to determine the likely pressure together with the development of options for mitigation.</p>	800	800 - 1,200
<p>A key risk to High Needs is demand led growth and increasing numbers of Education & Health Care Plans and caseloads. The risk will be updated when data is available around the SEN cohort for the academic year starting September 2018.</p> <p>This risk is in addition to the £500k demand growth versus 2017/18 already assumed in the forecast.</p>	600	600
<p>There has been a request from the Clinical Commissioning Group for an increased contribution to the Speech and Language Contract in 2018/19, which, if agreed, could see a significant increase in the contract value per annum.</p>	330 - 500	330 - 500
2018/19 RISKS	1730 - 1900	1730 - 2300

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
<p>Early Years Dedicated Schools Grant Funded Expenditure 2019/20 Risk</p> <p>There is an emerging risk for 2019/20 with respect to the Early Years National Funding Formula (NFF). A change in the NFF requires Local Authority to passport funding via the Early Years Dedicated Schools Grant (EY DSG) to all providers based on a participation (activity model) with standard unit rates. This will have an adverse financial impact on the budgets of schools in LBHF who have benefitted from protected payments via lump sum payments until 2018/19. Private and voluntary nursery providers in the borough are likely to see a benefit from this change.</p> <p>2 Maintained Nursery Schools - Current risk of £1.0m is the full year effect of the EY DSG funding reduction in 2019/20, as there are no firm proposals in the Early Years (EY) Strategy to mitigate this. Options and decisions still need to be made. Work is being undertaken to establish the cost of activities that are not DSG funded and to ensure DSG funded Early Years provision is provided within the funding envelop.</p> <p>2 Maintained Nursery Schools - Risk of £0.15m. There are currently proposals being modelled to identify a sustainable nursery education provision from September 2019. There is a risk to the sustainability in the Summer term 2019 with respect to the period between the change in the EY funding model from Department of Education and the end of the academic year. The risk is the estimated cost of maintaining the full offer to the current cohort of children until July 2019. This would entail approximately 5/12ths of the annual budget. The risk may be mitigated by financial planning in the schools and the availability of schools reserves to cover the transition.</p> <p>The financial impact on Maintained Primary Schools with Nurseries from 2019/20 is estimated at £0.200m for the Summer term 2019. This is a worst-case scenario for schools most adversely impacted and if schools were not able to contain within their financial planning.</p>	<p>1,350 (2019/20)</p>	<p>1,350 (2019/20)</p>
2019-20 RISKS	1,350	1,350

**APPENDIX 2: CORPORATE SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 5**

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Human Resources	117	40	0
Executive Services	333	(312)	(312)
Communications	(41)	224	120
TOTAL	409	(48)	(192)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
COMMUNICATIONS		
Forecast overspend mainly due to underachievement of traded income within the print service. At this stage, it is expected that activity will be in line with that incurred in 2017/18.	224	120
TOTAL COMMUNICATIONS	224	120
EXECUTIVE SERVICES		
Underspends are forecast on salaries across the division.	(312)	(312)
TOTAL EXECUTIVE SERVICES	(312)	(312)
HUMAN RESOURCES		
	40	0
TOTAL HUMAN RESOURCES	40	0
TOTAL VARIANCE	(48)	(192)

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
None to report	0	0
TOTAL RISKS MANAGED	0	0

**APPENDIX 3: FINANCE AND GOVERNANCE
BUDGET REVENUE MONITORING REPORT MONTH 5**

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Facilities Management and Building Control	394	73	105
Legal and Democratic Services	(76)	0	0
IT Services	539	253	246
Finance	2,078	0	0
Audit, Fraud and Insurance	(33)	0	0
TOTAL	2,902	326	351

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
FACILITIES MANAGEMENT AND BUILDING CONTROL		
Civic Accommodation: Overall overspend due to: unachievable savings and rental income offset by overachievement of rental income (£44k) mainly from Hammersmith Town Hall.	99	97
BPM Business Support - underspend in staffing costs due to a vacant post in the second half of the year.	(36)	(2)
Depot Recovery: Unachievable rent income - under terms of the contract the Council is unable to recharge Amey for the usage of depot.	10	10
TOTAL FACILITIES MANAGEMENT AND BUILDING CONTROL	73	105
IT SERVICES		
Additional external support costs for the Office 365 platform	122	122
Shared service staffing required to support the current IT service	126	126
Minor Variance	5	(2)
TOTAL IT SERVICES	253	246
LEGAL AND DEMOCRATIC SERVICES		
Legal Services: External income, especially from conveyancing work, could present itself as a risk if the expected number of hours to be undertaken does not manifest itself throughout the year.	20	20

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Election Services: The service has received a 58% reduction in Government grant for Individual Electoral Registrations since 2015/16, whilst the costs of statutory services relating to contacting residents have been increased due to the growth in the borough profile.	50	50
Governance and Scrutiny: Underspends across the service mainly due to vacancies held and a reduction in lease hire costs.	(70)	(70)
TOTAL LEGAL AND DEMOCRATIC SERVICES	0	0
FINANCE		
	0	0
TOTAL FINANCE	0	0
AUDIT, FRAUD, AND INSURANCE		
	0	0
TOTAL AUDIT, FRAUD AND INSURANCE	0	0
TOTAL VARIANCE	326	351

Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
TFM Contract: Unplanned costs arising from the termination of the LINK shared service.	400	400
Lila Huset building - If rent arrears dispute not resolved and a new tenant not found.	450	450
Additional resource may be required to fund the Coroner's service to clear a backlog of cases. This has not been factored into the forecasts at this stage.	TBC	TBC
TOTAL RISKS MANAGED	850	850

Supplementary Monitoring Information

It should be noted that Facilities Management and Building Control transferred over to Finance and Governance effective from the 9th July.

Finance and Governance is a support function. Trends used to inform expenditure forecasts include number of employees and their monthly cost, including those recruited via agencies, any other expenditure in prior periods and financial years and contract payments, including fixed and variable amounts. Trends used to inform income forecasts (mainly services recharged to other departments for legal, IT, property works etc) are demand related, examples include number of hours of case work, number of devices or log ins and property charges above the fixed contract level.

**APPENDIX 4: GROWTH AND PLACE
BUDGET REVENUE MONITORING REPORT MONTH 5**

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Housing Solutions	7,605	(518)	(486)
Housing Strategy & Growth	212	0	0
Economic Development, Skills Service	877	0	0
Planning	1,087	21	20
Finance & Resources	227	0	0
Programme Management	19	0	0
Property Services	87	0	0
Development & Regeneration	5	0	0
Building and Property Management	(605)	55	15
TOTAL	9,514	(442)	(451)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Housing Solutions		
There is a forecast increase in average client numbers (from a budget of 921 units to a forecast of 1,039 compared to 1,043 at CRM 4) in Private Sector Leased (PSL) temporary accommodation schemes.	514	604
There is a forecast reduction in average client numbers (from a budget of 190 clients to a forecast of 152 compared to 159 at CRM 4) in Bed and Breakfast (B&B) temporary accommodation. It is also expected that there will be an increase in the bad debt provision of £86k due to an increase in the number of former tenants as client numbers fall.	(222)	(280)
Flexible Homelessness Support Grant provided by central Government to cushion the impact of the removal of the management fee for Temporary Accommodation (after allocating £207,600 to B&B, £2,253,400 to PSL and deducting an assumed £110,000 which we expect Registered Providers to claim to cover lost management fees). Government have stated the aim is to 'empower LAs with the freedom to support the full range of homelessness services they deliver' and plan their provisions with more certainty. It should be noted that so far this is only promised for 18/19 (£3.38m) and 19/20 (£2.81m) so there is a risk of significant budget pressure thereafter.	(810)	(810)
TOTAL of Housing Solutions	(518)	(486)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Housing Strategy & Growth		
	0	0
TOTAL of Housing Strategy & Growth	0	0
Economic Development and Skills Service		
	0	0
TOTAL of Economic Development & Skills Service	0	0
Planning		
Development Management - an overspend of £109k relates to exceptional costs for Counsel, legal and other specialist advice on a number of specific applications. This is partially offset by other minor variances of (£26k) mostly relating to vacant posts.	83	86
Planning Regeneration - this relates to minor staffing, running cost and income variances.	7	(15)
Policy - this relates to staffing vacancies mainly arising from interim arrangements pending senior management recruitment.	(69)	(51)
TOTAL of Planning	21	20
Finance & Resources		
	0	0
TOTAL of Finance & Resources	0	0
Programme Management		
	0	0
TOTAL of Programme Management	0	0
Property Services		
	0	0
TOTAL of Property Services	0	0
Development & Regeneration		
	0	0
TOTAL of Development & Regeneration	0	0
Building and Property Management (BPM)		

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Rent and Other Properties: There is a forecast unachievable rental income of £111k, repairs and maintenance for Lyric Theatre of £10k.	121	33
Valuation Services: there are forecast underspends on legal costs (£26k), staffing recharges of (£30k) and carbon reduction energy rebates (£10k).	(66)	(18)
Total of BPM	55	15
TOTAL VARIANCE	(442)	(451)

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Overall benefit cap	131	150
Direct payments (Universal Credit)	102	116
There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast	380	434
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	158	180
There is a risk of large families being accommodated in B&B	151	172
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	295	337
Several Economic Development schemes are awaiting formal approval to use Section 106 funds.	1,098	892
Adult Learning & Skills Service - If the Adult Community Learning Centre (ACLC) is decanted from present site and no alternative site is confirmed, then total fees income shortfall could be £145,833 (£250,000 full academic year /12*7 months Sept to March).	146	146
Earmarked reserves have been utilised in recent years to accommodate the accumulated effect of annual reductions in grant funding for the Adult Learning & Skills service. The current risks exceed the funding available in the earmarked reserve.	285	285
Affordable housing and regeneration projects - feasibility studies on GF land, e.g. Linford Christie stadium	450	450
There is a risk that the costs of current and future work in producing Supplementary Planning Documents will exceed the budgets and funding available.	50	50

Table 3 - Key Risks - Detail Items Over £250,000

Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is a risk of an overspend against the budget.	590	593
Expenditure incurred on disposed assets cannot be met by disposal receipts and on properties not being sold.	20	20
Lyric Theatre - Unfunded repairs and maintenance costs above the agreed cap of £50k.	100	100
TOTAL RISKS MANAGED	3,955	3,925

Supplementary Monitoring Information

Long Term Trends:

The Temporary Accommodation (TA) service faces a long-term trend of:

- rising rents,
- constraints on income collection because of Welfare Reform
- increases in demand from homeless families.

The number of households in Temporary Accommodation is increasing annually (1,214 at April 16; 1,324 at April 17; 1,444 at April 18). The current number of households in Temporary Accommodation is 1,440 and this represents a rise of over 18% since April 2016 at a time when the London average has increased by only 5%. TA numbers are projected to increase to 1,559 at April 19; 1,674 at April 20 and 1,789 at April 21.

Since the Homelessness Reduction Act came into effect in April 2018, there has been a significant increase in homelessness approaches and caseloads. 363 new Part 7 homeless applications were made between April 18 and August 18, an average of 73 per month. This compares to 173 for April 17 to August 17, an average per month of 35 and an average of only 27 per month in the last quarter of 2017/18. This is an increase of 110% when compared to the same period last year.

The number of housing enquiries has also more than doubled (108% increase) when April to August 18 are compared with the same period in 2017, the average is now 216 approaches per month, compared with 99 per month for the same period last year. This covers unique visits to Assessment and Prevention for housing related advice and assistance, either in person, by phone or by email. It includes instances where a homeless application is made, and those where just advice was provided.

Supplementary Monitoring Information

Another significant pressure on the service, is the new requirement within the Homelessness Reduction Act, to carry out individual Personal Housing Plans with each eligible person who is either homeless or threatened with homelessness. This is a completely new duty, so direct comparisons cannot be made with previous years. However, these more tailored plans, created around the unique requirements of each person are taking an average of 2 hours each. (This length of time is being commonly reported across London). Even with a third of cases 'failing to engage' (which again is comparable with other London authorities), it is an increase of 4.3 hours of work per day.

The service is focussing on tightly managing its acceptance duty. Costs are being managed and the risk of further cost pressures is being monitored and managed closely as part of a package of measures within the Temporary Accommodation strategy.

The Flexible Homelessness Support Grant provided by Government is cushioning the Council from the impact of the removal of the management fee for Temporary Accommodation. This and other related government grants will diminish next year and potentially disappear from 2020/21 as Government has not confirmed further allocations beyond next year. This could result in the loss of at least £4.2m and potentially up to £9.3m of grant between this year and 2021/22 and a worst-case scenario of £4m per year thereafter if no new Government grant allocations are confirmed. Cabinet in October have been asked to approve an investment in private rented sector accommodation to reduce numbers in temporary accommodation, however assuming this mitigating procurement strategy is successful, there remains a risk of a net loss of income on the General Fund of at least £2.1m and potentially up to £7.2m over the same period.

Planning income in recent years has fluctuated between £3.5m (2016/17), £3.1m (2017/18) and is currently forecast to reach £3.7m in 2018/19. The forecast is being closely monitored and any variance from the income target will be reported here.

The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:

- Changes to the statutory charging schedule
- Economic factors such as the impact on planning activity of Brexit
- Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation
- Changes to pre-application charging fees and Planning Performance Agreement templates
- Local and wider market conditions
- Availability of development sites in the borough
- Developers by-passing the pre-application process as it is not compulsory
- Reduced developer confidence in the service through reduced staffing - may be less likely to fund Planning Performance Agreements
- Government schemes to encourage house building, including grant schemes
- Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)
- Adverse weather conditions

APPENDIX 5: PUBLIC SERVICES REFORM
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Public Services Reform	2,811	4,658	2,615
TOTAL	2,811	4,658	2,615

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Public Services Reform		
Potential underachievement on external sales	2,482	1,862
Family Support. £1m of this overspend relates to unachieved savings. The forecast is calculated assuming no contracts novate to the Family Support until 2019/20 and working capital payments of £310k each month. While there is the potential for the delivery of these savings to be passed over to Family Support it is highly unlikely that they will be able to deliver savings this financial year. An open book arrangement will be introduced.	1,381	0
Advertising Hoardings: mainly due to shortfall in income from profit sharing sites and new sites that did not proceed. The movement relates to unanticipated changes from the Bentworth Road site.	646	603
Supporting People - £209k of 2018/19 savings target of £359k relating to Mental Health Contracts have been identified.	150	150
TOTAL VARIANCE	4,658	2,615

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Contract management savings – reported as high risk against delivery in April. Therefore 50% of savings (£1,000k budget change 18/19) to be delivered reported as a risk.	500	500
TOTAL RISKS MANAGED	500	500

Supplementary Monitoring Information
<p>Much of the expenditure in PSR relates to contract payments or regular payments to third sector providers. Information used to forecast includes a schedule of commitments, contract documentation and any changes in demands for services.</p> <p>For income streams a pipeline of opportunities is used to forecast for commercial activity. The advertising hoarding forecast is calculated on a site by site basis.</p>

APPENDIX 6: RESIDENTS' SERVICES
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Cleaner, Greener & Cultural Services	8,951	16	20
Transport and Highways	12,912	148	170
Leisure & Parks	4,395	52	50
Environmental Health, Community Safety & Emergency Planning	6,265	274	319
Other LBHF Commercial Services	(238)	240	240
Executive, Finance and Contingency	646	(29)	(29)
Building Control and Technical Support Services	1,288	107	144
Street Cleansing and Street Enforcement	11,969	57	48
Customer Services	14,548	794	665
Libraries	2,628	0	0
Prevent	25	0	0
TOTAL	63,388	1,659	1,627

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Cleaner, Greener & Cultural Services		0
Salary budget pressure as 2% pay award now being absorbed.	18	18
£341k underspend on waste disposal due to continuation of the reduced recycle processing rate. Forecast assumes tonnages in line with 2017/18, YTD tonnages same as last year, however income relating to 2017/18 paid this year has increased the underspend. £40k underspend in Commercial Waste also mainly due to reduced waste disposal costs partially offset by anticipated income shortfall.	(381)	(379)
£100k commercial income saving for Parks and Markets Events may not be delivered.	90	87
Filming: £133k adverse shortfall in Filming as outturn is forecast in line with last year. Events: £172k adverse income shortfall made up by Hammersmith Town Hall Lettings £72k and £52k shortfall on funfairs (due to restrictions on using Shepherds Bush Green at certain times) £26k on concessions in parks and £20k on miscellaneous income. £7k Security (Amey) underspend. Reduction in staff costs of £10k offset by spend on Boat race and Playday of £7k.	289	294
Total of Cleaner, Greener & Cultural Services	16	20

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Transport & Highways		
Salary budget pressure as 2% pay award is to be funded by departmental budgets.	64	64
Metro Wireless WIFI income. This has never achieved the amounts originally estimated.	73	73
Network Management Fixed Penalty Notice (FPN) income. Rule changes following developments in case law mean that the FPN target cannot be achieved in full.	(13)	(7)
Network Management license income.	101	48
Forecast shortfall in recharges to projects. Additional projects may arise in year that will reduce this overspend.	112	155
General Maintenance: cheaper materials to be used in road repairs.	(100)	(100)
Land Survey underspend due to IT charges to TFL.	(40)	(40)
Streetlighting Energy: Ongoing reduction in energy use from LED replacement project.	(41)	(41)
Temporary Traffic Order surplus.	(25)	0
Other overspends.	17	18
Total of Transport & Highways	148	170
Leisure and Parks		
Salary budget pressure as 2% pay award is to be funded by departmental budgets.	8	8
Increase in recharge to Wormwood Scrubs.	(29)	(29)
Forecast legal and consultancy fees on new contract for Leisure Contracts.	43	43
Forecast overspend on Grounds Maintenance and repairs.	6	6
Salaries net underspend.	(22)	(22)
Additional water charges due to installation of meters.	34	33
Higher forecast for Linford Christie energy costs.	10	10
Additional cemeteries income.	(13)	(13)
Additional parks income.	(3)	(5)
Other overspends.	18	19
Total of Leisure and Parks	52	50
Environmental Health, Community Safety & Emergency Planning		
Licensing & Trading Standards £11k: Previously forecasting a £59k forecast Licensing income shortfall, mostly due to £40k reduction in Olympia license fee (from £93k in 2016/17 to £53k in 2018/19), but other licensing income is also forecast to be £19k less than budget. Permanent virement funded by the Parking surplus has now resolved this shortfall.	(11)	(11)
Community Safety: £120k income shortfall due to non-delivery	120	120

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
of income savings (£100k deployable CCTV and £20k Professional Witness). This has been escalated to identify a permanent resolution to this budget pressure going forward.		
Emergency Planning & Transport: Previously forecasting a £70k income shortfall in Leasing and Fleet Management. Permanent virement funded from the Parking surplus has addressed this issue.	0	0
Overspend on salary budget as 2% pay award will be funded by departmental budgets (+£113k), forecast overspend in Noise & Nuisance to ensure shifts are fully staffed, absences of permanent staff due to leave or illness shifts must be covered by agency staff (£75k); overspends in Environmental Quality (£21k) and Food Safety (£32k) and other smaller net overspends, mostly long-term sickness cover in CCTV (£38k). Offset by £47k drawdown from reserves to cover overspend in Silver Rota and Civil Protection.	282	283
£71k Income Overachievement: Additional income in Noise & Nuisance (£24k) and Environmental Quality (£35k) largely due to recharges for officer time to Thames Tideway and £12k Trading Standards for FPN's and management fees for work undertaken on behalf of London Trading Standards. Air Quality Monitoring work funded by S106 (£26k).	(71)	(80)
Air Quality Monitoring work to be funded by S106.	(26)	0
Other minor net underspends.	(20)	7
Total of Environmental Health, Community Safety & Emergency Planning	274	319
Other LBHF Commercial Services		
Forecast shortfall on CCTV ducting contract (£50k income v £290k income budget). New contract being negotiated likely to be in the region of £50k pa. Shortfall can be funded from one off departmental reserves this year if required, but a permanent resolution to the budget gap is required from 2019/20.	240	240
Total of Other LBHF Commercial Services	240	240
Executive, Finance and Contingency		
Predicted underspend having transferred heads of service to home cost centres. However, consideration needs to be given to the funding of the new Director of Resident's Services post. Notionally funded by the budget for the Director of Environmental Health at present. However, when the backfill arrangements are put in place for the Director of EH we will have one additional Director post in the department and no additional budget has been confirmed. This underspend will be required to part fund this post and additional funding identified.	(29)	(29)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Total of Executive, Finance and Contingency	-29	-29
Building Control and Technical Support Services		
Building Control: Shortfall on net income of £129k of which £14k relates to the 2% pay award to be funded by departmental budgets.	124	124
Technical Support: overspend on staffing costs of £26k of which £13k relates to unfunded pay award of 2%. This is offset by underspend in supplies and services of (£8k)	18	20
BPM Directorate Services: Vacant post for the 2nd half year.	(35)	0
Total of Building Control and Technical Support Services	107	144
Street Cleansing and Street Enforcement		
Overspend on salaries because of overtime, establishment not covered by budget and 2% pay award not funded corporately.	44	77
Additional spend on smartbanks and bulky waste.	66	30
This forecast assumes delivery of the £159k saving identified by E&Y to be achieved through a renegotiation of the waste contract but this remains high risk.	0	0
Minor Budget underspends	(53)	(59)
Total of Street Cleansing and Street Enforcement	57	48
Customer Services		
£706k overspend on staffing. £110k of this relates to the 2% pay award funded by departmental budgets, however the majority of this is due to a delay in delivery of savings (£481k). £93k AD post - a funding request for this can be progressed based on information received. £32k additional manager in H&F In Touch. This saving was intended to be delivered through robotic process automation plus other process efficiencies. Work is being undertaken in the service to deliver these by 2019/20. £40k in year pressure due to new Out of Hours contract (unit cost increased from £2.56 to £6.08 per telephone call) and £48k other smaller pressures	794	665
Total of Customer Services	794	665
Libraries and Archives		
	0	0
Total of Libraries and Archives	0	0
Prevent		
	0	0
Total of Prevent	0	0
TOTAL VARIANCE	1,659	1,627

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Commercial opportunities in libraries - potential risk that income targets will not be achieved.	200	200
Smart Open libraries - potential risk that savings will not be achieved due to delays in implementation.	100	100
TOTAL RISKS MANAGED	300	300

Supplementary Monitoring Information
<p>Taken together with Parking (in Appendix 6a) the overall variance in Residents Services is £760k adverse. The biggest financial pressure in this report is the £794k adverse position in Customer Services. The transfer of this service into Residents Services this year and the arrival of a new assistant director has led to a full review of the finances of this service. £481k of budget reductions made for 18/19 will not be delivered this year. Residents Services must fund £530k of pay awards in 2018/19 and it is managing to do that in most areas except Customer Services. These costs will be budgeted for as part of the budget process for 2019/20. Residents Services will look at the feasibility of bringing forward savings ideas from 2019/20 to help balance the budget in 2018/19.</p>

**APPENDIX 6a: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING REPORT MONTH 5**

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Controlled Parking Account	(23,331)	(899)	(907)
TOTAL	(23,331)	(899)	(907)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Parking Control		
Pay and display income overachievement	(1,200)	(2,194)
Permits income overachievement	(206)	(108)
Parking (PCN) income overachievement	(304)	(377)
Towaways income achievement	(18)	0
Suspensions income underachievement	1,100	1,102
Underspend of £223k on supplies and services primarily due to reduction in cost as result of completion rollout of cashless parking: reduction in cash collection and maintenance cost.	(219)	(365)
Salary underspend £600k once outstanding budget virement is processed.	(164)	532
Salary overspend due to unfunded pay award.	112	112
Virement to cover 19/20 growth items.		391
TOTAL of Parking Control	(899)	(907)
TOTAL VARIANCE	(899)	(907)

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
None to report	0	□
TOTAL RISKS MANAGED	0	0

Supplementary Monitoring Information
Parking is managing to absorb the £112k cost of the 2018/19 pay award.

APPENDIX 7: SOCIAL CARE
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Variance Month 5	Variance Month 4
	£000	£000	£000
Care and Assessment	21,860	(103)	79
Learning Disability	11,847	456	555
Mental Health	6,642	339	287
In-House Services	2,869	222	64
Community Independence & Hospital Service	1,578	0	0
Resources	5,953	0	0
Directorate & Support Service	494	0	0
2% Pay-Award Increased Impact on service budgets	0	205	205
Commissioning	99	140	140
TOTAL	51,343	1,260	1,331

Table 2 - Variance Analysis		
Departmental Division	Month 5	Month 4
	£000	£000
Care and Assessment		
Like the previous year, there are continued service pressures in social care resulting from the need to discharge a high volume of people from hospital at a much earlier stage. This continues to lead to a significant increase in home care costs. The main reasons for the decrease in the net overspend of (£182,00) is due to tight managerial controls and a reduction in placement numbers of 5 residents.	(103)	79
Total Care and Assessment	(103)	79
Learning Disability		
The overspend is mainly due to full year effect of Placements and Direct Payments which started at the end of last year. Since last month the forecast has changed due to decreased costs following one large package of service ending. The service will reduce this overspend through planned managerial actions.	456	555
Total Learning Disability	456	555
Mental Health		
Mental Health is projecting overspend due to an increase of 3 new placements. Since last month the reassessment of care needs has resulted in additional costs.	339	287
Total Mental Health	339	287
In-House Services		
Careline provides but is not funded to provide a 24-hour service. The continued overspend will be met by reductions elsewhere in	222	64

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
the service and review of the options will be presented to the Lead Cabinet Member.		
Total In-House Services	222	64
Commissioning		
There is an overspend in the safeguarding services due to increase in the demand for Independent Mental Capacity Assessments and an increase in the contract in addition to increased safeguarding assessments.	140	140
Total Commissioning	140	140
2% Pay-Award Impact		
This projected overspend due to 2% pay award increase in costs and the budget not allocated to services but held corporately to mitigate overspends.	205	205
Total 2% Pay-Award Impact	205	205
Total Variance	1,260	1,331

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Estimated costs relating to Learning Disability service users transitioning from Children Services to Adult Social Care.	264	264
Year on year savings from Transformation Commissioning Programme are increasingly difficult to deliver and the department is concerned given the overall budgetary position.	900	900
TOTAL RISKS MANAGED	1,164	1,164

Supplementary Monitoring Information
<p>The Department continues to experience significant budget pressures. The Department is projecting overspend of £1,260,000 as at end of August (period 5) a decrease of (£71,000) since the end of July (period 4) forecast. This is mainly because of the full year implications of increases in care packages due to the greater acuity of need in the service from 2017/18. Since last month, there has been 5 reduction of placement numbers which is the main reason for the improvement in the forecasts of (£229,000) which is offset by £158,000 increased Careline staffing costs for a 24/7 service. Social care has factored into the forecast the new additional one-off funding from the Adult Social Care Grant of £574,000 to partly mitigate the some of these pressures.</p> <p>Historically, the Department's budget has had underlying budget pressures, which were partly mitigated in year by using a combination of management actions to control the budget, one off reserves and from last year with the Improved Better Care Funding. At this early stage of the year, the department is highlighting a maximum risk of £1.164m</p>

Supplementary Monitoring Information

due potential additional transitional service users and difficulty of some in year savings at risk of non-delivery.

Trend Data

Placements						
	Number of Clients	Unit Costs				
April 2017	472	£862.51				
March 2018	500	£895.57				
August 2018	519	£916.50				

There were 28 new placements in 2017/18 which creates an increase in forecast of over £600K if we assume all clients are in placement for half the year. The weekly cost of placements has increased by £20.93 per week. However, there has been the 19 placements increase in clients over a 5-month period in 2018/19.

Home Care						
	0-7hrs p/w	7-14hrs p/w	14-28hrs p/w	28+hrs p/w	Total	
April 2017	515	372	330	125	1342	
March 2018	489	347	317	155	1308	
August 2018	518	369	332	159	1378	

Home Care activity breakdown by Service users age range

17/18 April 2017		18-64	65-74	75-84	85+	Total
0-7hrs p/w		145	94	156	120	515
7-14hrs p/w		86	59	128	99	372
14-28 hrs p/w		62	44	104	120	330
28+ hrs p/w		15	13	41	56	125
Total		308	210	429	395	1342
17/18 March 2018		18-94	65-74	75-84	85+	Total
0-7hrs p/w		130	82	150	127	489
7-14hrs p/w		74	58	108	107	347
14-28 hrs p/w		68	50	87	112	317
28+ hrs p/w		23	21	52	59	155
Total		295	211	397	405	1308
18/19 August 2018		18-64	65-74	75-84	85+	Total
0-7hrs p/w		147	86	155	130	518
7-14hrs p/w		81	59	116	113	369
14-28 hrs p/w		67	53	95	117	332
28+ hrs p/w		25	23	47	64	159

Supplementary Monitoring Information						
Total		320	221	413	424	1378
From the above tables you can see increasing/more complex needs in Home care customers, demonstrated by the increase in 34 cases of 28hrs+ per week, despite the slight drop in client numbers towards the end of 17/18 FY. This might be explained by some Home Care customers who are discharged from Hospital straight back into the community and increasing number of 85+ living at home.						
Direct Payments activity breakdown by Service users' age range.						
	18-64	65-74	Age 75-84	Age 85+	Number of Clients	Average Weekly Cost
April 2017	268	67	70	79	484	£315.00
March 2018	256	63	75	77	471	£322.00
August 2018	246	63	72	73	454	£351.00
There has been a drop in client numbers since the beginning of 2017/18 however the increasing weekly cost implies that clients' needs have been increasing leading to higher care packages.						
<u>Assumptions</u>						
1. Projections based on client numbers on Mosaic as at the end of August 2018 (assumes Mosaic data is up to date and correct).						
2. Assumes no increase in clients in 2018/19 therefore we only forecast based on live clients on Mosaic. This is a more riskier approach than in previous years when clients not in Mosaic were factored into the forecast.						
3. LD Transitions for 18/19 have been calculated but are not included in the forecast until Care Package is reflected in Mosaic.						

APPENDIX 8: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 5	Forecast Variance Month 4
	£000	£000	£000
Corporate & Democratic Core	3,708	120	120
Housing Benefits	(328)	0	0
Levies	1,570	(40)	(40)
Net Cost of Borrowing	282	0	0
Other Corp Items	6,174	(180)	70
Pensions & redundancy	9,048	(160)	(160)
TOTAL	20,454	(260)	(10)
Adjustment for limiting use of the unallocated contingency to 50% and not distributing the contingency held for the 2018/19 pay award		(2,625)	(2,625)
Revised Variance	20,454	(2,885)	(2,635)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Corporate & Democratic Core		
There is a forecast overspend on net Shared Accommodation costs after factoring in the changed accommodation profile post Moving On.	120	120
Corporate & Democratic Core Total	120	120
Housing Benefits		
	0	0
Housing Benefits Total	0	0
Levies		
Corporately funded Levies are forecast to be under budget.	(40)	(40)
Levies Total	(40)	(40)
Net Cost of Borrowing		
	0	0
Net Cost of Borrowing Total	0	0
Other Corp Items		
Forecast underspend on NNDR contingency held to cover NNDR inflation	(80)	(80)
Forecast overspend on the Land Charges income	150	150
Underspend due to the unused auto enrolment contingency. Analysis of the ratio of Employers contributions to total	(250)	0

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
salaries before auto enrolment was 13.9%. Analysis of this ration after auto enrolment is 13.86%. No discernible increase in this ration indicate that auto enrolment did not increase employer pension costs and the budget does not need to be released.		
Other Corp Items Total	(180)	70
Pensions & redundancy		
Corporately funded pension costs from historic redundancy decisions are forecast to be under budget.	(160)	(160)
Pensions & redundancy Total	(160)	(160)
TOTAL VARIANCE	(260)	(10)

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
There is a risk that a reduction in cash balances will reduce the amount of investment income by up to £259k. There is a mitigating factor that interest rates may rise which could lead to a favourable variance of up to £250k.	250	250
TOTAL RISKS MANAGED	250	250

Supplementary Monitoring Information
£0.8m of the Unallocated Contingency remains uncommitted after allowing for existing commitments and applying £0.85m of the budget to cover the council wide forecast overspend.

APPENDIX 9: HOUSING REVENUE ACCOUNT

BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	Revised Budget	Forecast Variance Month 5	Forecast Variance Month 4
	£000	£000	£000
Housing Income	(74,523)	92	124
Finance and Resources	7,934	(75)	(47)
Housing Services	10,997	0	0
Property Services	2,932	0	3,640
Housing Repairs	14,820	477	129
Housing Solutions	217	0	0
Housing Strategy	297	0	0
Adult Social Care	48	0	0
Regeneration	362	0	0
Safer Neighbourhoods	622	0	0
Capital Charges	25,356	(297)	0
Business & Programme Management	1,825	0	0
SLA recharges	6,385	0	0
Revenue Contribution to Capital	4,563	(4,563)	(4,563)
(Contribution to) / Appropriation from HRA General Reserve	1,835	(4,366)	(717)

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Property Services		
Fire Safety Expenditure - this additional revenue expenditure on fire safety, for which information provided at the time of the budget did not indicate this level of revenue costs for the fire safety projects. This will be funded from the earmarked Fire Safety Plus reserve.	0	3,640
Property Services core costs - no variance is currently anticipated.	0	0
Total: Property Services	0	3,640
The out of scope element of the repairs contract with MITIE is predicted to overspend by £581k. This is due mainly to an increase in the identification by MITIE of the number of chargeable jobs, increases in void costs and increases in the number of disrepair cases. Of this, it is estimated that (£104k) will be recoverable from insurance and this will be confirmed by the loss adjustors in the coming months.	477	129
Total: Housing Repairs	477	129
Housing Income		

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
Shortfall in rental income from garages of £138k (last month this was £158k) due to slippage in appointing a garages refurbishment contractor. The contractor was expected to be in place by mid-February 2018, however no competitive tenders were received and the work has been retendered. In addition, there is an anticipated shortfall on income from advertising hoardings of £35k, This is offset by favourable variances on income from commercial property of (£65k) and Estate Pay & Park income (£16k).	92	124
Total: Housing Income	92	124
Housing Services		
	0	0
Total: Housing Services	0	0
Finance & Resources		
There is a forecast underspend on staffing costs within the Finance team of (£75k) primarily due to delays in recruitment to vacant permanent positions which are now filled.	(75)	(47)
Total: Finance and Resources	(75)	(47)
Safer Neighbourhood		
	0	0
Total: Safer Neighbourhood	0	0
Adult Social Care		
	0	0
Total: Adult Social Care	0	0
Housing Solutions		
	0	0
Total: Housing Solutions	0	0
Housing Strategy		
	0	0
Total: Housing Strategy	0	0
Regeneration		
	0	0
Total: Regeneration	0	0
Capital Charges		
The charge for depreciation this year is expected to be lower than budgeted following the annual revaluation of the Council's	(297)	0

Table 2 - Variance Analysis		
Departmental Division	Month 5 £000	Month 4 £000
homes resulting in a minor change from the budgeted figure approved by Cabinet in February 2018.		
Total: Capital Charges	(297)	0
Revenue Contribution to Capital		
A revenue contribution to capital is not expected to be necessary this year due to a low level of spend within the HRA capital programme. This is mainly due to many schemes being in the planning phase with a degree of uncertainty and compliance checks needed in the planned programme. This mainly relates to major and minor refurbishment works and to the Fire Safety Plus programme.	(4,563)	(4,563)
Total: Revenue Contribution to Capital	(4,563)	(4,563)
SLA Recharges		
	0	0
Total: SLA Recharges	0	0
Business and Programme Management		
A forecast overspend on staffing costs of £125k due to unbudgeted recruitment required for operational delivery purposes is entirely offset by other staffing underspends resulting from existing vacancies within the systems and performance improvement teams.	0	0
Total: Business and Programme Management	0	0
TOTAL VARIANCE	(4,366)	(717)

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
Additional Fire Safety Costs - following the fire at the Grenfell housing tower block in Kensington and Chelsea, the Council has put in place the Fire Safety Plus Programme to make fire safety improvements to the housing stock above and beyond the current legal minimum standards. There remains a risk that more work may be needed following the outcome of the Grenfell Public Enquiry.	unknown	unknown
The implementation of the Hampshire Integrated Business Centre systems and its impact on service delivery - most notably in terms of risks to income collection, arrears management and the associated bad debt risk, financial and management reporting, systems assurance and reconciliation reporting, the time taken to resolve payment issues, the opportunity cost of officer time in managing	unknown	unknown

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	Risk At Month 5 £000	Risk At Month 4 £000
issues arising and other factors.		
MITIE Out of Scope - A review of revenue repair costs and volumes on the out of scope element of the MITIE repairs and maintenance contract indicate that there remains a risk of a further overspend this year. Officers are reviewing the position monthly in detail.	TBC	TBC
The impact of the Growth & Place restructure: The net impact of the restructure most notably additional resource requirement in the Property Services team and the further roll out of the concierge service. Finance Officers are working closely with the project team costing the emerging proposals.	unknown	unknown
TOTAL RISKS MANAGED	Not Quantified	Not Quantified

Supplementary Monitoring Information
<p>Repairs and Maintenance: Expenditure on the Out of Scope (OOS) element of the contract with MITIE is forecast at £3.83m for 18/19 which would result in a £0.58m overspend. General repair works account for roughly 50% of all OOS expenditure. The projected number of general repair work orders is expected to remain fairly static at around 6,800 orders per year.</p> <p>However, we have seen a steady increase in the average job cost for general repairs over the past year rising from an average cost of £269.19 in 17/18 to £320.55 in 18/19.</p> <p>There are also noticeable increases in the average cost for some non-general trade categories, including:</p> <ul style="list-style-type: none"> - Door Entry (average cost £302.67 in 17/18 and £357.38 in 18/19), the interruption of the door entry system renewal programme (for which costs are capitalisable) has resulted in higher revenue repairs costs, - Plumbing (average cost £129.38 in 17/18 and £157.20 in 18/19). <p>Officers are closely scrutinising these costs in order to mitigate against these increases and bring costs back within budget for this year and for future years. Actions already being implemented include additional resourcing to check jobs and costs for MITIE OOS works.</p> <p>Debt servicing (interest) costs have steadily been managed downwards in recent years as maturing debt is repaid to the Public Works Loan Board and refinanced by internal borrowing. Interest payments made have fallen from £10.5m (15/16), £9.7m (16/17) and £8.9m (17/18) to £8.7m this year. The interest rate applicable to the remaining debt has also fallen from an average of 5.34% (15/16) to 4.74% (18/19) as the Council has repaid the highest interest-bearing loans as they mature.</p> <p>Debt servicing costs are currently expected to be £8.4m for 19/20 and £7.8m in 20/21 (assuming continued access to the Earls Court funds for internal borrowing). No significant reductions in the loan servicing costs for existing debt are expected after</p>

Supplementary Monitoring Information

20/21 as the bulk of high interest rate loans will be repaid (historically the Council has borrowed on fixed rate terms with the loans becoming repayable upon maturity).

The Housing Revenue Account business plan currently assumes debt repayments of £3.8m (8.875% interest rate) in 18/19, £8.0m (average rate 6.9%) in 19/20 and £9.5m (4.04% interest rate) in 20/21 and that these loans are replaced by internal borrowing from housing funds, therefore not attracting any interest charge in the accounts. If Council successfully negotiates an exit from the Earls Court agreement then this internal borrowing from housing funds would need to be replaced by interest bearing borrowing from existing GF cash and / or additional PWLB borrowing, the impact of which would be substantially offset as a result of no longer having to take out additional borrowing to deliver vacant possession of the estates.

It will be important to fully understand the Council's overall long term cashflow forecasts to enable the treasury management decisions required especially in the context of other large projects such as King Street.

Council Homes voids: the number of void dwellings not available for rent has increased from 110 (April 2017), to 140 (April 2018) and seems to have stabilised around 160 since June. The void rate has historically been low (0.84% in 16/17 and 0.98% in 17/18) but increased recently to 1.3% largely due to a deterioration in the works turnaround time which is controlled by MITIE. The contracted works turnaround time is 10 days but although current performance had improved by 5 days between May and June 18, it has now deteriorated as the figures for August show that works are taking 38 days to complete. Officers continue to implement the service improvement plan with MITIE, with MITIE having brought in a new voids manager, and this is expected to bring the works turnaround time down to 20 days in the coming months. Although the current budget for voids allows for this level of voids (1.3%), if the reduction in void days does not continue, this will result in an overspend.

Commercial income: the income generated has increased since 16/17 from £1.15m to £1.46m in 17/18 and is expected to increase to £1.54m this year. This is due to better management by the Council and GVA Grimley in achieving tenancies and minimising voids. GVA Grimley have been managing the Council's commercial properties since May 2015.

Garages income: the income generated has been increasing steadily in the last few years as a result of improvements in the management of the garages portfolio (£0.95m in 16/17; £1.02m in 17/18). The void rate has improved also, falling from 35% in 16/17, to 27% in 17/18, to 21% for the year to date. Garages income is forecast to reach £1.05m this year though that will be a shortfall against budget of £138k. As the garages refurbishment programme is progressed, this variance is expected to be eliminated in future years and the expected garages void rate by 2021/22 is 2.4%.

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>3 DECEMBER 2018</p>	
<p>FACILITIES MANAGEMENT STRATEGY FOR TERMINATION OF TOTAL FACILITIES MANAGEMENT CONTRACT</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Consultation</p> <p>Strategic Leadership Team, Finance, Commercial, Legal and Property and Facilities services have been consulted when drafting this report.</p>	
<p>Wards Affected: All wards</p>	
<p>Accountable Director: Hitesh Jolapara, Strategic Director, Finance and Governance, London Borough of Hammersmith, and Fulham</p>	
<p>Report Author: Gerald Frith Assistant Director Property and Facilities</p>	<p>Contact Details: Tel: 020 8753 7554 Gerald.Frith@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The proposed termination of the Total Facilities Management (TFM) contract is currently being negotiated by the council's commercial team.
- 1.2. Approval is sought for the Chief Executive to sign the termination agreement for the TFM contract currently held by Amey.
- 1.3. The termination of the Amey linked three borough TFM contract will require a replacement contract strategy for the Facilities Management Maintenance and Operational services, to ensure that a new service model can be procured to ensure future statutory compliance and effective / efficient maintenance of the council's corporate property portfolio.

- 1.4. The early cessation of TFM contracts across local government has been well documented over the initial five years of the Amey contract.
- 1.5. This report identifies the options for a new H&F service model to replace the existing contract and makes recommendations for the most efficient option for the Council.
- 1.6. The option study – attached at Annex A - recommends the current contract be transferred to an in-house management team, using both in house and specialist contract staff to undertake the future maintenance and operation of the council's Facilities Management (FM).
- 1.7. The preferred service model will provide a direct customer service to the council and the public visiting council properties and through the transformation in FM will support the H&F vision to be the best council. The vision includes taking pride in our borough and civic and ceremonial buildings and facilities is at the heart of this.

2. RECOMMENDATION

- 2.1. That the Chief Executive, in consultation with the Cabinet Member for Finance and Commercial Services, be delegated authority to vary the Total Facilities Management Contract and enter into any legal agreement as is necessary in order to enable the contract to be terminated.
- 2.2. That the Chief Executive, in consultation with the Cabinet Member for Finance and Commercial Services, be delegated authority to terminate the Total Facilities Management contract once commercial terms have been finalised.
- 2.3. That the council's future facilities management maintenance and operations is undertaken by an in-house management team supported by in-house staff and specialist contractors.

3. BACKGROUND

- 3.1. In 2013 the council entered into a three-borough combined TFM contract with Amey Communities Limited.
- 3.2. The original contract was based on a service matrix which appears not to have taken account of all of the actual specific assets that required maintenance. The contract defined the requirement for maintenance and operational works to be undertaken in accordance with good industry practice, which should have seen the contractor undertaking a full asset survey within the first 60 days of the contract award. However, it has become apparent that the contractor did not identify many of the installed assets at this time, as recent surveys carried out for the council have identified numerous additional assets not on Amey's maintenance schedule.

- 3.3. In addition, the service provided by Amey has not met the contractual requirements for the three boroughs leading to the recommendation to terminate the tri-Borough contract.
- 3.4. In order to provide an effective FM service for the Council's corporate estate following the demise of the TFM contract, an options study has been completed of future service models (see Appendix A).
- 3.5. The options are:
 - To let a TFM contract for all the Corporate property portfolio.
 - To bring the FM in-house.
 - To provide a FM service using a combination of i. and ii. above.
- 3.6. The budget requirement for the proposed model will be reviewed against future changes to the Council's overall delivery of FM services. The anticipated transition of Housing Revenue Account (HRA) properties, facilities management and maintenance to an in-house delivery model will provide an opportunity to review H&F Council operational and procurement practices, seek financial efficiencies and improve service outcomes across both in house and HRA provision. This is anticipated in 2020.
- 3.7. In order to accommodate the synergies which will occur as housing maintenance moves to an in-house model in 2020, the proposal for the FM in-house service team includes arrangements to recruit its additional technical staff on a 1 year fixed term basis and for specialist contracts to be let on a 1 year basis.
- 3.8. Once the new corporate service model is embedded, programmed for the end of the current school year, the in-house service team will positively identify opportunities to employ apprentices, to supplement resources as part of their succession planning.

4. REASONS FOR DECISION

- 4.1. The reason for the recommendations in this report is that the existing TFM contract and the associate three borough LINK team has been significantly unsuccessful in providing a compliant and effective FM Maintenance and Operations service to the council's property portfolio.
- 4.2. The legal requirement to ensure that all of the council's properties have been maintained in accordance with the statutory regulations has not been substantially demonstrated.

5. PROPOSAL AND ISSUES

- 5.1. The proposal is to recruit a proactive, versatile and flexible team with appropriate hands on specific hard and soft service FM experience and associated qualifications, who will make a point of defining and understanding the challenges of each of the portfolios properties first hand. The roles will be part office based, but mainly out on site, with the exception of the helpdesk

team, ensuring an effective and visible service is provided to council customers and visitors to corporate buildings.

- 5.2. The in-house help desk will provide a first point of contact for all services, whilst ordering works through the helpdesk software will ensure accurate recording of data, which will be used to produce regular reporting on volume and percentage of tasks completed, together with associate remedials to ensure comprehensive compliance. This will be provided to the current industry good practice standard maintenance regime (Heating, Ventilation and Contractors association Schedule SFG20).
- 5.3. Future projects for replacements, refurbishments and new works will be managed by a Project Programme Manager, who will also undertake the physical project management in association with the members of the management team, to ensure and be accountable for effective results. In addition, the Project Programme Manager will also provide the team with continuing professional development in Project Management. Designs for projects will be initially reviewed in-house with specialist areas being reviewed by appropriate consultants.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The option study, Appendix A, considers the three options available for the new service model these being:
 - Replace existing linked tri-Borough TFM contract with a single council TFM contract,
 - Undertake all works with an inhouse team,
 - Undertake the FM services with a mixture of in house staff and a team of specialist outsourced contractors.
- 6.2. In appraising the options, due consideration has been given to a number of key factors. The option study, Appendix A, provides comprehensive detailed examples of these reasons including:
 - The lack of success by various organisations of maintaining a successful TFM, due to the inadequacies of a single contractor aligned to their absolute reliance on third party sub-contractors,
 - The ineffectiveness of employing **all** specialists in house, as the workload is not commensurate with full employment of specialist staff throughout the year, provision of suitable cover in times of absence, aligned with the need to employ additional specialist managers and maintain competence through specialist training and Continuing Professional Development.

7. CONSULTATION

- 7.1. Consultation on the proposed recommendation has been undertaken with the following teams:
 - Strategic Leadership Team
 - Corporate Finance
 - HR
 - Commercial

- Risk Management
- Economic Development team
- IT
- Property and Facilities team

7.2. Should Cabinet approve the recommendations, the Human Resources service will undertake a 45 (working) day consultation with the Property and Facilities staff and unions in respect of the new structure and roles.

8. EQUALITY IMPLICATIONS

8.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the termination of the current facilities management contract and the transfer of duties to an in-house management team, supported by in-house staff and specialist contractors.

8.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

9. LEGAL IMPLICATIONS

9.1. A draft deed of settlement and variation has been produced which will vary the TFM contract to enable Royal Borough of Kensington and Chelsea and Westminster City Council to exit the TFM contract and provide clarity as to the terms which apply going forward between Amey and the council (until termination or expiry of the TFM). The council, advised by Bevan Brittan LLP, will seek to ensure that the council is not left exposed or in a worse position as a consequence of such variation. Entry into this deed will provide the council with flexibility to negotiate its own terms of exit with Amey in the absence of the other two councils.

9.2. Following agreement of the terms on which the council will terminate its TFM arrangements with Amey, such terms will be documented in a legally binding deed of settlement/termination which will end Amey's provision of services under the TFM contract.

9.3. Legal Implications at 9.1 and 9.2 completed by Bevan Brittan LLP

9.4. In respect of recommendation 2.3, under paragraph 4.7 of the Scheme of Delegation to Officers within Part 3 of the Constitution (Responsibility for Functions), the Chief Executive and Chief Officers are able to "undertake, in consultation with the Director of Corporate Services, minor re-organisations of staff structure (directly affecting a maximum of 25 posts) provided no post subject to Member appointment procedures is affected, there is no increase in cost and the relevant Cabinet Member is advised in advance about forthcoming minor re-organisations." By implication, any reorganisation involving more than 25 staff or involving increase in costs need to be approved by the Cabinet or Leader.

- 9.5. The proposals in this report to bring the TFM service in-house do involve the reorganisation of more than 25 staff within the council, and so this requires the approval of the Cabinet or the Leader.

Legal Implications at 9.4 and 9.5 completed by Hector Denfield, associate with Sharpe Pritchard LLP on secondment to the council; hdenfield@sharpepritchard.co.uk

10. FINANCIAL IMPLICATIONS

- 10.1. As set out in the exempt part of the agenda.

11. IMPLICATIONS FOR BUSINESS

- 11.1. The implications for local business is that they will have the opportunity to tender for the various packages of works which will be procured as part of the new service model, consultation with local businesses has commenced with the Economic Development Team.
- 11.2. Please see attached Appendix C, a breakdown of the proposed options for outsourcing maintenance and repairs to specialist contractors.
- 11.3. Implications verified/completed by Albena Karameros, Economic Development Team, tel. 020 7938 8583.

12. COMMERCIAL IMPLICATIONS

- 12.1. The termination of the current FM Contract with Amey will result in a number of services needing re-procurement.
- 12.2. The future Maintenance and Operations model is proposed as a mixture of in-house management team supported by in-house staff and specialist contractors.
- 12.3. The specialist contractors must be procured in line with the Council's Contracts Standing Orders (CSOs) and the Public Contracts Regulations (PCR) 2015.
- 12.4. Following approval of the new proposed model of FM services delivery, a procurement strategy will be developed and presented to Cabinet, in line with the CSOs requirements.
- 12.5. Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284.

13. IT IMPLICATIONS

- 13.1. IT Implications: New staff members will require IT equipment and access to H&F IT Systems in alignment with job requirements and the desktop strategy. The

AD Property and Facilities advises the following: *“There are minimal IT implications for the proposed service model as the council already have a Computer Aided Facility Management (CAFM) software package in place. This software (Technology Forge) will be upgraded to allow for the additional Helpdesk and Cloud working requirements. In terms of hardware there will be a requirement to purchase tablets for on-site use by in-house management and operatives”*.

13.2. IM Implications: All new staff members must complete the mandatory H&F Information Management and Data Protection online training modules.

13.3. The contract with interim staff and contractors may need to include H&F’s new data protection and processing schedule – which is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018. It is assumed that appropriate data protection safeguards will be put in place as part of the H&F HR hiring policy and the employment contract.

13.4. The collection, processing, storage and disposal of data resulting from public consultation – such as with local businesses - must be handled in compliance with the General Data Protection Regulation. As such, Privacy Impact Assessments will need to be completed to ensure all potential data protection risks in relation to consultations are properly assessed with mitigating actions agreed and implemented.

13.5. Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 0208 753 3481.

14. RISK MANAGEMENT

14.1. The proposed service model significantly reduces the risk of the current one company provision of a TFM contract.

14.2. The following requirements will be incorporated in the new service model to significantly reduce the risks associated with its provision;

- A project board consisting of Corporate Finance, H&S, HR, Legal, Commercial and Property and Facilities to ensure the effective mobilisation of the new service model,
- Provision of a state of the art CAFM software package which will monitor and record compliance requirements and associated remedial completion,
- The provision of a Compliance Manager role to ensure compliance is comprehensively achieved,
- The operation of a Health and Safety compliance system within the CAFM to ensure staff and contractors are aware of the characteristics of the workplace in which they are required to undertake tasks, including the location of any sealed asbestos, confined spaces, COSHH implications and risks from roof / external working,
- The provision of more than one specialist contractor undertaking maintenance and compliance works to ensure continuity in the failure or lack of response of a particular contractor,

- A structure of CPD for all in-house staff to ensure full understanding of the risks and requirements of their roles,
- All works will be risk assessed and risks mitigated prior to start on site,
- A permit to work system for Electrical, Pressure systems works, confined spaces and roof working will be put into operation,
- A financial package within the CAFM software to ensure budgetary requirements are compliant,
- A risk log will be maintained within the CAFM system and regular reports will be reviewed regularly by the Property and Facilities Senior Management team,
- Regular compliance audits by the Corporate Health and Safety team will be welcomed.

14.3. Implications verified by Michael Sloniowski Risk Manager, tel. 020 8753 2587.

15. OTHER IMPLICATIONS

15.1. HR / TUPE

- Following a decision on the proposals outlined in this paper, and the outcome of ongoing termination negotiations with Amey the council will commence consultation with the internal Corporate FM employees, presenting the new structure, inviting feedback before agreeing and implementing the new structure i.e. confirming employees in the new structure as appropriate and where / when appropriate, considering employees at risk of redundancy, seeking suitable alternative roles, ending fixed term contracts, agency workers / contractors and secondments etc.
- Consultation will also begin for the Amey employees who are in-scope and have either been identified as transferring with their role to the new structure or, where there is no role in the new structure, at risk of redundancy.
- HR is currently carrying out due diligence with their HR counterparts in the other boroughs as well as Amey HR to determine a total 'in scope' list for the tri-borough TFM contract before breaking this down into boroughs to determine the group of employees that need to be consulted with.
- It is already clear that the termination of the Amey TFM tri-borough contract would be covered under TUPE as a service provision change (when work is outsourced, re-tendered or in sourced). TUPE refers to the "Transfer of Undertakings (Protection of Employment) Regulations 2006" as amended by the "Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014" and exists to protect employees' rights when the organisation or service they work for transfers to a new employer.

It is envisaged that there will be two distinct pieces of work with the Amey employees:

- Simultaneous TUPE and redundancy consultation for employees identified as being involved in services currently under contract to Amey that will not be

included / required in the new structure. This is because the liability, both legally and financially, for ceasing these role(s) and therefore the incumbent(s) sits with the Council. In order to carry out simultaneous TUPE and redundancy consultation this needs Amey to consent, if they do not agree then the council will be required to TUPE the employees then begin redundancy consultation which will increase the timeframe.

- Direct TUPE consultation with employees, either via unions or employee representatives, identified as being involved in services / roles that will transfer to the Council. The length and complexity of which will depend on the measures (changes / harmonisations of terms) that may be proposed.
- These distinct pieces of work will require a detailed plan and timeframe which has already been scoped out and will be regularly reviewed, updated and discussed at the project board throughout the process.
- TUPE is a complex piece of legislation and has impacts for the employer who is making the transfer (also known as the **outgoing employer** or the transferor) and the employer who is taking on the transfer (also known as the **incoming employer**, the 'new employer' or the transferee) as well as significant financial costs where an organisation gets it wrong. It is for this reason that a specialist has been engaged to ensure that LBHF can fulfil its legal obligations and minimises risks during this period
- Implications verified / completed by: Jennifer Cometson, TUPE Consultant, tel. 07554 222678.

16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES:

Appendix A Option Study

Appendix B Financial Appraisal (contained in the exempt part of the agenda).

Appendix C Proposed split of In- House and Outsourced Maintenance and Operations staff

APPENDIX A

Option Study for Property and Facilities provision of services as a result of the termination of the Tri Borough Total Facilities Contract

Overview

In 2015 Hammersmith and Fulham entered into a Tri Borough Total Facilities Management contract with Amey Facilities in the sum of £4.4m including approximately £1.175m for repairs / replacements

The original contract was based on a service matrix which appears not have taken account of the actual specific assets that required to be maintained. Good industry practice should have seen the contractor undertaking a full asset survey within the first 60 days of the contract award, however it has become apparent that the contractor did not identify many of the installed assets at this time, as recent surveys have identified numerous additional assets which are not on Amey's maintenance schedule

As a result of Amey's failure to identify assets, the unidentified items have not been maintained and several failures of components appear to have resulted due to lack of servicing. An example is the Air coiling units in Shepherds Bush library where there is no access for servicing and the fan motors have failed. To undertake repairs it has now been necessary to install access panels in the ceiling to undertake the maintenance

In addition the service provided by Amey's teams has been found to be inappropriate throughout the 3 Boroughs leading to the recommendation to terminate the Tri-Borough contract

It should be noted that the failure of Total Facilities management contracts is not just specific to Hammersmith and Fulham, there have been similar failures in other organisations, due to the lack of contractor's ability to provide a comprehensive service, often as a result of inadequacies within the TFM contractors management

In order to provide an effective Facilities Management service for the Hammersmith and Fulham Corporate estate following the demise of the TFM contract, the following option study has been prepared

Options

The options available are

1. To let a Total Facilities Management contract for all the Corporate property portfolio
2. To bring the Facilities Management totally in house
3. To provide a Facilities Management service using a combination of 1 and 2 above

Option	Advantages	Disadvantages
<p>Option 1</p> <p>Single Total FM package</p>	<p>Single line of management</p> <p>Single payment route</p> <p>Single reporting profile</p> <p>One organisation responsible ensuring H&F's responsibilities for compliance</p>	<p>All the works in one contractor's remit</p> <p>Single point of failure</p> <p>Lack of known contractors who can provide an effective service</p> <p>Contractor does not have all the specialisms in house therefore sub contracts specialisms and TFM management unlikely to appreciate understand the comprehensive overall requirements for compliance and associate maintenance.</p> <p>The cost implication for management of specialist contractors increases the cost by a minimum of 10% for profit and overheads</p> <p>An additional one if not two levels of management incorporated in all works services, with associate delays</p> <p>The ownership of the works undertaken is split between the TFM contractor and associate sub-contractors leading to disputes and a spasmodic service</p> <p>Concern that our compliance requirements are passed to a third / fourth party to be accomplished, no guarantee of our liabilities being comprehensively completed</p> <p>Contractual issues between TFM and sub-contractor causing interruptions to service</p> <p>Extended communications for undertaking urgent repairs via a sub-contractor extend effective response time</p> <p>No fall-back contract should TFM contract fail</p>

<p>Option 2</p> <p>In House FM team</p>	<p>Property and Facilities have direct control of all works undertaken in terms of costs and quality</p> <p>For standard aspects of work such as cleaning, security, mail portorage, handyman services, ownership of work is generally guaranteed as work is undertaken by Council employees</p> <p>Ease of changing workflow to adapt to changing operational requirements</p> <p>Helpdesk will be in house and will allow immediate management understanding of the service which is being provided with the ability to resolve any challenges quickly and effectively</p> <p>Helpdesk will provide accurate regular reporting and dashboards to ensure compliant and effective working</p>	<p>Larger FM management team to ensure all aspects of workload and associate specialist knowledge is available – however the cost are covered by the management costs within the current TFM contract</p> <p>Extensive workshop and specialist equipment and associate maintenance and calibration requirements for specialist tradespersons</p> <p>Extensive CPD and training provision for specialists and associate management team</p> <p>In House specialists will have insufficient workload to provide a full week’s workload,</p> <p>Lack of cover when specialist is unavailable due to leave etc</p> <p>High cost of providing specialist call out provision</p> <p>Additional costs of specialist management requirements</p> <p>Cost of maintaining and management of resources required to maintain statutory specialist accreditation in order to employ specialist such as Gas Safe, ECIEC, ECA, F gas accreditation etc.</p> <p>Difficulties in recruiting specialist tradesperson for the limited workload required</p>
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<p>Option 3</p> <p>In House team supported by separate specialist contractor provision</p>	<p>Provides all the advantages of in house management of general Soft FM services such as cleaning, security, mail portorage, handyman services, whilst ensuring specialist services costs are kept to a minimum</p> <p>Provides effective line of management by an inhouse team who have total control of the support services provided to the council community</p> <p>Allows for spreading the specialist work to local organisations, whilst providing backup for failures of any one specialist organisation by letting more than one contract over the estate</p> <p>By providing a suitably qualified, experienced, proactive and versatile management team, the costs of providing an FM service can be minimised to ensure a compliant FM service in line with good industry practice</p> <p>Helpdesk will be in house and will allow immediate management understanding of the service which is being provided, with the ability to resolve any challenges quickly and effectively</p> <p>Helpdesk will provide accurate regular reporting and dashboards to ensure compliant and effective working</p>	<p>The only concern is being able to recruit the appropriate staff to the Management roles, this has been mitigated by preparation of comprehensive Job Descriptions which specifically identify the minimum requirements for the proactive and versatile roles</p>
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Conclusion

In conclusion the most effective strategy for undertaking the FM services is Option 3 . This allows the team to undertake the works with a mix of inhouse teams for the general Soft services and reactive repairs. With the Hard Services generally being undertaken by a series of specialist contractors for works such as Gas, Refrigeration, Fire Alarms, Water Hygiene etc. maintenance and repair. Thus allowing the complete Hard and Soft services requirements to be managed by a proactive, versatile, qualified and experienced in House Management team.

To undertake Option 3 a restructured Property and Facilities Management structure will be required the proposed structure is attached

Recommendation

It is recommended that during the demise of the Amey contract an In-house Management and Specialist Contractors provision for future FM services for the Corporate property estate is mobilised in accordance with Option 3 above

Prepared by

G Frith

Assistant Director
Property and Facilities
Hammersmith and Fulham Council

16/9/18

APPENDIX C
Soft FM Services

Service stream	Preferred option
Office and building cleaning services	Self delivered - in-house model
Window cleaning services	Tender and procure contractor
Pest control services	Tender and procure contractor
Security services	Self delivered - in-house model
Specialist cleaning services	Mixed model
Catering and hospitality services	Tender and procure contractor
Porterage and caretaker services	Self delivered - in-house model
Feminine hygiene and vending services	Tender and procure contractor
FM helpdesk services	Self delivered - in-house model
Mail room and post	Self delivered - in-house model
Landscaping services	Tender and procure contractor
confidential)	Tender and procure contractor

Hard FM Services

Service stream		Preferred option
Small reactive works	<£250.00	Self delivered - in-house model
AHU Maintenance	General maintenance	Self delivered - in-house model
AHU Maintenance	Major maintenance	Specialist contractor
Heating systems	General maintenance	Specialist contractor
Heating systems	Major maintenance	Specialist contractor
Controls (HVAC)	General maintenance	Specialist contractor
Fire Services	Detectors	Specialist contractor
	Alarm testing - Weekly	Self delivered - in-house model
	Alarms - maintenance	Specialist contractor
	Alarms - repairs	Specialist contractor
	Fire Extinguishers	Specialist contractor
	Fire doors	Specialist contractor
	Fire alarm monitoring	Specialist contractor
	Audit and compliance	Compliance Manager / H&F Corporate H&S
	Emergency lighting - Monthly check	Self delivered - in-house model
	Emergency lighting - 6M and annual	Specialist contractor
	Fire dampers	Specialist contractor
	Smoke ventilation	Specialist contractor
	Fire hydrant and risers	Specialist contractor
	PAT testing	Specialist contractor
Electrical Services	Annual inspections	Self delivered - in-house model
	5 yearly inspections	Specialist contractor
Gas services	Annual boiler check	Specialist contractor
	Drop test	Specialist contractor
Refrigeration	All works	Specialist contractor
Energy	EPC	Specialist contractor
	MEES	Specialist contractor
	DEC	Specialist contractor
Legionella	Legionella Risk Assessment/ Specialist Advice	Specialist contractor
	Flushing of systems	Self delivered - in-house model
	Sentinal checks	Self delivered - in-house model
Asbestos	Asbestos inspection	Specialist contractor
Lifts, escalators and lifting gear	Maintenance and repairs	Specialist contractor
	Inspection and certification	Specialist Insurance surveyor
Hoists and eye bolts	Installation, repairs and maintenance	Specialist contractor
Automatic doors	Maintenance and repairs	Specialist contractor
CCTV and access control	Installation, repairs and maintenance	Specialist contractor
Water coolers	Cleaning	Self delivered - in-house model
	maintenance and repairs	Self delivered - in-house model
Lightening protection	Installation, repairs and maintenance	Specialist contractor
Induction loop systems	Installation, repairs and maintenance	Specialist contractor
Fire risk assessments		In house Fire Officer
Generators	Weekly visual	Self delivered - in-house model
	Monthly run	Self delivered - in-house model
	Annual inspections	Specialist contractor
	Fuel supply	Specialist contractor
Pressure vessels		Specialist Insurance surveyor
Roof and Gulley's		Specialist contractor

legislative and Statutory requirements	Health and Safety Matters	Business critical
Legionella	Heating	Security systems
Fire	Cooling	
Electric	Air Quality	
Gas	Workplace assessments	
Asbestos	Lighting	
LOLR	Hot water supply	
Pressure vessels		
Fuel Storage		

Options for FM - ongoing

1. Full maintenance of all services
2. Continue with Amey PPM planner and remedial works
3. RAG rating

<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">3 DECEMBER 2018</p>	
<p>AWARD OF H&Fs NON-RESIDENTIAL PROPERTY WATER CONTRACT TO WATER PLUS</p>	
<p>Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation Corporate Property Services and Commercial Property & Income Management have consulted with Council departments and Industry bodies regarding non-residential asset water usage and the Water Deregulation 2017.</p>	
<p>Wards Affected: All wards</p>	
<p>Accountable Director: Hitesh Jolapara, Strategic Director of Finance & Governance</p>	
<p>Report Author: Sebastian Mazurczak, CFM Property Services & Compliance Manager</p>	<p>Contact Details: Tel: 0208 753 1707 E-mail: sebastian.mazurczak@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. Following Cabinet approval 15th January 2018 for the council to use its energy purchasing body's (Laser) framework to procure a water utilities provider for water and sewage services to its non-residential property portfolio as part of the Water Deregulation 2017 for non-domestic supply. The council has completed a successful procurement exercise, reviewed the winning tenderer's terms and is in a position to award the contract.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves the contract to be awarded to Water Plus for a four-year period (with a penalty-free break clause after year two) at an estimated contract value of £0.92m over the 4-year period.

3. REASONS FOR DECISION

- 3.1 In accordance with the procurement strategy approved by Cabinet 15th January 2018, the Council commissioned LASER Energy (a commercial trading arm of Kent County Council) to run a mini-competition through their water procurement framework to find a water utilities provider for the Council for its non-residential properties. The procurement was successful with five interested suppliers competing. After evaluation of the tender responses, it was found that Water Plus won by scoring the highest, making it the most economically advantageous supplier meeting the H&F requirements with regards to price, quality of service and added value.

4. PROCUREMENT DETAILS AND RESULTS

- 4.1 Once cabinet approval was obtained, the Council entered into an agreement with LASER Energy to manage the tender process on the council's behalf and provided Laser with its current non-domestic supply portfolio from both Corporate Property Services and Housing Non-Commercial Properties that it wished to be included in the water supply tender.
- 4.5 Through LASER's mini-competition, Water Plus scored the highest overall. This included scoring the highest in the Quality of Service section and the second highest in the Pricing and Added Value sections.
- 4.6 The Council also carried-out its own analysis of the results and tender submissions provided by LASER Energy for each tender application to provide additional verification.
- 4.9 When the non-household water and waste water market opened to competition in April 2017, all organisations moved to a default tariff on a deemed contract with their existing supplier which for the council was Castle Water. The default tariffs are published in the market and enable water retailers to be able to calculate the potential savings, based on previous consumption data, that an organisation can make.

5 BACKGROUND TO WATER PLUS

- 5.1 Water Plus are to take over as the council's water and sewage services provider as from December 2018, based on approval of this report. They were specifically set up to meet the water services of business customers and organisations in open water markets and have a good reputation in the industry. Water Plus is an amalgamation of Severn Trent Water and United Utilities who joined forces to create a new enhanced water retail company. This came about as a response to the water market reform that came into effect on 1st April 2017.
- 5.3 For business as usual operations (such as billing queries and supply additions), LBHF will liaise directly with Water Plus. LASER will also collect contractual management information and will escalate queries in the case of continued poor retailer performance.

6 CONSULTATIONS

- 6.1 Corporate Property Services have been consulting with other departments in relation to non-residential asset water usage in addition to Local Authorities and industry bodies. This has been in order to gauge how the market is responding to water deregulation.

7 EQUALITY IMPLICATIONS

- 7.1 As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public-Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from the awarding of this contract.
- 7.2 Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8 LEGAL IMPLICATIONS

- 8.1 Following the Water Act 2014, water supply to businesses in England was deregulated on 1 April 2017. The procurement by the council of its water supply is therefore governed by the Public Contracts Regulations 2015. As the value of the contract is above the threshold for services (currently £181,302) the council must procure this contract in accordance with the full regulations, which includes by way of a call-off contract from a framework agreement.
- 8.2 The council has used the LASER framework to procure this contract with Water Plus, which is compliant with the full regulations.
- 8.3 The final call-off contract is a combination of the template call-off contract under the LASER framework agreement and Water Plus' standard business terms, both heavily amended by Hector Denfield of Sharpe Pritchard solicitors.
- 8.4 Legal implications completed by: Hector Denfield, solicitor with Sharpe Pritchard LLP, on secondment to the council - (hdenfield@sharpepritchard.co.uk).

9 FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 As set out in the exempt part of the agenda.

10 IMPLICATIONS FOR BUSINESS

- 10.1 As set out in the exempt part of the agenda.

11 RISK MANAGEMENT

- 11.1 Market testing and ensuring the Council meets its statutory obligations for health and safety and business continuity are corporately identified risks. Their ongoing management ensures that the Council continues to deliver the best possible services at the most competitive cost to the local taxpayer.
- 11.2 The Drinking Water Inspectorate (DWI) monitors and enforces water quality regulations on behalf of the Department for Environment Food and Rural Affairs

(DEFRA). Their job is to assess the wholesomeness of drinking water and carry out audits of all water suppliers, with a view to examining all aspects of water quality, treatment, monitoring and analysis. The quality of drinking water is determined by standards set out in the Water Supply (Water Quality) Regulations 2000 (and associated amendments). It can be seen, therefore, that feasible health and safety issues in relation to water wholesomeness, are monitored and regulated by external bodies.

- 11.3 Should a water shortage occur due to a drought or major disruption, contingency plans, for the medium and long term for a potential water supply shortage, need to be in place. In the event of a mains failure, it is essential that the roles and responsibilities of all key parties are clearly understood. This is specifically relevant to mitigating any impact, and to ensuring a resilient recovery.
- 11.4 Implications have been verified and completed by Michael Sloniowski, Risk Manager tel. 020 8753 2587.

12 COMMERCIAL AND PROCUREMENT IMPLICATIONS

- 12.1 The estimated value of the contract is over the statutory threshold set at £181,302. Therefore, the procurement is subject to the full Public Contracts Regulations (PCR) 2015.
- 12.2 The LASER framework the Council called-off from to procure the contract is compliant with the Regulations.
- 12.3 The mini competition has been conducted by the Framework contracting authority in consultation with LBHF officers. Water Plus represents the most economically advantageous tenderer as a result of the procurement exercise.
- 12.4 A contract entry shall be entered on the Council's e-tendering system, capital-Esourcing.
- 12.2 Implications were verified and completed by Andra Ulianov, Procurement Consultant, tel. 02087532284.

13 PROPERTY IMPLICATIONS

- 13.1 The Council's asset transformation programme will see the core operational property estate foot print will reduce as assets are used for external letting, conversion to affordable housing or community use. The contract allows closer monitoring of water consumption that will help drive energy efficiencies too.
- 13.2 Implications verified/completed by: Nigel Brown, Head of Asset Strategy and Portfolio Management, tel. 02087532835.

14. IT IMPLICATIONS

- 14.1. As set out in the exempt part of the agenda.


BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Laser Recommendation Report (EXEMPT)	Kal Saini, Utilities & Commercial Properties Manager	Growth and Place
2.	Councils, Score verification matrix (EXEMPT)	Kal Saini, Utilities & Commercial Properties Manager	Growth and Place
3.	Laser's framework process (EXEMPT)	Kal Saini, Utilities & Commercial Properties Manager	Growth and Place

LIST OF APPENDICES:

Appendix 1: Laser Framework scoring matrix summery (*contained in the exempt part of the agenda*).

Agenda Item 7

London Borough of Hammersmith & Fulham CABINET 3 DECEMBER 2018	
PROPOSED LOCAL DISCRETIONARY BUSINESS RATE RELIEF SCHEME 2018/19, 2019/20 & 2020/21	
Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid and the Cabinet Member for the Economy and the Arts: Councillor Andrew Jones	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Director: Karen Sullivan – Assistant Director of Resident Services	
Report Author: Jamie Mullins, Head of Revenues	Contact Details: Tel: 020 8753-1650 E-mail: Jamie.Mullins@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Council collects National Non- Domestic Rates (NNDR) on behalf of Government under the Local Government Finance Act 1988. Rateable Values of all properties are normally reassessed every five years but the 2015 revaluation was delayed for 2 years and came into force on 1st April 2017
- 1.2. The 2017 revaluation by the Government has led to considerable increase in bills for some ratepayers. Even with a transitional scheme in place, which has provided some assistance, there are still large numbers of ratepayers who face substantial increases in their NNDR bills because of the increases imposed by Government. LBHF has secured funding to provide further support for businesses affected by the Government increase. This funding will be applied through Local Discretionary Business Rate Relief Schemes.
- 1.3. LBHF has been allocated £4.091m from Government over four years to fund the scheme with £2.387m allocated in the first year, 2017/18 and £1.159m allocated for year two, 2018/19. In year three 2019/20, the award is reduced to £477k and £68k in 2020/21.

- 1.4. The Government required the Council to consult with the Greater London Authority (GLA) about its proposed scheme. The scheme was approved by the GLA in 2017, and there are no changes to the future year's schemes, other than to apportion the amount of relief payable.
- 1.5. Approximately, 930 businesses benefited from the scheme in 2017, securing 100% relief after all other reliefs types were deducted. It is estimated that 915 businesses will secure 54% under this formula for 2018/19, 22% in 19/20 and 3% in 2020/21. These percentages may vary pending occupation change and retrospective property splits/merges, as advised by the Valuation Office Agency.

2. RECOMMENDATIONS

- 2.1. To approve the amended Local Discretionary Business Rate Relief Scheme to provide support, by way of the Government Grant, to certain ratepayers who face an increase in their Business Rates bills for the financial year 2018/19 through to 2020/21.

3. REASONS FOR DECISION

- 3.1. To agree a Local Discretionary Business Rate Relief Scheme for the financial years 2018/19, 2019/20 and 2020/21 and to ensure that all local businesses which have had a rateable value increase from the 1st April 2017 receive the maximum assistance available. The Cabinet Member for Finance and Corporate Services will be requested to approve the final scheme.

4. BACKGROUND

- 4.1. As part of the Spring Budget in 2017, the Chancellor announced a range of measures following the significant rises in rates for many businesses following a recent Government revaluation which came in to effect from the 1st April 2017.

These measures were –

- To limit the increase in bills for small businesses losing the Small Business Rate Relief to the greater of £600 or the real terms transitional relief cap for small businesses each year
- A £1000 discount for public houses with a Rateable Value of up to £100,000, subject to state aid limits for businesses with multiple properties. This scheme has been extended into financial year 2018/19.
- To provide Local Authorities in England with funding to support £300 million of discretionary relief to provide support to their local area.

This report is concerned solely with the discretionary relief funding.

5. PROPOSAL AND CRITERIA

- 5.1. The following proposed criteria and the rationale are deemed to be the fairest method of allocating the relief. Some of the criteria are statutory but others can be varied if required (limits on the rateable value or the categories of business to be excluded.)

Criterion	Rationale
The business suffered an increase in their Business Rates because of the Revaluation from April 2017	It is a condition of the funds secured from Government
The rateable value of the property is between £15,000 & £200,000	Properties with an RV of less than £12,000 will pay no Business Rates This relief decreases on a sliding scale for every rateable value over £12,000, up to £15,000. These properties benefit already from Small Business Rate Relief and the scheme to limit their increase to £600.00 for 2018/19. £200,000 was the upper limit of RV which the Government used in allocating funds between authorities
The Ratepayer will have no more than two business properties with a combined RV of less than £400,000	These criteria focus the scheme on smaller businesses.
The business complies with State Aid rules.	This is a legal requirement
The business does not fall into any of the following categories: <ul style="list-style-type: none"> • Amusement arcades • Banks & Building Societies • Betting & Gambling Industry • Bingo Halls • Communication Station • Publicly funded bodies & organisations e.g. hospitals, law courts, local authority schools • Advertising Rights • Car parks and spaces • Pawn Brokers or Money Lenders • Bureau de Change • Post Office Sorting Office • ATM Machines 	These categories were excluded in the Retail Relief Scheme. In many cases, such organisations would be excluded via the other criteria

- 5.2. It is proposed that any eligible business, taking in to account the above criteria, which suffered an increase in their rates bill (excluding Business Rate

Supplement), and after applying Transitional Relief (TR) and any other reliefs, will receive a reduction to its bill pro rata to the amount of the increase. For example

$$\begin{aligned} \text{Amount of Relief} = & \text{Amount of increase after TR etc} \\ & \text{Divided by the} \\ & \text{Total increase after TR etc of all eligible businesses} \\ & \text{Multiplied by the} \\ & \text{Funding available in year for the scheme} \end{aligned}$$

- 5.3. This proposal is regarded as fair and provides relief to all eligible businesses and should be straightforward to administer. The proposal meets the conditions of funding secured from Government and allows the Council to help the hardest hit businesses. The actual level of reduction will vary dependent on the final number of businesses included in the scheme.
- 5.4. Eligibility will be based on the number of qualifying businesses identified in 2017/18 although these may be subject to change. For example, we may not be aware that one of our ratepayers with 2 properties in our borough has a third property somewhere else. The qualifying criteria (Appendix A) was sent to all potential businesses in the Borough. All businesses were required to disclose information to LBHF, confirming whether the ratepayer had more than two businesses and they complied with the State Aid Regulations.
- 5.5. The Government have confirmed that the full Year's funding is to be allocated within the year and there can be no carry over in to subsequent years. The proposal is to continue to award the scheme for 2018/19, 2019/20 and 2020/21 in the same format as 2017/18.

6. OPTIONS AND ANALYSIS

- 6.1. The Council has three options
- Adopt the proposed scheme
 - Amend the proposed scheme
 - Develop an alternative scheme

7. LEGAL IMPLICATIONS

- 7.1 The Council has powers to provide discretionary relief to ratepayers under Section 47 of the Local Government Act 1988 and section 49 provides for a hardship relief.
- 7.2 The Central Government funding for such discretionary relief scheme permits the Council to formulate their own discretionary relief scheme and determine eligibility criteria for their hard-pressed ratepayers. However, the Council is required to consult with the GLA before adopting such a scheme

7.3 The Council is also required to ensure that the relief provided to the rate payer fall under the de minimis exception limit of £200,000 over three years.

7.4 Implications verified/completed by: Rhian Davies, Assistant Director of Legal and Democratic Services.

8. FINANCIAL IMPLICATIONS

8.1. Funding for the scheme has been confirmed and the Council will receive a maximum of £1.159m in 2018/19, £477k in 2019/20 and £68k in 2020/21 from the Government. Should the relief offered be less than this sum then the balance is refundable to the Government with no carry forward. The Hammersmith and Fulham scheme is designed to fully utilise the grant made available.

8.2. Implications verified/completed by Andrew Lord, Head of Strategic Planning and Monitoring, tel. 0208 753 2531.

8.3. Implications verified by Hitesh Jolapara, Strategic Director, Finance and Governance – tel. 020 8753 2501.

9. IMPLICATIONS FOR BUSINESS

9.1. Eligible local businesses will benefit greatly from this scheme and this will enable them to continue to contribute to the local economy

9.2. Given the amount of funds made available by Government, it will not be possible for all local businesses to be supported by this scheme, hence, it is important to establish clear and fair eligibility criteria in line with national and local guidelines, priorities and good practice.

9.3. The proposal fits well with the business ambitions of the recently launched Industrial Strategy Economy Growth for Everyone and the recommendations of the Business Commission by supporting existing businesses and sending a positive message to prospective ones. Any impact on businesses within target growth sectors such as tech, creative, cultural and other relevant ones needs to be monitored during the implementation stage. *We are currently working with our Business Intelligence team to try and establish whether any of the businesses that were awarded the relief fell in to these growth sectors. However, BI have advised that this is proving more difficult than they first thought and will follow up with the relevant data in the near future.*

9.4. Opportunities for communicating consistent positive messages of business support offered by the council should be sought and maximised via every council contact business where appropriate.

9.5. Implications verified by Albena Karameros, Economic Development Learning & Skills, Tel:020 7938 8583.

10. RISK MANAGEMENT

10.1 There are considerable benefits to our local business community for the

scheme. The proposal positively contributes to our H&F Values specifically building a strong and vibrant local economy and the creation of more jobs and opportunities for our residents and businesses as a result of the proposals. This report outlines how we will use the Council's local discretionary powers to grant discretionary rate relief to organisations that meet our schemes' criteria. The proposals recognise that public funds are not unlimited due to years of National Government Austerity and that a proportion of the costs of any relief granted are borne by general tax payers. Therefore, one of the criteria for making an award under the scheme is ensuring that money invested in this way will result in economic and / or community benefit for our residents. Supporting local businesses and organisations to promote the provision of local facilities, economic growth, employment and investment to improve prosperity and contribute to improving our residents' life chances.

10.2 Implications verified by: Michael Sloniowski Risk Manager, tel. 020 8753 2587, mobile 07768 252703.

11. IT IMPLICATIONS

11.1 IT Implications: There do not appear to be any IT implications resulting from the recommendations in this proposal.

11.2 IM Implications: As the proposal involves the collection and processing of data on behalf of H&F, a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks in relation to this proposal are Properly assessed with mitigating actions agreed and implemented.

11.3 Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 0208 753 3481.

12. COMMERCIAL IMPLICATIONS

12.1 There are no commercial and procurement implications associated with the recommendations contained in the report.

12.2 Implications completed by Joanna Angelides, Procurement Consultant, tel. 0208 753 2586 on behalf of Simon Davis, Assistant Director Commercial Management.

13. EQUALITY IMPLICATIONS

13.1 It is not anticipated that there will be any direct negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010, from the approval and implementation of this scheme.

13.2 Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT: None

List of Appendices: Appendix A- Discretionary Relief Qualifying Criteria

APPENDIX A - London Borough of Hammersmith & Fulham

Qualifying Criteria for Local Discretionary Business Rate Relief for Financial Year 2018 to 2021

In the 2017 Spring Budget, the Government announced that, as the result of the Business Rates revaluation which became effective from 1 April 2017, it would provide additional support to businesses affected by the increases.

The Local Discretionary Business Rate Relief Scheme will be available for 4 years. The relief was successfully allocated to 2017/18; this scheme applies to year two through to four: 1st April 2018 until 31st March 2021.

The relief will only be considered if:

- your business rates have increased due to the 2017 revaluation
- your property was entered in the business rates valuation list and you were in occupation on 31st March 2017

- 1.1. The amount of relief the Council is able to offer under the scheme will be limited to the funding provided to us by Government and does not apply in respect of any Business Rate Supplement. The scheme has been awarded £1.159m for year two, 2018/19. In year three 2019/20, the award is reduced to £477k and £68k in 2020/21.

The amount of relief you receive may be reduced or removed if your bill changes for any of the following reasons:

- a reduction in rateable value in the 2010 and, or 2017 rating lists
- the issue of a transitional certificate for the 2010 rating list or historical change
- the application of any additional rate relief or exemption
- vacation and re-occupation of the property
- any other reason that reduces the amount you have to pay.

The scheme will apply to all occupied properties with a rateable value between £15,000 and £200,000. If a ratepayer occupies two properties, the combined rateable values must be less than £400,000.

Businesses not included or eligible for the scheme

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting and gambling industry, amusement arcades, pawn brokers, ATM's)
- Car Parks and individual car spaces
- Post office sorting office
- Advertising rights and premises
- Bingo Halls

- Communication stations

Further Exclusions - For properties where any of the following apply, the ratepayer will not be eligible for the relief:

- Ratepayers in receipt of small business rate relief support, which limits increases on small properties caused by the loss of small business rates relief to £600
- New ratepayers occupying properties after 1st April 2017
- Properties which did not appear in the rating list on 1st April 2017, (Relief will not apply where properties are entered into the list retrospectively)
- Properties which are unoccupied
- Large publicly funded bodies or organisations such as; TFL, NHS hospitals, law courts, local authority school properties

State Aid

All qualifiers would have confirmed they are not exceeding the State Aid €200,000 allowance. This includes any other rates relief (other than exemptions, transitional or mandatory reliefs) which you have been awarded for another premises not included in this application, under the De Minimus Regulations EC 1407/2013.

Under the European Commission rules, you must retain this guidance for three years and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this guidance longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimus' aid for the next three years.

Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

How Local Discretionary Business Rate Relief is Calculated:


The council will not be able to calculate the amount of relief that you may be entitled to until we know how many ratepayers will qualify for the scheme.

Example: Business rate increase of £10,000

$$\frac{\pounds 10,000 \times \pounds 1,159,000}{\pounds 2,150,551.59} = \pounds 5389.32$$

$$\frac{\text{Amount of Increase} \times \text{Funding available}}{\text{Total increase of eligible businesses}} = \text{Total relief}$$

Agenda Item 8

London Borough of Hammersmith & Fulham		 hammersmith & fulham
CABINET 3 DECEMBER 2018		
APPOINTMENT OF CLIENT TECHNICAL ADVISOR HAMMERSMITH TOWN HALL REFURBISHMENT PROJECT		
Report of the Cabinet Member for the Economy and the Arts – Councillor Andrew Jones		
Open report A separate report on the exempt part of the Cabinet agenda provides information about the tender evaluation.		
Classification: For decision Key Decision: Yes		
Consultation: Legal, Finance, Procurement, Commercial, Business, Equality, IT and Risk Management.		
Wards Affected: Hammersmith Broadway		
Accountable Director: Jo Rowlands, Strategic Director for Growth & Place		
Report Author: <i>Archie Adu-Donkor, Major Projects Manager, David Burns, Assistant Director for Growth</i>	Contact Details: Tel: Archie Adu-Donkor 020 8753 5535 (archie.adu-donkor@lbhf.gov.uk)	

1. EXECUTIVE SUMMARY

- 1.1. The success of the refurbishment of the Grade 2 listed Town Hall is key to the delivery of the West King Street Renewal (WKSr) project. This major refurbishment project has many complex parts. This includes heritage works and a new build roof extension office space to accommodate Council staff.
- 1.2. These complex multi-faceted refurbishment works require a Client Technical Advisor to advise and support the client team. The firm appointed will advise and support the client team during the pre-construction and construction phases of the programme. They will initially advise and support the client team to develop a technical brief and associated heritage protection requirements for these works.
- 1.3. This service arrangement also includes project management of the fit out works for the newly refurbished Town Hall and after care services.

- 1.4. This paper seeks approval to appoint Currie and Brown as Client Technical Advisers under the Crown Commercial Services (CSS) Project Management and Full Design Team Services framework under *Lot 2 Project Management Suppliers*.

2. RECOMMENDATIONS

- 2.1. That Currie and Brown Consultancy be appointed as Client Technical Advisor for the Hammersmith Town Hall Refurbishment Project at a fixed fee of **£361,477.40**. This is a fixed price contract for three years.
 - a. That approval be given to appoint Currie & Brown for the Whole Refurbishment Project Scope of Services including Post Construction Stage Services. The key services for the stages are:
 - **Pre-Construction Stage:** (Surveys, Technical Work, Development of Client/Employers Technical Requirements for Detailed Design)
 - **Construction Delivery Stage** - including Project Management of the Fit-Out Phase of the programme
 - **Post Construction** – Commissioning Phase, Defects Period, After Care and Life Cycle Advice. This also includes advice on Operations and Maintenance
- 2.2. That the Construction, Fit Out and Post Construction Stages of this appointment proceeds once the overall scheme receives Planning Permission and subject to Cabinet Approval.
- 2.3. To approve a budget of **£261,477.40** for Construction, Fit Out and Post Construction stages of the Technical Advisor fees, taking the total budget for Technical Advisor fees proposed for all the stages of this three years programme to **£361,477.40**.
- 2.4. To note that Cabinet has already approved a budget of **£100,000.00** for the pre-construction stage (*surveys and technical works*) for this scheme. Please see: *West King Street Cabinet Report 9th July 2018 - [Report Item 2.8]*
- 2.5. That approval be granted to enable the Technical Advisor to mobilise and prepare for detailed pre-construction surveys and design works expected to start in late Autumn 2018.
- 2.6. That retrospective approval be given for the Procurement Process followed as advised in Item 12.3 of this report.

3. REASONS FOR DECISION

- 3.1. The level of expertise and support required to complete the technical specification and provide ongoing technical advice is not available in house.

- 3.2. Currie and Brown submitted the most economically advantageous Tender (MEAT), in accordance with the evaluation criteria specified in the tender documentation.
- 3.3. This organisation has demonstrable experience and capacity to support the Council in the development of the detailed design stages of the Town Hall Refurbishment.
- 3.4. Further information on evaluation of the Tender is set out in Appendix Section (*Appendix 1*) contained in the exempt part of the agenda.

4. BACKGROUND

- 4.1. In March 2017 the Council's agreement with the previous developer (KSD) ended. Since then the Council has been developing the Town Hall Project with a new developer, A2 Dominion. This development programme includes the major refurbishment of the Grade 2 listed Town Hall building.
- 4.2. These Refurbishment and Heritage Protection Works also includes a new build extension on top of the existing Town Hall roof. This office space extension will enable most of the Council's services to co-locate in one place. The new co-location arrangement is expected to improve the operations of the Council. There is a need to appoint a Technical Advisor to advise and support the client team to deliver this key project to the expected budget, quality and timeframe.
- 4.3. As the Town Hall will be closed during the construction phase of the project, completing the refurbishment on schedule is vital to ensure that there are no delays to staff moving back to the Town Hall and the facilities being brought back into operation e.g the Council Chamber and the Assembly Hall.
- 4.4. The proposed scheme brings considerable improvement to the King Street area including; vibrant and welcoming public realm, vastly improved accessibility for users, consolidated office space, cinema and retail space as well as 204 new homes.

5. BUDGET IMPLICATIONS

- 5.1. Item 2.8 of the July 9th 2018 West King Street Cabinet Report approved a budget of **£100,000.00** for the Pre-construction stage of this three years appointment (surveys and technical works).
- 5.2. There is now a request for additional expenditure of **£261,477.40** to support the client during the Construction Stage, Fit Out Stage and Post-construction (after care stage) of this programme. Therefore, budget approval is sought for these future stages of the programme.
- 5.3. Although the appointment is for three years, the Council can terminate this appointment should the scheme not progress beyond Planning Permission and Cabinet Approval for the whole scheme.
- 5.4. ***Why the Tender Price is Higher than the Initial Estimates***

- a. The initial budget estimate of **£100,000** was only for the Preconstruction Stage Scope of Service (Survey and Technical Works). This has already received Cabinet Approval in July 2018.
- b. After further consideration of the programme, Tenders were asked to quote for the overall programme Scope of Services from Pre-Construction to Post Construction. This was to obtain cost efficiencies and economies of scale and to keep to programme time and budget.
- c. This is also on the basis that should we secure Planning Permission and Cabinet Approval for the overall scheme, Client Technical Advice and Support will be available without delay for the remaining stages of the programme.
- d. The appointment is a Fixed Price Contract for 3 years. We do not foresee any uplift in fees during the contract period. As already noted in (Item 2.2) the Council can terminate this appointment should the scheme not progress beyond Planning Permission and Cabinet Approval for the whole scheme.

6. THE PROCUREMENT PROCESS

- 6.1. Eleven firms in Lot 2 (Project Management Suppliers) of the Crown Commercial Services Project Management and Full Design Team Services Framework were invited to bid. Only 2 firms submitted tenders – Currie & Brown and Turner and Townsend.
- 6.2. Full details of the evaluation of the tenders are set out in **Appendix 1** (contained in the exempt part of the agenda).

7. CONSULTATION

- 7.1. There are no direct consultation implications associated with the appointment of the Technical Advisor for this project as the majority of contact with local stakeholders will be conducted as part of the wider scheme. The firm appointed will advise the Council on the technical aspects of the Refurbishment and Heritage Design and Works for this programme.
- 7.2. The appointed firm will work with technical team including Property, Facilities Management and IT to ensure that the scheme once delivered meets the technical needs of the relevant departments.
- 7.3. How the space is used and / or configured will not be managed directly by the appointed advisor, so internal stakeholder engagement (including staff) will be limited.

8. EQUALITY IMPLICATIONS

- 8.1. It is not anticipated that the appointment of a Client Technical Adviser for the refurbishment programme will have any direct negative impact on any groups with protected characteristics under the terms of the Equality Act 2010.

8.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

9. LEGAL IMPLICATIONS

9.1. A mini-competition under the CCS Project Management and Full Design Team Services framework was conducted via the council's capitalesourcing.com procurement portal.

9.2. Tenders were evaluated in accordance with the pre-published evaluation criteria, the results of which are set out in Appendix 1 (contained in the exempt part of the agenda). Currie and Brown ultimately submitted the most economically advantageous tender, and may therefore be awarded the contract (budget permitting).

9.3. *Implications completed by: Hector Denfield, Solicitor, Sharpe Pritchard LLP on secondment to the council, tel. 020 7061 5907, tel. 020 7405 4600.*

10. FINANCIAL IMPLICATIONS

10.1. The proposals in this report require the potential additional use of Earmarked Reserves of £261,471.

10.2. Use of reserves as recommended in this report will reduce the sum available to manage future financial risks or invest in other priorities.

Existing budgets and immediate budget requirements

10.3. A summary of the current budgets approved and actual spend to 30th September 2018 on the West King Street Renewal Project is set out below.

Existing Revenue Budgets	Date of approval	Budget £	Actual spend to date £
Decant and Professional Advice Enabling Budgets (including existing £100k budget)	Cabinet 9th July 2018	£476,000	£124,455
Financial Advice Contract budget addition	Cabinet Member Decision 4th May 2018	£48,850	£0
Project Team and Consultant Advisors	Cabinet 5th March 2018	£360,000	£284,785
Decant of Town Hall and Extension Enabling	Cabinet 5th March 2018	£1,510,000	£16,500
Council Accommodation Delivery Team	Cabinet 5th March 2018	£250,000	£26,500
Project costs	Leaders Urgency April 2017	£250,000	£14,878
Total Budgeted Costs to Date		£2,894,850	£467,118

10.4. This report seeks approval for additional budget of £261,471.40 in addition to the existing £100,000 to fund the expected cost of appointing Currie and Brown UK Limited to the role of technical advisors to the West King Street

Renewal Project. This would take the total value of budgets approved to date for the West King Street Renewal project to £3,156,321.40.

Funding of Project Budgets

- 10.5. It is proposed that the extra budget of £261,471.40 now required, be funded from the existing earmarked reserve for King Street.
- 10.6. Provision to fund the full £3.156m will thus be initially set aside from Reserves. Assuming the project progresses some costs, subject to compliance with accounting requirements and Capital Finance Regulations, may be capitalisable as they enable vacant possession¹ or relate to a permanent relocation of a service. All expenditure and funding sources, including section 106,² will be reviewed as part of the business case.
- 10.7. However, should the project not progress all costs will need to be written off against reserves save where they potentially relate to the permanent relocation of a service, such as that for elements of the ICT infrastructure and the CCTV. If there is a challenge to the planning permission or it is called in project costs would increase.
- 10.8. The capital costs cannot be funded from Housing Capital receipts³, however the Housing Revenue Account can be recharged for an appropriate share of the revenue costs. The amount rechargeable will depend on the space occupied at the time by staff who are charged to the HRA but is likely to be between 9.5% and 12% of the revenue costs.⁴

Financial strength of the selected contractor

- 10.9. The Instructions to Tenderers document stated that all bidders must achieve a credit safe score of 50 or above and have an average turnover over the last two financial years of double the contract value. Currie and Brown UK Limited do qualify as they scored 91 on their creditsafe score⁵ and have an average turnover of £43.67m over the last two years.

Financial Risks

Financial Management of the contract

- 10.10. Ongoing monitoring of the financial strength of the contractor throughout the period of the contract will be necessary.

¹ Note this would only include the costs of moving services and would not include any ongoing rental or running costs

² This may also include reviewing the s123 CIL list

³ As the capital costs are for Council Offices not Housing but the HRA can pay a share of the capital financing charges

⁴ Note this is likely to change in future years as the proportion of staff Council staff who are charged to the HRA varies over time.

⁵ Credit check carried out by Finance and Governance out on 1st October 2018 and creditsafe score taken as at 20th June 2018.

- 10.11. As with all contracts it is important that the service contract manager robustly manages and monitors the contract, including ensuring that services have been delivered to a good standard before invoices are approved.

Risk of scheme not proceeding

- 10.12. As set out in previous Cabinet reports there are cost risks relating to the West King Street Renewal scheme not proceeding. At the time of writing these are limited to the spend to date which as at 30th September 2018 were £467k. However, this risk will increase as the scheme progresses and as more budgets and commitments, including the one requested in this report, are entered. These risks should be carefully managed.
- 10.13. Cost exposure based on the budgets proposed in this report and those already agreed is £3.156m
- 10.14. If the scheme does not progress, it's likely that all or part of these costs would be a revenue charge to the Council and for this reason it is proposed to fund all the initial budgets from reserves as set out above. To help mitigate this risk the Council should ensure it can, as far as reasonably possible, retain control of design information, as if this information and some of the work benefited a future scheme it would remain capitalisable.
- 10.15. Any amounts written off to revenue would be shared with the HRA, as set out previously in this report, this could account for between 9.5% and 12% of the costs.
- 10.16. Therefore, it's important the Council carefully assesses and controls costs at each stage of the process/ Total project costs are still fluid as many different elements, such as the refurbishment of the Town Hall are being worked up in more detail. The final land receipts and profit share under the proposed agreement are still being fully assessed. While it's understood there's a desire to ensure speedy delivery of the project this needs to be balanced with moving at too fast a pace and incurring too many costs at risk.
- 10.17. Therefore, the proposed contract with Curry and Brown should be monitored, not just against the total contract value and budget of £361,471.40 but also against each stage of the contract. The budget for the first stage of work is £100,000 and approval if Programme Board should be given before progressing beyond this stage.
- 10.18. *Implications completed by: Firas Al – Sheikh, Head of Housing Investment Strategy, tel. 0208 753 4790.*
- 10.19. *Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.*

11. IMPLICATIONS FOR BUSINESS

- 11.1. The Completion of the new Town Hall Complex is in line with the Council's Corporate Objectives. The new Town Hall Complex will bring investment and

employment opportunities to the local area. This will help to immensely improve the local business environment.

- 11.2. *Implications completed by: David Burns, Assistant Director, Growth, tel. 020 8753 0824.*

12. COMMERCIAL IMPLICATIONS

- 12.1. The procurement was conducted by calling off from the Crown Commercial Services framework and conducting a mini-competition. The expected value of the contract was £99,900.
- 12.2. Out of the 11 suppliers invited to bid under the framework agreement, two submitted a tender response. Both bidding prices are over the estimated value of £99,900. The tender responses exceed the statutory threshold of £181,302. The CCS Framework the officer used to call off from has been procured in compliance with the Public Contracts Regulations (PCR) 2015. Therefore, the procurement is compliant with the Regulations, even if its value was initially underestimated, under the statutory threshold. commercial implications must be set out here.
- 12.3. However, according with the Council's Contracts Standing Order (CSOs 8.12.1), *all Procurement Strategies and Business Cases where the estimated value is £100,000 or greater must be approved by the Cabinet prior to the commencement of any tendering exercise and agreed as a Key Decision. As a strategy has not been signed off by Cabinet, this report shall also seek retrospective approval of the procurement process followed – mini-competition under the CCS framework.*
- 12.4. The evaluation process of the tender responses was carried out in accordance with the pre-published evaluation model and award criteria, in accordance with the CCS framework instructions. The Tenders Appraisal Panel (TAP) formed reached a consensus without individual evaluations from its panel members. Therefore, there is no clear audit of the evaluation process including individual scoring.
- 12.5. Following the evaluation process based on a 60%(Quality)-40%(Price) ratio, it was concluded that Currie and Brown Consultancy are the most economically advantageous tenderer.
- 12.6. A contract entry shall be created in the Contracts Register, capitalEourcing and the contract shall be continuously monitored and managed in accordance with the established KPIs.
- 12.7. *Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.*

13. IT IMPLICATIONS

- 13.1. IT Services will work with the programme and the Technical Advisor to specify the IT and network connectivity requirements for the fit out.

13.2. *Implications completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.*

14. RISK MANAGEMENT

14.1. There is an urgent need to appoint Technical Advisor to advise the Council on the technical aspects of this complex refurbishment and heritage works for the Grade 2 Listed Town Hall Building. The appointment of this advisor will reduce the Council exposure to risk during the preconstruction and construction phase of the programme.

14.2. *Implications completed by: David Hughes, Director, Risk Management, tel.020 7361 2389.*

15. THE PROGRAMME TIMETABLE

15.1. Draft Outline Timetable

- Appointment of Technical Advisor & Stage 2 Close Out – **Autumn 2018**
- Commencement of Detailed Design and Contractor Tender Information –**by late Autumn 2018**
- Main Contractor Tender Documents Issued – **First Quarter of 2019**
- Main Contractor Appointed – **by late Autumn 2019**
- Vacant Possession of Town Hall - **by Spring 2019**
- Commencement of Demolition – **Spring 2019**
- Commencement of Main Works on Site – **by First Quarter of 2020**
- Handover of Town Hall and Extension for Fit Out – **by Spring 2022**
- Completion of Project – **by last Quarter of 2022**

16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

16.1. None.

LIST OF APPENDICES

Appendix 1 – Tender Evaluation Summary Sheet (*contained in the exempt part of the agenda*).

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>3 DECEMBER 2018</p>		
<p>WEST KING STREET RENEWAL PROGRAMME: APPROVAL OF BUSINESS CASE AND DELIVERY STRATEGY</p>		
<p>Report of the Cabinet Member for the Economy and the Arts: Councillor Andrew Jones</p>		
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information and legal advice.</p>		
<p>Classification: For decision Key Decision: Yes</p>		
<p>Consultation: Housing, IT, Property, Legal, Finance, Procurement, HR, Strategic Leadership Team</p>		
<p>Wards Affected: Hammersmith Broadway</p>		
<p>Accountable Director: Jo Rowlands, Strategic Director, Growth and Place</p>		
<p>Report Author: David Burns, Assistant Director Growth</p>		<p>Contact Details: Tel: 020 753 6090 David.Burns@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. Cabinet agreed on April 17th 2017 to terminate the development agreement agreed in 2008 and authorised officers to develop alternative proposals for the sites involved in West King Street Renewal Project. This followed the failure of the previous scheme approved in 2013 and a series of unsatisfactory proposals from the developer, made up until 2016, which would have been extremely costly to the Council, failed to meet Council's requirements and would not have delivered the regeneration of West King Street.
- 1.2. In March 2018 Cabinet authorised the Council to enter into Heads of Terms with A2 Dominion Housing Association for a conditional land sale to enable the regeneration of the Town Hall site and West King Street. It also authorised several enabling actions to progress the regeneration (ref *West King Street Renewal* report dated 5th March 2018)

- 1.3. The previous failed scheme would have resulted in a cost to the Council estimated at up to £22m, as it would have required the Council to acquire or permanently rent alternative office accommodation. In the absence of development proposals, doing nothing to the existing buildings is not an option as they have reached the end of their useful life, and would require investment from the Council of up to £53.5m, at least £2m on professional fees, and up to £10m in decant cost just to bring offices up to a basic standard. Therefore, officers were instructed to develop alternative proposals that would deliver better value to the Council and the community.
- 1.4. Since that time, proposals have been developed to regenerate and energise the western part of King Street, which will deliver more affordable housing, a new four-screen cinema, and good quality flexible staff accommodation. Officers consider that the new proposals, with a mix of office, retail and restaurant uses and a high quality design for the Town Hall, will regenerate this part of King Street and create an iconic destination for the borough.
- 1.5. The proposed regeneration scheme will, subject to planning and listed building consent, deliver a new civic and community campus for the borough, including new fit-for-purpose, inclusively designed office accommodation for the Council, 204 new homes (52% of which will be affordable housing for local residents), new B1 office and start-up space, a new four-screen cinema, shops, cafés and restaurants, a new public square and improved public realm including study space for students and young people. A separate part of the scheme will see the existing Town Hall fully refurbished and heritage elements restored.
- 1.6. The proposed West King Street Renewal Programme will act as a catalyst for change, with the inclusion of open public realm to create public space, and shared spaces within the Town Hall to be utilised by the neighbourhood as a multi-purpose mixed use development, serving the greater community. The proposal will also attract more diversity of shops which will improve the retail offer on the High Street. This will create the opportunity for associated economic benefits, including increased footfall for local businesses, as well as wider commercial opportunities for businesses in the borough, with c.£140 million of commercial contracts expected to be available as a result of the scheme.
- 1.7. The Council has prepared a Strategic Outline Business Case (SOBC; attached at Appendix 1 in the exempt part of the Cabinet agenda), which considers the options available for progressing the regeneration of the Town Hall site and West King Street. The SOBC outlines the options that the Council has considered including the option to do nothing or to simply refurbish the existing buildings, and demonstrates that this does not produce the commercial and economic benefits of the preferred scheme.
- 1.8. The business case demonstrates that there are significant benefits for the Council entering into a 50:50 Joint Venture (JV) partnership with A2Dominion Housing Association's development arm, A2Dominion Developments Ltd. (A2DD) for the purposes of delivering the West King Street Renewal (WKSRR)

Programme. This approach offers greater control over the wider development costs, quality and delivery timescales.

- 1.9. This approach would entail the Council would entering into a conditional land sale agreement. However, it is proposed that the conditional land sale would be to a corporate JV formed of the Council and A2DD, as opposed to A2DD in isolation.
- 1.10. In this scenario, the JV vehicle will carry out and fund all elements of new build works, under the terms of the conditional land sale agreement. The conditional land sale agreement has a number of conditions precedent; until these conditions are satisfied the contract does not become unconditional.
- 1.11. The Council will be responsible for the refurbishment of the existing Grade II Listed Town Hall building and fit out of the building (including a proposed extension). The estimated cost of these refurbishment works, including professional fees, inflation and contingency, but excluding fit out is set out in table 1 in the exempt report, together with the estimated cost of fitting out the refurbished Town Hall and new extension.
- 1.12. By incorporating some of the Council's accommodation requirements in the WKSR development, the Council benefits from efficiencies in delivering modern, inclusively designed and fit-for-purpose office and civic accommodation for its staff and visitors, as well as small and start-up businesses. It also avoids the need for significant capital investment in the existing Town Hall and Town Hall Extension, which in 2017 was estimated at between £29.2 million and £53.5 million for both buildings, depending on the extent of refurbishment works undertaken. These figures exclude professional fees (estimated to be at least £2 million to tender stage) and the cost of decanting staff to allow works to take place.
- 1.13. In order to manage the delivery of the WKSR Programme and Town Hall refurbishment during the remaining design stages, JV set up, contractor procurement, pre-construction and construction stages, as well as the move back to the Town Hall in Spring 2022, an experienced client-side Programme Delivery Team acting on behalf of the Council will be required. The total estimated cost to the Council of funding the Programme Delivery Team, made up of consultants and experts, is £1.7 million to March 2023.
- 1.14. In order to provide vacant possession of the Town Hall site and enable delivery of the WKSR Programme, the Council is required to decant staff and services currently based in the Town Hall and Town Hall Extension to alternative premises during the three to four-year development period.
- 1.15. As part of the enabling actions authorised through the March 2018 Cabinet report, officers were authorised to identify suitable decant accommodation to enable the redevelopment of the Town Hall site and pursue negotiations for the lease or purchase of this accommodation. This report sets out details of the proposed decant strategy and the associated costs of entering into lease agreements for decant properties during development period.

- 1.16. The proposed lease of the decant sites is time sensitive because of the timescales required to fit out the accommodation to meet the business needs of the relevant Council services, to move staff and provide vacant possession of the Town Hall site by June 2019.

2. RECOMMENDATIONS

That Cabinet agrees:

- 2.1. To approve the Strategic Outline Business Case for delivery of the West King Street Renewal Programme attached at Appendix 1 in the exempt part of the Cabinet agenda;
- 2.2. To approve a budget of £1.7 million to fund the client-side West King Street Renewal and Town Hall refurbishment programme delivery team for the period April 2019 to March 2023, to be funded from capital or revenue reserves, and delegate final confirmation of funding to the Strategic Director for Finance and Governance in consultation with the Leader of the Council and the Cabinet Member for Finance and Commercial Services;
- 2.3. To waive Contract Standing Order (CSO) 3 the CSO 8 for a procurement strategy to be approved for contracts over £100,000 for the two contracts (i) and (ii) below on the grounds that this is in the Council's overall interests due to there being insufficient time to obtain approval for the Procurement Strategy, and delegate authority to the Chief Executive in consultation with the Cabinet Member for the Economy and the Arts, to approve the award of the following services contracts, following CSO and EU procurement rules-compliant appointment exercises:
 - i. a client-side West King Street Renewal and Town Hall refurbishment programme delivery team; and
 - ii. services required to enable the relocation of Council services from the Town Hall site to alternative temporary or permanent locations (including move management and clearance services and CCTV network relocation services);
- 2.4. To approve an additional budget as set out in recommendation 2.4 in the exempt report, to fund the decant programme (i.e. the declutter of existing office accommodation, preparing staff, planning and undertaking physical moves), the staff resources required to effectively deliver the decant programme and the increased revenue costs of moving to decant accommodation for up to five years during the development period, to be funded from revenue reserves, and delegate final confirmation of reserves funding to be determined by the Strategic Director for Finance and Governance in consultation with the Leader and the Cabinet Member for Finance and Commercial Services.
- 2.5. In relation to the procurement of furniture and fit out works for the decant properties, to waive in accordance with Contract Standing Order (CSO) 3:

- i. the requirement of CSO 8 for a procurement strategy to be approved for contracts over £100K, and
- ii. the requirement of CSO 10 to seek competitive tenders,

in both cases on the basis that this is in the Council's overall interests due to there being insufficient time to obtain approval for the Procurement Strategy or carry out a full tender exercise, and

- i. to delegate authority to the Chief Executive in consultation with the Cabinet Member for the Economy and the Arts, to approve the award of these contracts to the landlords of the final proposed decant properties.
- 2.6. To approve a property lease in Hammersmith up to the value as identified in recommendation 2.6 of the exempt report. This value includes associated facilities management costs to enable the relocation of specialist 24-hour services (CCTV, Careline, Borough Emergency Control Centre) and Parking Wardens from the Town Hall site, to be funded from reserves, and delegate final confirmation of funding to the Strategic Director for Finance and Governance in consultation with the Leader and the Cabinet Member for Finance and Commercial Services.
 - 2.7. That authority be delegated to the Strategic Director, Growth and Place in consultation with the Assistant Director of Legal and Democratic Services to negotiate and finalise any legal documents necessary to enter into the agreements for the decant properties.
 - 2.8. To delegate authority to the Strategic Director, Growth and Place in consultation with the Strategic Director for Finance and Governance, as recommended by the Head of Asset Strategy and Property Portfolio, to negotiate and enter into contractual arrangements for the disposal of land at the Bradmore Park Road Children's Centre, subject to the Council obtaining best consideration, and acquisition of the Quakers Meeting House within the site, for delivery by the JV of new accommodation for the Quakers.
 - 2.9. To authorise the disposal of land at the former Bradmore Park Road Children's Centre pursuant to section 233 Town and Country Planning Act 1990.
 - 2.10. To opt to tax the Council land, shown in the plan attached at Appendix 2, for VAT subject to meeting option to tax conditions;

That Cabinet recommend to Full Council:

- 2.11. That the Council enter into a Joint Venture (JV) partnership with A2Dominion Developments Ltd. (A2DD), for the purposes of delivering the WKSR Programme;
- 2.12. That the Council approve the conditional sale of Council land shown in the plan attached at Appendix 2 to the JV partnership (Council and A2DD), in exchange for a 50% share in the JV, subject to approval of the final best

consideration valuation report by the Chief Executive, as recommended by the Head of Asset Strategy and Property Portfolio and advised by the Strategic Director, Finance and Governance ;

- 2.13. That the Council approve development funding of up to £90 million to the JV partnership (Council and A2DD), in accordance with state aid compliant market terms, subject to receipt of state aid advice from professional advisors, to be funded from an increase in the Capital Financing Requirement until the loan is repaid;
- 2.14. That the Council proceeds with the refurbishment and fit out of the Town Hall building as set out in recommendation 2.1 in the exempt report and delegate final confirmation of funding to the Strategic Director, Finance and Governance in consultation with the Leader of the Council Cabinet Member for Finance and Commercial Services;
- 2.15. To approve the leasing of two decant properties in Hammersmith up to the value set out in recommendation 2.2 in the exempt report for a period of up to four years (to include FM service delivery and IT infrastructure associated with the Council's use of the decant space) to enable the redevelopment of the Town Hall site, to be funded from revenue reserves, and delegate final confirmation of funding to the Chief Executive, as advised by the Strategic Director, Finance and Governance, in consultation with the Leader of the Council, the Cabinet Member for Economy and the Arts and the Cabinet member for Finance and Commercial Services.
- 2.16. To approve a budget as set out in recommendation 2.3 in the exempt report, to fund the furniture and fit out works required in the decant properties, to be funded from revenue reserves and, delegate final confirmation of funding to the Chief Executive, as advised by the Strategic Director, Finance and Governance, in consultation with the Leader of the Council, the Cabinet Member for Economy and the Arts and the Cabinet member for Finance and Commercial Services
- 2.17. To approve a contingency budget as set out in recommendation 2.5 in the exempt report in respect of the decant programme, including lease and fit out costs, to be funded from revenue reserves, and delegate final confirmation of funding to the Strategic Director, Finance and Governance in consultation with the Leader and the Cabinet Member for Finance and Commercial Services.

3. REASONS FOR DECISIONS

Previous Cabinet Decisions

- 3.1. This report is making recommendations in keeping with earlier Cabinet approvals. The April 2017 Cabinet report (ref *King Street Regeneration Project: Termination of Development Agreement and Agreement for Lease Dated 19 March 2008 with King Street Developments (Hammersmith) Ltd* report dated 17th April 2017) authorised the Council to end the previous arrangements and instructed officers to develop alternative proposals for the sites involved.

- 3.2. The March 2018 Cabinet report (ref *West King Street Renewal* report dated 5th March 2018) authorised the Council to negotiate and subsequently enter into Heads of Terms with A2Dominion Housing Association and its subsidiary companies A2 Dominion Homes Ltd and A2 Dominion Developments Ltd. for a conditional land sale agreement to enable the regeneration of West King Street.
- 3.3. Since that time the Council has prepared a Strategic Outline Business Case (attached at Appendix 1 in the exempt part of the Cabinet agenda), which considers the options available to the Council for progressing the regeneration of the Town Hall site and West King Street Renewal. This outline business case has been completed in line with the principles of HM Treasury's Green Book Guidance on public sector business cases, which aims to ensure public value is delivered from spending proposals.
- 3.4. The outline business case demonstrates that by entering into a 50:50 JV partnership with A2DD and a conditional land sale agreement to the JV vehicle for the purposes of delivering the West King Street Renewal Programme, the Council will retain more control over the wider development and programme delivery timescales. Approval is therefore required for the Council to enter into a conditional land sale agreement with the JV vehicle, rather than A2Dominion Housing Association (as per the March 2018 Cabinet report).
- 3.5. The 9th July 2018 *West King Street Renewal* Cabinet report authorised officers to identify suitable decant accommodation and pursue negotiations for the lease or purchase of this accommodation in order to facilitate delivery of the WKSR Programme by providing vacant possession of the Town Hall site.
- 3.6. The March 2018 Cabinet report delegated authority to the Lead Director for Regeneration, Planning and Housing and the Strategic Director of Growth and Place, and the Director of Building and Property Management in consultation with Cabinet Member for Economic Development and Regeneration and the Cabinet Member for Finance to complete asset transactions in connection with the Quakers Meeting House at Nigel Playfair Avenue and land of the former Children's Centre at Bradmore Park Road, to confirm that disposal of the land will be covered by General Consents under s123 of Local Government Act 1972 and/or to seek the necessary consent from the Secretary of State should it be required.
- 3.7. However, the Council has since confirmed that the site of the former Bradmore Park Children's Centre is held under planning powers, therefore the appropriate authority under which the land can be disposed of is section 233 Town and Country Planning Act 1990.

Programme delivery strategy

- 3.8. The proposed strategy for delivering the WKSR and Town Hall Programme is through a 50:50 JV partnership with A2DD, for the reasons set out in the Business Case attached at Appendix 1 in the exempt part of the Cabinet agenda. This will require the Council entering into a conditional land sale agreement with the JV vehicle for the land shown in the plan attached at

Appendix 2. The conditions for conditional land sale agreement are set out in the exempt part of the report.

- 3.9. The proposed form of development JV involves both parties contributing equity funding on an equal basis, with equal risk and rewards. In the case of the WKSR Programme, the Council will contribute its land as equity into the JV and A2DD will contribute an equal proportion of equity. This will then be used to fund the development cashflow up to the point that the equity is exhausted.
- 3.10. It is proposed that the remaining funding is provided by securing project finance (estimated at £90m) and that, subject to approval by Full Council, this funding is loaned to the JV by the Council. The current financial modelling for the scheme has been undertaken on the basis that the Council would on-lend to the JV at state-aid compliant terms (i.e. market rate and terms).
- 3.11. On completion of the development, each party would share 50:50 in the benefits produced by the JV either in distribution of profits or the assets developed. It is proposed that the Council will receive the new extension to the Town Hall building, as well as a share of any JV profits from the scheme. The JV agreement will include an equalisation process so that each party contributes and benefits equally, depending on the profit or assets returned on completion and the price paid.

Refurbishment of the Town Hall

- 3.12. The refurbishment of the Town Hall sits outside of the proposed conditional land sale to the JV vehicle, this means that the Council are responsible for its direct delivery. However, it is proposed that procurement of the refurbishment contractor is aligned with the new build contractor so that the two processes work seamlessly together and the Council can benefit from efficiencies in terms of procurement and management processes.
- 3.13. The estimated cost of refurbishing the Town Hall is set out in the exempt report. This figure includes inflation, contingency and a proportion of scheme-wide professional fees but excludes fit out of the Town Hall and new extension. The refurbishment construction costs are based on estimated rates for key elements of the refurbishment works plus a proportion of site-wide works from which the town hall refurbishment benefits (i.e. demolition, external works, the basement and energy centre), as well as those works shared between the refurbishment and the extension (i.e. lifts, bridges and works to the Town Hall internal courtyard).
- 3.14. The current specification, which will be developed in detail in preparation for RIBA Stage 3, is to provide fit-for-purpose office/civic accommodation in line with current building regulations and other relevant standards, whilst sensitively restoring the listed building elements; to ensure future running costs for the Council are minimised; and to avoid the requirement for any further major investment into the building for at least 25 years following the refurbishment.

- 3.15. There is currently an allocation of £6.8 million within the capital programme to fund the refurbishment of the Town Hall. Additional capital funding will therefore need to be allocated in the Council’s capital programme in order to fund the proposed refurbishment works. A further allocation will be required for the fit-out of the Town Hall building including the new extension. Details of the funding required are set out in paragraphs 9.1–9.5 of the exempt report in the Cabinet agenda. These capital allocations will be subject to a decision by Full Council.

The Council’s client-side programme delivery team

- 3.16. The overall programme for delivery of the WKSR and Town Hall Programme, subject to planning and other approvals, is set out in the table below:

Preliminary testing (ground works etc.)	Feb 2019
Unconditional planning consent and listed building consent achieved (incl. s106 and Judicial Review period)	April 2019
Demolition contractor appointed	May 2019
Vacant possession of Town Hall and Extension	June 2019
Intrusive surveys and strip out completed	Aug 2019
Appoint main Town Hall works contractor(s)	Nov 2019
Main works start on site	Apr 2020
Handover Block C (47 social rented units on site of former Town Hall Extension and 181 King Street)	May 2021
Handover of Town Hall for fit out	Jan 2022
Town Hall ready for occupation	May 2022

- 3.17. The other elements of the project will be completed during 2022, with final completion of the project in early 2023.
- 3.18. In order to deliver the client-side programme of work associated with the WKSR and Town Hall refurbishment, an experienced programme delivery team is required. This includes managing the set-up of the JV partnership and ongoing liaison between the Council and its JV partner, A2DD; definition of the detailed employer’s requirements in relation to the Town Hall refurbishment; representing H&F in matters relating to the strategic milestones programme, contractor procurement, pre-construction, construction and fit out; the move back to the Town Hall in 2022; and all related internal programme management and governance, including programme-specific communications and business change management.
- 3.19. The estimated cost to the Council of this programme delivery function from April 2019 to scheme completion in early 2023 is £1.7 million.

Proposed decant strategy

- 3.20. The March 2018 Cabinet report gave authority for officers to progress decant of specialist accommodation and functions and other matters, and allocated a budget of £1.5 million to achieve this. This included the relocation of the CCTV, Borough Emergency Control Centre and Careline services into a 24-hour hub. A suitable leased property in Hammersmith has subsequently been identified, which could accommodate these services (as well as the re-located Parking Wardens service) and negotiations are taking place with the landlord to secure this accommodation for the Council.
- 3.21. The approach to identifying suitable office decant accommodation for staff relocating from the Town Hall site is set out in paragraphs 5.10–5.12 below. It should be noted that the proposed lease costs include the FM service delivery and IT infrastructure associated with the Council's use of the decant space. A separate budget (as set out in table 4 and paragraph 9.17 of the exempt report) is required for the furniture and fit out works in the decant properties, which will be undertaken by the landlords on behalf of the Council in order to meet the timescales necessary to provide vacant possession of the Town Hall site by June 2019.
- 3.22. In order to achieve the decant, a programme of activity to declutter the existing office accommodation, prepare staff for the moves and plan and undertake the physical moves will be required between now and the anticipated decant period in April/May 2019. The cost of this programme of activity, staff resources required to effectively deliver it within the timescales proposed and the increased revenue costs of moving to the decant accommodation (including additional network and residual FM costs) for a period of up to four years is estimated at £2 million.

4. PROPOSALS AND ISSUES

Council office accommodation requirements

- 4.1. At 47 years old, the Town Hall Extension is already at the end of its useful life. The majority of the building's services, fixtures and fittings are original and have been maintained well past their intended lifespan. Customers and visitors are frequently affected by the failure of lifts, escalators and other building services; the working environment is poor and staff experience failing plumbing, heating and cooling and other services on a regular basis.
- 4.2. In 2014, detailed condition surveys identified the poor state of the building both internally and externally, having only had minimal and essential works or holding repairs carried out since the mid-1990s and as a result, a growing backlog maintenance requirement. This means there is no option available to the Council to continue using the building in its current condition without incurring significant costs, estimated at c£20 million to address critical maintenance items.
- 4.3. Given the age of the building and the scale of repairs necessary, even a basic refurbishment would require enhancements to the building design and fabric

to ensure compliance with current legislation such as Part L of the Building Regulations (re energy efficiency and thermal insulation), the Asbestos Regulations and Part M of the Building Regulations (re accessibility).

- 4.4. In 2017, the cost of addressing urgent and critical refurbishment items only within a one-year programme and requiring a full decant of the building, was estimated at £19 million including decant costs (approximately £15 million excluding decant costs). Key items which would be in scope for essential and urgent works, based on a 2014 condition statement, include:
- repairs to external mosaic tiles, which have to be regularly tested at present due to the public health and safety risk;
 - repair/replacement of windows and surrounding panels, many of which have failed leading to rain penetration;
 - roof repair/replacement due to regular leaks;
 - repair and refurbishment of external areas (i.e. staircases and link/podium to Town Hall) to prevent further water penetration through the structure;
 - upgrade of the original lifts and escalators, which do not currently meet current Building Regulation standards;
 - refurbishment/replacement of the heating, cooling and ventilation systems, which are all in poor condition;
 - removal of asbestos panels, which are becoming damaged through normal wear and tear and could become a risk to health and safety;
 - upgrades to the lighting and power, which do not meet current standards for energy efficient and struggle to meet the demands of the building;
 - replacement of ceilings to office areas, which have become loose in their fixings requiring wires to be installed to provide restraint;
 - IT and telecoms upgrades; and
 - replacement of toilets and kitchens, including the main soil stack, which is undersized, poorly aligned and prone to blockages.
- 4.5. The full cost of refurbishing the building internally and externally in order to provide fit-for-purpose, modern office accommodation was estimated at £35 million in 2017. These figures exclude any public realm improvements or demolition of the adjoining structures between the Town Hall and Town Hall Extension.
- 4.6. If these figures were inflated to the present day, the cost estimates would be in the order of £15.5 million for urgent and critical refurbishment items and £36.1 million for a full refurbishment (excluding professional fees and decant costs).
- 4.7. The Facilities Management (FM) team have estimated that keeping the building occupied and safe in its current configuration for longer than 6-12 months would require immediate investment of a minimum of £1 million. This would be purely to avoid the risk of systems failures, which may present such a severe health and safety risk that the building may need to close. In this

circumstance, alternative working accommodation for staff would need to be identified in line with the Council's business continuity plans.

- 4.8. The FM team have estimated that the minimum cost of maintenance works and likely asset renewals required to keep the Town Hall Extension building running over the next four years is approximately £2.1 million, which would need to be funded from the Council's revenue budgets. However, this figure does not include potential costs of infrastructure services such as heating and refrigerant pipework, controls and heat emitters, lighting and associated wiring, therefore the figure is likely to be higher.
- 4.9. Whilst the Town Hall itself provides a more fit-for-purpose working environment, it does not have sufficient space in its current form, to accommodate staff from the Town Hall Extension and is in need of repair/refurbishment and reconfiguration to maximise the amount of flexible workspace and meet statutory compliance requirements. The estimated cost of maintenance works to keep the Town Hall building running over the next four years is approximately £1.3 million, which would also need to be funded from the Council's revenue budgets. This figure excludes associated infrastructure works, which could be required, and is therefore also likely to be higher.
- 4.10. In 2017, the cost of addressing backlog maintenance items, repairing/replacing elements of key infrastructure and creating additional flexible workspaces in the Town Hall was estimated at between £13.3 million (assuming a full decant but excluding decant costs) and £16.9 million (assuming the building were to remain occupied).
- 4.11. If these figures were inflated to the present day, the cost estimates would be in the order of £13.7 million (assuming a full decant but excluding decant costs) and £17.4 million (assuming the building were to remain occupied). It should be noted that these figures exclude professional fees, which were previously estimated at approximately £1.2 million to tender stage.
- 4.12. In summary, to remain in the current Town Hall and Town Hall Extension buildings longer term and provide fit-for-purpose working accommodation would require a total capital investment of between £29.2 million and £53.5 million for both buildings, in addition to any professional fees (estimated to be at least £2 million to tender stage) and the cost of decanting staff to allow works to take place (estimated at approximately £10 million for up to two years).
- 4.13. By incorporating the Council's accommodation requirements in the WKSR development, the Council benefits from efficiencies in delivering modern, fit-for-purpose office and civic accommodation for its staff and visitors, as well as avoiding the need for significant investment in its current office accommodation in the short to medium term. In doing so this helps ensure the Council's business resilience and continuity of public service provision.
- 4.14. Furthermore, the WKSR and Town Hall programme provides the potential opportunity to create a new consolidated civic campus for Hammersmith &

Fulham, by potentially allowing for the co-location of customer-facing services (currently located at 145 King Street) at the renewed Town Hall site. The programme will provide enhanced facilities for the community and workspace opportunities.

Current WKSR scheme proposals developed by A2Dominion

4.15. The current WKSR scheme has some key enhancements to the previously approved King Street Developments (KSD) scheme, which are summarised below:

- Construction of 204 residential units, of which 99 will be either private rented or private sale units and 105 affordable units (69 affordable rent and 36 shared ownership). Due to including larger family units in the affordable mix, the overall tenure split by floorspace will be 52% affordable to 48% private. The previous KSD scheme was 100% private for sale.
- Demolition of the Town Hall Extension, 181 King Street, Quakers Meeting House, and the former Registry Office.
- 3,102sqm NIA of B1 office space constructed on top of the Town Hall, to replace the Council's current accommodation in the Town Hall Extension.
- Refurbishment of the existing Town Hall, which provides c.5,900sqm of office and civic spaces. Combined with the new extension this will be able to accommodate all existing staff and staff returning from WCC and RBKC as part of the Moving On process.
- 6,011sqm NIA of B1 office space for a third-party occupier and 523sqm NIA for office start-up units.
- 649sqm NIA commercial uses in A1–A3 use class.
- A new four-screen cinema totalling 1,283sqm NIA and cinema restaurant at 335sqm NIA.
- A new public plaza in front of the Town Hall, which can be used for programmed events and regenerate this end of King Street.

4.16. An application for planning permission and listed building consent for the above has been submitted to the Council. It is anticipated that the application will be considered by the Council's Planning Committee in February 2019.

Delivery strategy for the WKSR Programme

4.17. Following the termination of the previous Development Agreement and Agreement for Lease with King Street Developments (Hammersmith) Ltd., the Council considered a number of options for developing revised proposals, which were set out in the 17th April 2017 Cabinet report.

- 4.18. The April 2017 Cabinet report recommended engaging directly with a partner either through a land disposal and associated contract and/or through forming a joint venture, on the basis that it:
- offers the faster timetable and most secure delivery;
 - minimises the cost risks to the Council;
 - has a limited short-term budget requirement; and
 - offers the opportunity for the Council to share in benefits.
- 4.19. The Strategic Outline Business Case attached at Appendix 1 in the exempt part of the Cabinet agenda has been completed by senior officers with input from Deloitte and other external advisors to demonstrate the case for the proposed public spending proposals. It has been completed in line with the principles of HM Treasury's Green Book Guidance on public sector business cases.
- 4.20. The Business Case demonstrates the strategic case for delivering the WKSR Programme in line with the Council's priorities set out in The Change We'll Bring Together Business Plan for 2018 to 2020. The strategic drivers include:
- the urgent need to intervene in the failing existing Town Hall office buildings, whilst creating an opportunity for improved ways of working in order to be ruthlessly financially efficient and address the financial challenges faced by the Council;
 - contributing to the borough's housing ambitions by increasing the supply of good quality, genuinely affordable housing for local residents to meet local housing need;
 - creating pride in H&F by transforming King Street into a new civic and cultural destination; improving the public realm and Grade II listed Town Hall, providing new local amenities for residents, including a new four-screen cinema, café/restaurant, retail and public event spaces; and
 - promoting economic growth in line with the H&F Industrial Strategy, *Economic Growth for Everyone*, through the creation of new retail and commercial space, including affordable space for start-up businesses to combat High Street decline.
- 4.21. The Outline Business Case also demonstrates that by entering into a corporate JV with a development partner, the Council retains a high degree of control and influence over the design, delivery timescales and other key decisions associated with the development. This structure also allows the Council to take a greater share of the proceeds to reflect its additional financial risk.
- 4.22. As the Council intends to enter into a conditional agreement for lease with a developer i.e. the JV vehicle, the Council's legal advisors (Gowling WLG) have advised that this does not create a public works contract and therefore is not subject to Public Contract Regulations requirements.
- 4.23. The proposed partner for the 50:50 corporate JV is A2DD, the development arm of A2Dominion Housing Association; a West London based housing

association with a strong record of accomplishment of affordable housing and mixed-use delivery. A2Dominion Housing Association owns and manages around 37,000 homes in the South East, with an annual development plan of more than 1,000 homes per year.

- 4.24. A2DD is currently delivering new homes at Queen's Wharf, in partnership with Mount Anvil and are also working with the Council on the development of Lavender Court for affordable housing. A2Dominion Housing Association have committed to the Council that any surpluses realised on this scheme will be re-invested within the borough on new affordable housing. They have also committed to re-invest any further surpluses generated from new developments in the borough.
- 4.25. Given the scarcity and value of land in the borough, working with the Council on local authority owned land provides an opportunity for these surpluses to be used in delivering more affordable housing. A2Dominion Housing Association have committed to using some of their surpluses to deliver the affordable housing element of the WKSR scheme. This is included in the current financial modelling, with A2Dominion Housing Association providing a total subsidy of £10.4 million for the affordable rent and shared ownership residential units.
- 4.26. The Council will work with A2DD as JV partner to ensure that the value generated from the project (and so any land payment and profit share that the Council receives), is maximised. The Council is supported in the process by BNP Paribas who are advising the Council on the best consideration valuation process.
- 4.27. The Council will work with A2DD as JV partner to ensure that the value generated from the project (and so any land payment and profit share that the Council receives), is maximised. It is Government policy that should local authorities dispose of surplus land, that land should be sold for the best consideration. It is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. In all cases, disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds).
- 4.28. The Council is supported in the process by BNP Paribas who are currently advising the Council on the Best Consideration valuation based on current information. The review of best consideration will be subject to repeated review until scheme cost and scope fixity is achieved, just prior to procurement of a contractor.

Conditional Land Sale Agreement

- 4.29. There are several key protections within the proposed conditional land sale agreement (CLSA), the conditions for which are set out in the exempt part of the report. These are:
 - a) The ability for the Council to terminate the lease and take back ownership of the property in the event of non-delivery. The price to be

paid by the Council will be the cost or value of the property, and the mechanism for this set out in the CLSA.

- b) An obligation on the JV to pay liquidated and ascertained damages for each week of delay in the delivery of the new Town Hall Extension. The amount of this will relate directly to the cost to the Council of not being able to return to the new Town Hall Extension, plus the cost of borrowing.
 - c) An obligation on the JV to pay an amount should it deliver the new Town Hall extension to less than the required floor space.
 - d) An obligation on the JV to make a degree of progress on the Town Hall extension before it is entitled to draw down the lease.
- 4.30. Furthermore, the CLSA has a number of conditions precedent; until these conditions are satisfied the contract does not go unconditional.
- 4.31. Both parties are required to co-operate and use their reasonable endeavours to satisfy the conditions, however they all have to be satisfied within certain long stop dates or the contract fails. This means the Council does not have to sell the land nor does the JV have to develop out the scheme.
- 4.32. The JV limited liability partnership agreement will also contain provisions to ensure that A2DD (as JV partner) maintains its financial and governance standing with the regulator, Homes England. Should they be downgraded below acceptable levels (i.e. lower than V2 and G2 ratings that the regulator uses for viability and governance, for example) then the Council would have the right to review the CLSA and the management arrangements.
- 4.33. Heads of Terms for the proposed JV limited liability partnership are set out in the exempt part of the report.

Transfer of assets to the JV vehicle

- 4.34. Assets acquired by the Council and included in the proposed land transfer to the JV vehicle are the former Cinema Site at 207 King Street and the Quaker Meeting House on Nigel Playfair Avenue.
- 4.35. The March 2018 Cabinet report delegated authority to the Lead Director for Regeneration, Planning and Housing, and the Strategic Director of Growth and Place, and the Director of Building and Property Management, in consultation with the Cabinet Member for Economic Development and Regeneration and the Cabinet Member for Finance, to complete asset transactions in connection with the Quaker Meeting House at Nigel Playfair Avenue and land of the Former Children's Centre at Bradmore Park Road.
- 4.36. The former Cinema Site was acquired by the Council in September 2018. The Council is discussing with the Quakers to undertake a land swap of the land at the site of the Bradmore Park Road Children's Centre with the Quaker Meeting House. The Bradmore Park Road Children's Centre site will be sold with restrictions to ensure it is used for a specific community use.

- 4.37. A valuation report has subsequently been prepared by BNP Paribas and approved by the Head of Asset Strategy and Portfolio Management in relation to this transaction, given the obligation on the Council to secure the best consideration reasonably obtainable where it is disposing of land under s233 Town and Country Planning Act 1990.
- 4.38. As landowner the Council will dispose of the assets that it owns or is acquiring by way of a single long-term lease of 255 years (250 plus the development period of up to five years) to the JV vehicle, and the JV will pay a consideration by way of the issue of a 50% share in the JV (which will entitle the Council to a 50% share of any development profit). The JV will construct the extension to the existing Town Hall as the return of its equity.

5. OPTIONS CONSIDERED

Commercial delivery options for the WKSR Programme

- 5.1. The Outline Business Case attached at Appendix 1 in the exempt part of the Cabinet agenda sets out the commercial options available to the Council for the delivery of the WKSR Programme.
- 5.2. Delivery options considered in the Business Case include:
- **A conditional land sale agreement**, whereby the Council enters into a land sale agreement with a developer, in return for a capital receipt, which the Council can use to fund any public works it wishes to undertake; for example the Town Hall refurbishment / extension.
 - **A Development Agreement**, whereby the Council enters into a Development Agreement with a partner to redevelop the whole site and the partner is tasked with undertaking public works at its risk.
 - **A 50:50 corporate JV with a development partner**, whereby the Council sells its land to the JV, the JV partner matches the value of the land with equity of equivalent value and the proceeds and risks of the development are shared equally between the partners.
- 5.3. The Business Case demonstrates that by entering into a corporate JV with a development partner (A2DD), the Council retains a high degree of control and influence over the design, delivery timescales and other key decisions associated with the development. This structure also allows the Council to take a greater share of the proceeds to reflect its additional financial risk.
- 5.4. So that the JV vehicle acting as developer can complete the extension to the top of the Town Hall, the Council will grant a licence. The procurement of the Town Hall refurbishment contractor will be aligned with the procurement of the new build contractor so that the two processes work seamlessly together. The proposed procurement strategy is set out in section 5 of the Business Case attached at Appendix 1 in the exempt part of the Cabinet agenda.

Decant options

- 5.5. Officers considered the overall programme impact of remaining in occupation of either the Town Hall or Town Hall Extension during the construction period with phased moves into completed buildings, as shown in the table below:

Option	Town Hall occupied	Project completed
1. Decant both sites	May 2022	Jan 2023
2. Decant Town Hall first, followed by Extension once new extension and refurbishment of Town Hall is complete	July 2022	Mar 2025
3. Decant Town Hall Extension first, then Town Hall	Jan 2024	Jan 2024

- 5.6. The prolonged construction periods are expected to increase the construction costs by approximately £12.1 million in option 2 and approximately £7.5 million in option 3, thereby reducing overall scheme viability. Furthermore, both options 2 and 3 would require a degree of off-site decant, which would need to be funded from the Council's revenue budgets. There would also be a requirement for ongoing maintenance and repairs to be carried out to the Town Hall Extension (in option 2) and Town Hall (in option 3) whilst they remain occupied.
- 5.7. It should be noted that under the planning application under consideration, it is proposed to complete the affordable rent units prior to the sale and occupation of the private homes. This would not be possible in option 2 as the proposed affordable rented block (Block C) is located on the site of 181 King Street and the Town Hall Extension. A revised planning submission would therefore be required.
- 5.8. Any option which does not provide full vacant possession of the Town Hall and Town Hall Extension simultaneously would present extreme logistical challenges (due to restricted site access and the requirement to work in close proximity to occupied buildings), which could further impact on the construction programme and costs.
- 5.9. Therefore, in order to achieve the programme for delivery of the WKSR and Town Hall Programme as shown in section 3.16 above, as well as ensure a safe and suitable working environment for staff and visitors, both the Town Hall and the Town Hall Extension must be fully decanted at the same time.
- 5.10. The accommodation requirements to enable the decant of the Town Hall and Town Hall extension are as follows:
- min. 60,000 sqft office accommodation (assumes 5:10 desk to staff ratio);

- BT Openreach lease line to the building(s) with minimum 1GB bandwidth (with a preference for two independent lease lines for backup purposes);
 - good mobile phone reception;
 - 4 x car parking spaces;
 - Registry Office;
 - electrical car charging points; and
 - ability for the landlord to carry out the fit-out process on the Council's behalf including structured cabling (in order to meet the required timescales for the decant).
- 5.11. Since the Council does not have sufficient property holdings to accommodate these requirements, the Council used an external agent, BNP Paribas, to consider freehold and leasehold accommodation opportunities in the Hammersmith area. BNP Paribas have also advised on negotiations and undertaken valuations in respect of the decant accommodation options.
- 5.12. An extensive search of the market identified a number of potential options to meet the decant accommodation requirements. These were reviewed by officers from the Council's Property, Finance and WKSR Programme team, supported by BNP Paribas, and were also considered by the WKSR Programme Board. These options include two properties that are available to the Council to purchase (off-market), as well as a number that are available to lease.
- 5.13. The decant accommodation options currently available to the Council are set out in paragraphs 5.4 to 5.7 of the exempt part of the Cabinet report.
- 5.14. Final approval of the decant sites will be subject to approval by the Chief Executive. Final approval of legal documents necessary to enter into the agreements for the decant properties will be delegated to the Strategic Director, Growth and Place, in consultation with the Assistant Director of Legal and Democratic Services.
- 5.15. The estimated total cost of leasing decant accommodation for a period of approximately 3.5 years during the development period is set out in paragraphs 9.23 in the exempt report on the Cabinet agenda. The legal implications are also set out in the exempt report (section 8).

6. CONSULTATION

- 6.1. Consultation for the wider WKSR programme has been outlined in previous Cabinet reports.
- 6.2. Consultation with key stakeholders in relation to the Town Hall refurbishment including IT, Facilities Management and the Events team has commenced and will continue throughout the project.

- 6.3. Consultation on the suitability of the identified decant accommodation options for the Council's use has been undertaken with key officers the Director for Corporate Services. Engagement with the Superintendent Registrar has been undertaken to check the viability of relocating the Register Office to one of the chosen sites and the proposed design of the space.
- 6.4. Consultation with key stakeholders in the delivery and operation of the proposed decant sites has been undertaken, including with Facilities Management and IT. Engagement will continue throughout the decant programme and will commence with a wider staff audience once a decision about the decant locations and timescales have been confirmed.

7. EQUALITY IMPLICATIONS

- 7.1. The Council has given due regard to its duties under Section 149 of the Equalities Act 2010 and a full Equality Impact Assessment is being conducted.
- 7.2. The WKSR design team has actively engaged the Disability Planning Forum and members of the Disabled People's Commission (a key stakeholder group) using the Council's new co-production approach to planning for the WKSR Programme and Town Hall refurbishment.
- 7.3. *Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.*

8. LEGAL IMPLICATIONS

- 8.1. Gowlings have been retained by the Council to provide advice on the WKSR Programme and proposed JV set up, with the exception of the issues identified in paragraph 8.2 below. This advice is set out in the exempt part of the report.
- 8.2. Sharpe Pritchard have been retained by the Council to advise on the leasing of the decant accommodation and their comments in relation to the recommendations in paragraphs 2.6 and 2.15 are set out in the exempt part of the report. Sharpe Pritchard are also retained generally as the Council's advisers on contracts and procurements matters, though not those aspects for which Gowlings were specifically appointed. Their comments on recommendations in paragraphs 2.3 and 2.5 are set out in the exempt part of the report.
- 8.3. *Implications verified by Rhian Davies, Assistant Legal and Democratic Services.*

9. FINANCIAL IMPLICATIONS

- 9.1. These financial implications are based on the current drafts of the legal agreements and reports received from advisers to date. Any changes to the draft agreements may change the financial implications as set out in this report. Officers will ensure that the financial implications of any changes are fully understood.

Summary of Outline Business Case and key financial information

- 9.2. As with any financial undertaking, the Council must ensure that this project represents Value for Money. To this end, the Strategic Director for Growth and Place, and the Strategic Director for Finance and Governance jointly procured for specialist advice, Deloitte to provide financial advice on this project and input into the Outline Business Case and advise the Council on whether the deal provides value for money for the Council.
- 9.3. Table 1 in the exempt report on the Cabinet agenda summarises the key financial elements of the proposed project.

Financial overview of the proposed Joint Venture

- 9.4. The Council will enter into a Joint Venture with A2DD forming a development vehicle which will deliver the WKSR scheme. The financial aspects of the proposed JV are summarised in the diagram in para 9.1 of the exempt report in the Cabinet agenda.

Site assembly and disposal of land into the JV

Cinema site

- 9.5. The Council's 2018-2022 capital programme provided an additional budget envelope of £50 million, from 2017/18 onwards, to provide operational flexibility, for taking forward major projects.
- 9.6. The expert determination process determined that the purchase price should be £15 million and total initial capital cost of this transaction including transaction costs, taxes and fees was £15,963,395. Ongoing building control monitoring of the existing structures and site security is estimated at £2,330 per month until the end April 2019, bringing the total capital budget requirement to £15,982,035.
- 9.7. The Council also had to pay VAT of £3 million on the transaction which has been reclaimed from Her Majesty's Revenue and Customs. The Council needs to opt to tax the Cinema site to protect its own tax position and ensure that, at the point of onward sale, the tax incurred would count towards the Council's partial exemption position. A transaction of this value would likely trigger a breach which would mean that all VAT on exempt supplies would be repayable to the HMRC, and would be at least £3-4 million.
- 9.8. The purchase of this site increases the general fund Capital Financing Requirement (CFR) by £16 million. To avoid incurring immediate borrowing costs the transaction was completed using internal borrowing against cash balances. However, a Treasury Management Strategy decision will need to be made on the longer-term funding of this acquisition in the wider context of the Council's Treasury Strategy.

- 9.9. Using cash balances to fund this purchase has an impact on revenue in the form of foregone interest income of £92,696 per year based on current interest rate of 0.58% earned on balances.
- 9.10. The increased CFR will result in an increase to the Council's MRP of £517,818 per year from the year after the scheme completes and the site is transferred to the JV, the MRP charge will continue until such time that the CFR is paid down by other capital receipts.

Quakers - Friends Meeting House

- 9.11. In compiling the site for onward disposal to the JV the Council have agreed Heads of Terms with the Quakers for a land swap of their Friends' Meeting House and the Council's Bradmore Park site. This site is held as a surplus asset and was recorded at fair value in the Council's asset register at a value of £1.734 million at 31 March 2018.
- 9.12. The Council must dispose of any assets in line with the best consideration. Although this is a land swap, best consideration must still be obtained. A best consideration valuation is being obtained by BNP Paribas. This needs to be considered by the Strategic Director of Growth and Place as advised by the Council's Head of Asset Strategy and Property Portfolio before the conclusion of the land swap.
- 9.13. This asset will become part of the site which will be sold to the JV in exchange for its share of the JV and will be included in the overall land value.

Vacant possession of Hammersmith Town Hall and Extension

- 9.14. As set out in 5.5 to 5.15, to fully assemble the site the Council will need to deliver vacant possession of the existing Town Hall Extension. The financial implications of this are considered in the decant section below.

Conditional land sale agreement to the joint venture - best consideration

- 9.15. The Council must ensure that when disposing of land it achieves best consideration. Due to changes in market conditions a final valuation will need to be obtained once all conditions of the land sale agreement have been met to ensure the Council obtains best consideration at that point in time. In the meantime, a draft best value consideration has been requested from BNP Paribas to provide assurance on the assumed value in the development appraisal. This will not be available before the Cabinet meeting but is expected to be provided in time for the Full Council decision. The development appraisal model currently assumes a value of £25.3 million, any changes to this value may affect the financial implications for both the Council and/or the JV.
- 9.16. The Council's Head of Asset Strategy and Property Portfolio, having been advised by BNP Paribas, will need to confirm that the transaction achieves best consideration for the Council.

9.17. The Council land will be sold to the JV, subject to a conditional land sale agreement, in exchange for 50% “member capital” in the JV. This share in the JV entitles the Council to 50% of the JV profits. The estimated returns to the Council are set out in paragraph 9.14 of the exempt report.

Town Hall decant – associated costs and savings

9.18. As set out in paragraphs 5.12 to 5.14 officers, as advised by BNP Paribas, have identified potential options to meet the Council’s decant requirements, the details of which are set out in the Exempt report.

Hammersmith Town Hall refurbishment and fit-out (including extension fit-out)

9.19. The capital costs of the Town Hall refurbishment and the fit out of the Town Hall and new Extension will be met by the Council. Details of these costs and funding are set out in the exempt report.

Taxation implications

9.20. The proposed scheme carries various taxation implications (primarily VAT and Stamp Duty) for both the Council individually and the Joint Venture, however the prevailing view is that these can be managed to a tax-efficient position. The tax implications and risks to the Council are set out in the tables 1, 2 and 3 below.

Table 1: VAT implications

Project stage	VAT implications to the Council
Site assembly	<ul style="list-style-type: none"> • The Council has incurred VAT input tax of £3 million on the purchase of the Cinema site as the previous owner had elected it for VAT. This VAT has been recovered by the Council however there remains a risk that it could be repayable to HMRC if the tax position is not carefully managed. It is recommended this site be opted by the Council to protect its own VAT position, however, this will be considered as part of the wider land transfer as it may be necessary to opt other parcels within the overall site (see below). • The Council is awaiting confirmation whether the Quakers Meeting House has been opted for VAT.
Land Transfer to JV	<ul style="list-style-type: none"> • The Council needs to carefully consider which elements of the land being transferred should be opted for tax. The default position is that all land should be opted. • The land transfer will be in exchange for equity (partner contribution) in the JV rather than cash. Where the Council has opted-for-VAT some or all the land being transferred it will be necessary to issue the JV with a VAT only invoice which the JV will need to settle in cash.
Outputs from the JV to the Council	<ul style="list-style-type: none"> • The provision of the new Town Hall extension will constitute a supply from the JV to the Council. Under self-supply rules this is expected to be a standard rated supply. The new extension will be in exchange for the Council’s share in the JV (repayment of its

	<p>equity share) however the Council may be required to pay a VAT-only invoice.</p> <ul style="list-style-type: none"> • In the first instance the Council will be able to reclaim this VAT however it will need to carefully consider future supplies it makes from the new Town Hall extension. Were the Council to make exempt supplies, for example the leasing of office space, this could mean that the input tax incurred at point of transfer impacts on the partial exemption position. This will need to be carefully managed and approach agreed with the HMRC.
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Footnote: VAT Partial Exemption Overview

Under normal circumstances, VAT registered bodies:

- **can** reclaim from HMRC the VAT they have incurred in the course of making Vatable supplies.
- **cannot** reclaim VAT incurred in the course of making VAT exempt supplies.

Special rules apply to Local Authorities which allow them to reclaim the VAT incurred in the course of making exempt supplies, providing this VAT does not exceed 5% of all VAT (the total input tax) incurred by an Authority in a given year.

*If this threshold is breached **all** the VAT incurred in the course of making exempt supplies is repayable to HMRC (not simply that in excess of the threshold). As such an unmitigated breach could cost the Council between £2-3m in the year of a breach.*

Typical exempt supplies for a local authority include some commercial activities, such as halls lettings, and land and property transactions. The latter requires particular attention because:

- *transactions can be of significant value; and*
- *very often the determination of relevant inputs incurred – such as capital works - need to be considered over many years*

An option to tax may be available which allows an authority to elect land and buildings for VAT, thereby managing the partial exemption position; however, an option:

- *may not be automatically granted depending on historic land-use;*
- *may be disapplied by future purchasers under certain circumstances;*
- *needs to be carefully managed by the to ensure that any future supplies it makes from opted land and buildings are appropriately taxed;*
- *once invoked, cannot be reversed.*

Table 2: SDLT implications

Project stage	SDLT implications to the Council
Site assembly	<ul style="list-style-type: none"> • The Council has incurred Stamp Duty of £889,500 on the purchase of the Cinema site. This can be capitalised under existing guidance. • The Council awaits confirmation as to the SDLT implications of the barter deal, particularly in light of the proposed build-out of the new Quakers Meeting House site by the JV which may be deemed to be part of the consideration.

Table 3: Corporation tax implications

Project stage	Corporation tax implications for the Council
Outputs from the JV to the Council	<p>For corporation tax purposes, LLPs, such as the proposed Joint Venture, are fiscally transparent and are not taxable entities. The members of the LLP are allocated their profit share and the tax treatment follows the members' tax status.</p> <p>Accordingly, any profits and gains from the LLP to the Council would not be subject to corporation tax on the basis that the Council is exempt from Corporate and Income tax.</p>

Tax Implications for the JV

- 9.21. The development model of the JV currently makes assumptions with regards to the requirement to pay tax. Further discussions are being held with A2DD, as the JV partner, to understand the tax implications of the scheme with a local authority as a joint venture partner so that they can update their development appraisal model. Our tax advice has been shared (by agreement with Deloitte) with A2DD for discussion and as a basis for updating the model.
- 9.22. Any changes to the tax and cashflow assumptions in the model could either positively or negatively impact on the development viability and the Council's expected profit share.

Other budget requirements

- 9.23. This report seeks approval for additional budgets for programme costs. £1.7 million is requested to deliver the client-side programme of work associated with the WKSR and Town Hall refurbishment through an experienced programme delivery team. The estimated cost to the Council of this programme delivery function from April 2019 to scheme completion in early 2023 is £1.7 million.
- 9.24. To date, enabling budgets of £2.895 million have been approved in previous Cabinet reports as set out in table 4 below. As previously approved reserves need to be set aside for these costs although some costs may be capitalisable to the extent that they enable vacant possession or are directly attributable bringing the capital assets *to the location and condition necessary for it to be capable of operating in the manner intended*. A detailed review of these costs will determine which costs can be capitalised but as a default these will need to be funded from reserves.

Table 4: WKSR approved budgets to date

	Value £m
Enabling projects for decant	1.760
Programme management for decant enabling project	0.116
Transition co-ordinator (moves and declutter)	0.080

Moves and logistics manager	0.080
Financial advice on development of final business case	0.149
Completion of survey and technical work on existing Town Hall	0.100
Other project costs	0.610
Total approved budgets to date	2.895

- 9.25. In addition, a further budget of £261,471 has been requested for the appointment of Technical Advisors to the project and this will be considered at 3 December Cabinet meeting.

Financial strength of the JV partner

- 9.26. The Homes and Communities Agency (HCA) in October 2018 regraded its viability assessment of A2Dominion Housing Group Limited from V1 for viability and G1 for Governance to V2 for viability whilst maintaining G1. V2 continues to comply with the HCA requirements in that *the provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.*
- 9.27. The judgement does not cover the main contracting party A2Dominion Developments Limited (which is a subsidiary of A2Dominion Housing Group). The JV agreement proposes to cover this risk by ensuring that A2Dominion Homes Ltd. have step in rights over A2Dominion Developments Ltd. if there is any failure on their part as well as by ensuring that continued financial stability and strength is one of the conditions in the land sale agreement.
- 9.28. The conditional land sale agreement will include provisions that ensure A2Dominion Housing Group Ltd maintain its financial and governance standing with the regulator (Homes England) – should they be downgraded below acceptable levels (lower than G2 for governance and V2 for viability) then the Council would have the right to review the agreement and the management arrangements.
- 9.29. A Creditsafe check for A2Dominion Developments Ltd. has been re-run on 18 November 2018 and resulted in a rating of 77, which is a good rating. However, these checks, especially the Creditsafe score, rely on historic performance, which isn't necessarily a guide to the future.

Provision of Development Funding to the Joint Venture

- 9.30. The report requests approval to provide development funding (a loan) to the JV of up to £90 million. The current development appraisal shows a need for £87 million of development finance, however there are a number of options being pursued in relation to provision of funding for the office block element of the development. Should either of these options progress, this would reduce the need for the Council to provide development funding by c£50 million.

- 9.31. The loan would be for the life of the JV and would be repaid in line with agreed repayment terms and at the point of it being wound-up after all sales were completed. Further cashflow analysis is required in compiling the final development appraisal model which would inform the detail of the JV borrowing requirements and to consider what borrowing the Council would need to undertake from the PWLB to meet these requirements. The Council may use internal borrowing but it is expected it will need to borrow from the PWLB to on-lend to the JV if the full £90 million is required and these arrangements are likely to be fixed term loans. The Council's borrowing would therefore be for a medium-term period of up to 5 years.
- 9.32. Depending on the amount borrowed and the length of the loan the Council will incur interest charges on its borrowing based on the rates available when the loan is taken out. In on-lending to the JV, the Council will need to ensure that it does so on state-aid compliant terms, considering the terms of the agreement including the interest rate. Given that the Council can borrow relatively cheaply from the PWLB it is likely that the Council will obtain a margin from on-lending to the JV. That margin will be determined by both the interest rate obtained from the PWLB and the state-aid compliant rate charged to the JV.
- 9.33. Under accounting rules, loans to third parties must be treated as capital expenditure (and the repayment considered a capital receipt) by the Council and considered under MRP regulations. Regulations require that MRP is charged based on the life of the underlying assets being created by the party to whom the loan is granted. This spreads the impact of any impairment of the loan that may be required to the JV.
- 9.34. The Council will also need to be mindful that, if the Council were to externally borrow to manage the cash flow associated with this loan it should likewise borrow for commensurate terms, otherwise there is a risk the Council's external loans could exceed the CFR (when the loan is repaid to the Council) which is not permitted under the Prudential Code.
- 9.35. As the total value of the development finance, the PWLB loan rate and the on-lending rate cannot yet be determined, the detailed financial implications are not yet available.

Financial risks and sensitivities

- 9.36. The profit to the Council from the JV will be sensitive to a number of factors primarily:
- i. construction cost overruns; and
 - ii. fluctuations in the housing market and commercial property market.
- 9.37. In addition, the Council will bear the risk of the Town Hall refurbishment and fit-out – therefore any cost overruns will need to be met by the Council.

- 9.38. Whilst the conditional land sale agreement includes penalty clauses, should the Town Hall and new extension not be ready for occupation as planned, these penalties will be payable by the JV and therefore reduce the profits available for distribution to the Council.
- 9.39. *Implications completed by Emily Hill, Assistant Director Corporate Finance, telephone 0208 753 3145 and Hitesh Jolapara, Strategic Director Finance and Governance.*

10. PROPERTY IMPLICATIONS

- 10.1. The Council has appointed external property advisors that have provided valuation advice on the search for decant accommodation and are also working with Deloitte on specialist advice on SLDT and VAT aspects. Draft lease terms have been agreed for offices within the Hammersmith locality that provide modern ways of working. In addition, a property for specialist accommodation uses has been located through a site search. The external agents negotiated terms that provide flexibility for a seamless and prompt decant away from Hammersmith Town Hall and Town Hall Extension and also a return to the new Town Hall scheme.
- 10.2. Property Services have worked with Deloitte and Gowlings on the conditional land contract (see Appendix 4 of the exempt part of the Cabinet agenda) as well inputting into the JV structure.
- 10.3. The Council has appointed BNP Paribas with support from Deloitte and Gowlings on the best consideration from its assets based on the current planning application that has been submitted. The Council's valuation specialists will provide a valuation appraisal with commentary ahead of the Cabinet meeting. The final valuation of the Council assets for best consideration under section 233 Town Country Planning Act to ascertain the valuation of the assets part of the scheme that informs the equity contribution by H&F as part of the proposed JV will be completed prior to the conditional land sale taking place.
- 10.4. Property Services has also assisted in the project team securing specialist advice by Deloitte to ensure VAT and SLDT tax implications on the property transactions are fully understood.
- 10.5. *Implications completed by Nigel Brown, Head of Asset Strategy and Property Portfolio, Commercial Team, tel. 0208 753 2835.*

11. IMPLICATIONS FOR BUSINESS

- 11.1. This is a significant commercial opportunity for businesses in the borough, with c.£140 million of commercial contracts expected to be available. The Local Planning Authority through the s106 agreement would secure a commitment to partner with the economic development team and the local supply chain programme to ensure that local companies are able to bid for opportunities.

- 11.2. The current proposals also include affordable studios and workspace which will be targeted at Small Medium Enterprises, as well as an additional 65,000 sqft of B1 office space, which will support business generally in the Hammersmith Town Centre area.
- 11.3. As the proposals involve the temporary decant of staff from both buildings, this could reduce the footfall in the area for local businesses. While the presence of a significant number of construction workers will compensate for some of this, the Council will develop a mitigation strategy to support businesses on West King Street and avoid empty shop fronts during construction.
- 11.4. *Implications verified by David Burns, Assistant Director – Growth, tel. 020 8753 6090.*

12. COMMERCIAL AND PROCUREMENT IMPLICATIONS

- 12.1. The costs for the refurbishment of the existing Town Hall remain the Council's costs, therefore any procurement under that element of the project will need to comply with statutory requirements (PCR 2015) and the Council's Contract Standing Orders (CSOs).
- 12.2. While the demolition contractor will be appointed by the newly formed JV, the programme delivery team and contractor for the works to the Town Hall refurbishment will be appointed by the Council in accordance with 12.1, following a regulated procurement exercise.
- 12.3. The £2 million decant programme providers will be appointed following compliant procurement processes, in accordance with the CSOs and PCR (2015), by calling off from compliant framework agreements or conducting open tender exercises.
- 12.4. A separate procurement strategy for the Town Hall refurbishment and fit out projects will need to be presented to Cabinet in a timely manner and build in sufficient time to undertake any procurement process required. Commercial and Procurement will offer support and guidance throughout any procurement process.
- 12.5. A waiver from the CSO requirements to seek competitive tenders is sought to directly award the landlords of the decant properties for furniture and fit out works. The estimated values of the direct awards is under the statutory threshold for works, £4,551,413. Therefore, a fully regulated procurement is not a statutory requirement. However, under the Council's Contract Standing Orders ("**CSOs**"), where no suitable existing contract or framework agreement can be used in respect of the required works, an open tendering procedure (i.e. without a pre-qualification stage), shall be sought.
- 12.6. CSOs require the use of an established framework agreement or an open tender procedure and a procurement strategy for all contracts over £100,000. These requirements can be waived by the Appropriate Persons (in this case

the appropriate Cabinet Member(s) and the Leader of the Council) if they are satisfied that a waiver is justified because:

- the nature of the market for the works to be carried out, or the goods to be purchased, or the services to be provided has been investigated and is demonstrated to be such that a departure from these CSOs is justifiable; or
- the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- the circumstances of the proposed contract are covered by legislative exemptions; or
- it is in the Council's overall interest; or
- there are other circumstances which are genuinely exceptional.

12.7. All contracts resulted from this strategy shall be placed on the Council's Contracts Register.

12.8. With regards to the establishment of the JV and the land sale, the legal advice received will be followed.

12.9. *Implications completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284, verified by Simon Davis, Assistant Director for Contracts and Procurement, 07920503651*

13. IT IMPLICATIONS

13.1. The decant from the Town Hall and Town Hall Extension will be enabled by the delivery of the new Desktop Strategy (Tech-tonic), which is due to complete by the end of April 2019. The new strategy will provide each member of staff with a mobile device, such as a convertible tablet or a laptop, and a mobile phone.

13.2. This new technology will enable officers to work from any location and provide maximum flexibility to staff. The decant workspace has been designed in line with these principles of flexible and mobile working, offering a range of work settings to accommodate different workstyles enabled by the Desktop Strategy roll-out.

13.3. The new laptops replace the current end of life white boxes (VDI) and backend infrastructure. The Desktop rollout programme is coordinating its rollout with the WKSRS programme but we need to meet the end of April 2019 deadline in order to minimise the on-going use of poorly performing white boxes. To meet Health and Safety requirements, the laptops need to have the capability of being connected to separate monitors, keyboards and mice. If there is a significant gap between completing the laptop rollout and moving officers to the new decant locations, then the new monitors will be installed in HTH and HTHX and these will be moved at the time of the decant.

- 13.4. It will be necessary to move the Council's network hub out of the Town Hall to minimise disruption to services during any building work. The hub will be moved to 145 King Street as suitable permanent links already exist and the hub can be left there once staff have moved back to the refurbished Town Hall.
- 13.5. New network connections to the two decant sites will be required and termination of the circuits in the Town Hall and Town Hall Extension. Project and Network Management resources have been allocated to the project to ensure that the work is completed appropriately and in accordance with the WKS R Programme milestones.
- 13.6. New resilient network links will be required in the decant locations. Network links are provided by third parties and these normally take at least six months to commission and implement. IT recommend that orders are placed ahead of full approval because there is no financial cost until after the site surveys have been completed by the third party. This will reduce the elapsed time for implementation.
- 13.7. The migration of network links to new multiple sites will result in increased running costs compared to current costs. These costs are estimated to be up to £45k for the two proposed decant locations, plus possible additional smaller links for CCTV, Parking, Emergency Services and Careline.
- 13.8. As part of the relocation and building closure, there will be a considerable reduction in the level of paper records held on site. Information Asset Owners and their teams will be responsible for systematically reviewing their paper records, updating information asset registers and implementing GDPR compliant treatment of records through the decant period and as business-as-usual thereafter. This will also necessitate the completion of Data Protection Impact Assessments (DPIAs) as appropriate to ensure (a) existing records are catalogued and securely stored or destroyed in compliance with the GDPR and statutory retention periods; and (b) that appropriate assessment has been made with regard to any different working practices and record management resulting from mobile working.
- 13.9. *Implications completed by: Veronica Barella, interim Chief Information Officer, tel 020 8753 2927.*

14. RISK MANAGEMENT IMPLICATIONS

These risk implications are based on the current draft report as at 20/11/18 where it is recognised that some external reports/advice are still to be finalised which may result in further changes to the finance and legal implications comments as well as the recommendations and content of the body of the report.

It is expected that the finance/legal implication will be finalised, following receipt of external reports/advice in time for the Full Council report. The risk implications will be updated for any changes required on receipt and review of these documents.

- 14.1. There are a number of risks associated with the proposed delivery of the WKSР Programme, including the relocation of staff to alternative decant sites during the development period.
- 14.2. A summary of the key risks and mitigation measures for the WKSР Programme and Town Hall refurbishment set out by officers is provided below:

Risk and impact	Mitigation measures
Selection of the right JV model to ensure that the Council and its partners have the best possible vehicle to ensure the successful delivery of the project.	The proposed strategy for delivering the WKSР and Town Hall programme is through a 50:50 JV partnership with A2DD, for the reasons set out in the Outline Business Case.
Proposed JV arrangements are found to be in breach of Public Procurement Regulations, leading to legal challenge.	Legal advice has been provided by Gowling WLG to confirm that the arrangements can be legitimately structured as a Conditional Land Sale Agreement (CLSA) and JV Agreement, without the need for an OJEU procurement process.
A2Dominion or its development subsidiary goes into administration, meaning the scheme cannot be delivered.	The Council has commissioned a review of A2Dominion Group's financial strength, including A2Dominion Developments. A Parent Company Guarantor will also be sought for A2Dominion's and A2 Dominion Developments share of obligations under the JV agreement.
The scheme does not secure development funding and therefore cannot be delivered.	The Council and A2Dominion are reviewing a range of funding options, including use of private senior debt, Public Works Loan Board (PWLБ) and potentially a forward funding arrangement with an institutional investor.
Brexit has a detrimental effect on the supply chain, construction workforce, interest rates, borrowing and inflation, thereby affecting scheme viability.	The Council and its partners will continue to monitor the implications of Brexit making any reasonable adjustments to the programme delivery strategy and reviewing scheme viability prior to go live.
Residential market deteriorates leading to lower sales values, thereby affecting scheme viability.	Sensitivity analysis has been undertaken as part of the business case development and both parties will continue to monitor viability.

Letting risk of the B1 Office Block affects scheme viability.	The CLSA includes the “Office Condition”, which requires the grant of an underlease for the office building.
Town Hall Extension is not delivered by the JV, leading to increased costs for the Council.	Under the proposed JV arrangements, the Council can better control delivery of the scheme. Gowling WLG have also considered appropriate security packages.
Town Hall Extension and/or refurbishment construction costs increase, thereby affecting scheme viability.	The Council’s cost consultant has reviewed the cost estimates provided by A2Dominion’s cost consultant, Silver. The JV will seek to let fixed price construction contracts to aid cost certainty.
The Council’s business resilience is compromised by the decant occurring at the same time as other major programme implementation, leading to a negative impact on the quality of services residents receive.	The WKSr Programme team will liaise with major corporate programme leads to manage risks and business resilience. Major Programmes Board to provide oversight and assurance of risk.
Protracted contract negotiations / prolongation of fit-out works cause delays to decant and subsequent vacant possession of the Town Hall site.	<p>Heads of Terms and key milestones have been agreed in principle with landlords to ensure no unforeseen delays to securing and fitting out the decant accommodation.</p> <p>A dedicated Decant Programme Manager is overseeing the programme of work involved, reporting regularly to the WKSr Programme Board to ensure the impact of any delays can be mitigated.</p>
Decant properties are leased to alternative tenants and no longer available to the Council.	The Council has negotiated commercially advantageous terms on the decant accommodation. Prompt legal completion of the decant accommodation is needed post Cabinet.
CCTV services, emergency services and Careline are not decanted to a new location in time for the programme deadline, leading to delays to the overall scheme.	Proposed relocation site identified and migration of services to be replanned to support overall programme timescales. Further mitigation measures to be explored as part of the decant programme.

Delay in network links to decant sites delays decant, leading to delays to the overall scheme.	Network links take six months or more to implement. Links have been pre-ordered as there is no penalty for cancelling the links if this is done ahead of actual installation.
Implementation of Desktop Strategy is impacted by delay in timing of successful decant, leading to cost increases.	New monitors, with keyboard and mice, would be implemented in HTH/HTHX if the decant is delayed. There will be additional cost of moving the monitors to decant locations, which can be accommodated within the decant budget.

- 14.3. Officers have considered the risks associated with the various stages of this programme, as set out above, and sought to put in place appropriate mitigations. It is recommended that they continue to review, monitor, and escalate as appropriate until the programme objectives have been delivered and ensure that new risks identified are assigned to risk owners. The financial implications section in this report identifies a number of key financial risks which will need to be closely monitored and managed and subject to regular reporting to Members.
- 14.4. The Strategic Outline Business Case sets out four main risks, listed below, which could significantly impact on the feasibility and affordability of the scheme. In recommending the Strategic Outline Business Case and recommendations in this report to Members, officers need to demonstrate that they have detailed plans and contingencies prepared to mitigate the risks identified or to take alternative courses of action in the event that one or more of these risks materialises.
- 14.5. Main risks identified in the Strategic Outline Business Case:
- Macroeconomic factors such as an economic downturn in the housing market could result in lower sales values and a slower sale of units;
 - Macroeconomic factors such as material price inflation, post-Brexit wage inflation, etc could result in an increased build cost;
 - Microeconomic factors including the assessment of the value of the land “Best Consideration”; and
 - Any change from previously agreed specifications during later stages of design and delivery will impact on both cost and time constraints.
- 14.6. The Strategic Outline Business Case also makes it clear that the Council is yet to receive a best consideration report for the value of its land and as a result, the JV Financial Model, including associated equity contributions and the ultimate profitability of the proposed delivery model, are all draft and subject to material change. Given the sensitivity of this value to the projects viability, this poses a significant and material risk to the project.

- 14.7. On receipt of the best consideration report, officers, with support from external advisers will need to consider the impact on the feasibility and affordability of the programme and make appropriate recommendations to Members in terms of progressing the programme.
- 14.8. Officers have obtained and followed appropriate external legal advice to assure those approving this report that the proposed approach would enable the Council to achieve its objectives for this programme and should not be subject to procurement challenge by following the recommended course of action.
- 14.9. Officers will need to ensure that final legal advice in respect of ensuring compliance with state aid regulations is received in respect of the provision of development funding to the proposed JV partnership and that this advice is followed to ensure that the funding is provided in accordance with state aid compliant market terms. This will mitigate the risk of potential future challenge.
- 14.10. Officers will need to ensure that the remaining external reports/advice are received in advance of recommendations being made to Full Council, in particular in respect of selecting an appropriate JV structure/delivery model and in demonstrating best consideration for property disposal and acquisition activities covered by this report.
- 14.11. Officers will then need to ensure they act on all final advice/reports received when progressing the relevant transactions and provide appropriate assurances to the Chief Executive and Members that this has been done. This will mitigate the risk of challenge or potential qualification by the Council's external auditor as part of their audit procedures.
- 14.12. The report identifies some uncertainty around the sources of funding, in particular the use of and collectability of CIL to fund the Town Hall refurbishment and the sensitivity analysis regarding potential JV margins which are expected to contribute to the cost of the programme. The potential impact on revenue, in terms of additional borrowing which may be required if these risks materialise, is included in the report. Ongoing reporting to Members will need to provide assurance regarding the management of these risks and any impact on the Council's financial position.
- 14.13. The report sets out a number of significant delegations to officers in terms of decisions required to progress the programme. Officers should ensure that all decisions are appropriately documented, retained and reported to Members to demonstrate that decisions have been taken in line with delegations granted.
- 14.14. Given the significance, value and complexity of the proposed programme, officers should set out the officer and member governance arrangements which will provide programme oversight and assurance and ensure that costs are appropriately controlled and key actions taken once appropriate consents and approvals have been confirmed.

14.15. *Implications validated by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel: 0207 361 2389*

15. HUMAN RESOURCES IMPLICATIONS

- 15.1. The Council's *hello future* programme aims to fundamentally transform how services are delivered to residents and the way the council works. The programme is underpinned by the roll-out of new technology planned for early 2019 as part of the Tech-tonic programme; the move to the new Integrated Business Centre (IBC) system (for finance, payroll, HR and procurement); and the refurbishment of the Town Hall to create a modern, fit-for-purpose working environment for council staff, start up businesses and visitors, making maximum use of the space available.
- 15.2. The *hello future* programme will allow staff to work from anywhere, at any time and with the environment and equipment they need to do their jobs well, whilst also ensuring that the Council makes the best use of its resources and budgets. It will enable the council to make more flexible use of the space available, allowing it to make better and more value generating uses of assets in prime locations. Proposals in this report encourage mixed use of spaces in keeping with modern and successful organisations. This – together with the proposed decant of the Town Hall site and move to alternative office accommodation during the three to four year development period – will have implications on staff, particularly those within scope of the decant currently based within the Town Hall, Town Hall Extension and 181 King Street.
- 15.3. The proposed decant of the Town Hall site and move to alternative office accommodation during the three to four year development period will have implications on staff within scope of the decant, currently based within the Town Hall, Town Hall Extension and 181 King Street.
- 15.4. There is a risk of increased staff turnover and sickness levels as a result of the move, as well as reduced productivity. Furthermore, the loss of on-site car parking will have implications on staff with current parking permits, including potential outcomes for custom and practice and a potential increase in grievances.
- 15.5. As part of the decant programme, Occupational Health are being consulted regarding new equipment to establish any potential impact on reasonable adjustments. Any reasonable adjustments required for individuals will be made and/or specialist equipment provided (as set out in the Equality Impact Assessment attached at Appendix 3).
- 15.6. It should be noted that the Council is planning to TUPE transfer staff employed by Mitie. It is proposed that transfers may take place in March/April 2019 prior to the proposed decant from the Town Hall site. There are c.70 members of Mitie staff, subject to the sign off of due diligence.
- 15.7. Given that the majority of FM services (excluding cleaning and post room services) will be provided by the landlord in the proposed decant sites under the terms of the leases, fewer FM staff are likely to be required during the

decant period. The implications of this are set out in paragraph 15.2 of the exempt part of the Cabinet agenda.

15.8. The Mitie TUPE transfers, as well as any bi-borough service restructures taking place prior to the decant, may have an impact on the overall staff numbers expected to work out of the decant accommodation. This will continue to be monitored by the Decant Programme Manager to ensure the decant accommodation provides sufficient space, in line with the proposed desk to staff ratios and agile ways of working.

15.9. *Implications validated by: Tina Dempsey, Head of People and Talent, tel 07813 146254*

16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
	None		

LIST OF APPENDICES

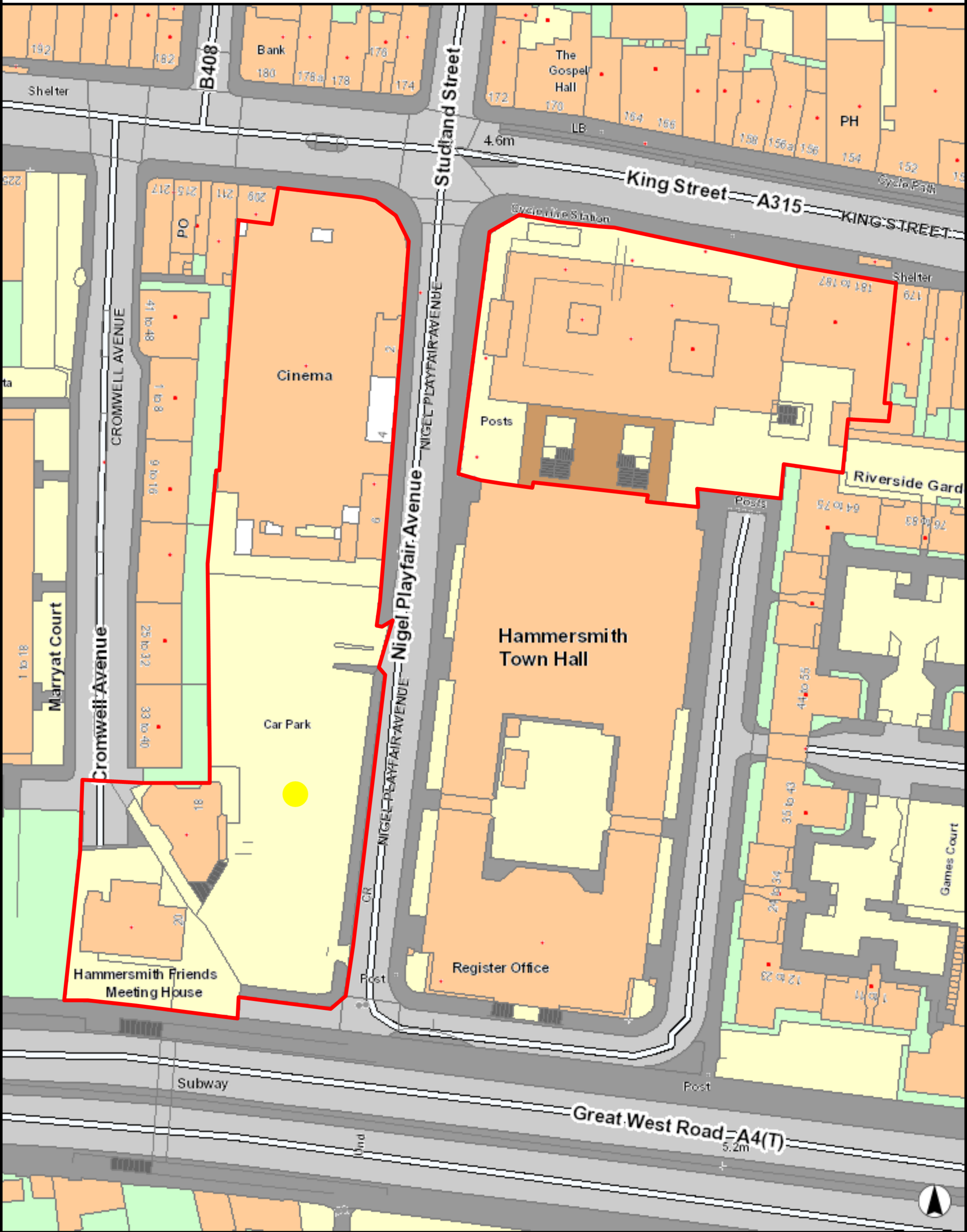
APPENDIX 1. WKSР Programme Outline Business Case (*contained in the exempt part of the agenda*).

APPENDIX 2. Conditional land sale plan

APPENDIX 3. WKSР Programme Equalities Impact Assessment

London Borough of Hammersmith & Fulham

West King Street Renewal Programme - Conditional Land Sale Agreement Plan



Full Equality Impact Analysis - LB Hammersmith and Fulham West King Street Renewal / Town Hall Programme

The purpose of this document is to ensure that the major regeneration programme for West King Street/Town Hall is compliant with the Public Sector Equality Duty. The document sets out measures taken to meet the PSED and affected protected characteristics. A key point to note is that this document is a working document and will continuously be revised until the point of completion of works that fall within this programme.

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	Nov 2018
Name and details of policy/initiative/re-structure/re-organisation	<p>The West King Street Renewal (WKSR) / Town Hall programme is a major regeneration programme for the London Borough of Hammersmith & Fulham (H&F). It is set to transform West King Street into a civic, cultural and commercial destination; delivering a new four-screen cinema, commercial space (including affordable business space), 204 homes (of which 52% are affordable homes for local people), café, restaurant and retail establishments, a public events space and the extension and renewal of the Grade II listed Town Hall. In doing so it will transform the way the Council currently operates and delivers its services to residents.</p> <p>To enable the redevelopment of the Town Hall site, there is a requirement to decant approximately 1,000 members of staff from the Town Hall, Town Hall Extension and 181 King Street. The Decant Programme is required to empty the buildings and relocate staff and services to alternative space. The staff involved include those based in the Town Hall and Town Hall Extension, although there will also be some impact on those based at 145 King Street. The Decant Programme will deliver modern, accessible and flexible workplace environments for those moving to the new sites and will seek to improve the existing workplace environment for other staff where possible.</p>
Lead Officer	Name: Charlotte Moore Position: WKSR Programme Director Email: charlotte.moore@lbhf.gov.uk Telephone No: 07703 477382
Date of completion of final EIA	TBC

Section 02	Scoping of Full EIA							
Plan for completion	Timing: Resources:							
Analyse the impact of the policy/initiative/re-structure/re-organisation	<p>The purpose of the Equality Impact Assessment (EQIA) is to determine how the WKSR/Town Hall programme will have an impact on, or affect, different groups or communities. It enables the Council to assess whether the impacts are positive, negative or unlikely to have a significant impact on each of the protected characteristics groups.</p> <p>The EQIA reflects the Public Sector Equality Duty (PSED) which highlights three areas in which public bodies must show compliance. The duty states that a public authority must, in the exercise of its functions, have due regards to the need to:</p> <ol style="list-style-type: none"> 1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under this Act; 2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and 3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>The equality duty is a continuing duty and consideration of equality impacts has taken place throughout the preparation and publication of the WKSR Business Case and Delivery Strategy.</p> <table border="1" data-bbox="501 858 2134 1437"> <thead> <tr> <th data-bbox="501 858 745 1007">Protected characteristic</th> <th data-bbox="752 858 1912 1007">Analysis</th> <th data-bbox="1919 858 2134 1007">Impact: Positive, Negative, Neutral</th> </tr> </thead> <tbody> <tr> <td data-bbox="501 1011 745 1437">Age</td> <td data-bbox="752 1011 1912 1437"> <p>The West King Street Renewal Programme will benefit people of all ages by providing a range of amenities that can be enjoyed by all. The cinema and retail, restaurant, commercial space, housing, Town Hall and improved public realm will be designed to accommodate all age groups and meet accessibility requirements as part of a modern, inclusive new build renewal programme.</p> <p>Carer responsibilities for the elderly and children will need to be taken into account, however the flexibility of 'office' based hours within the new ways of working should give such carers certainty of scheduled attendance and the flexibility to work around their carer responsibilities where appropriate.</p> </td> <td data-bbox="1919 1011 2134 1437">Positive</td> </tr> </tbody> </table>		Protected characteristic	Analysis	Impact: Positive, Negative, Neutral	Age	<p>The West King Street Renewal Programme will benefit people of all ages by providing a range of amenities that can be enjoyed by all. The cinema and retail, restaurant, commercial space, housing, Town Hall and improved public realm will be designed to accommodate all age groups and meet accessibility requirements as part of a modern, inclusive new build renewal programme.</p> <p>Carer responsibilities for the elderly and children will need to be taken into account, however the flexibility of 'office' based hours within the new ways of working should give such carers certainty of scheduled attendance and the flexibility to work around their carer responsibilities where appropriate.</p>	Positive
Protected characteristic	Analysis	Impact: Positive, Negative, Neutral						
Age	<p>The West King Street Renewal Programme will benefit people of all ages by providing a range of amenities that can be enjoyed by all. The cinema and retail, restaurant, commercial space, housing, Town Hall and improved public realm will be designed to accommodate all age groups and meet accessibility requirements as part of a modern, inclusive new build renewal programme.</p> <p>Carer responsibilities for the elderly and children will need to be taken into account, however the flexibility of 'office' based hours within the new ways of working should give such carers certainty of scheduled attendance and the flexibility to work around their carer responsibilities where appropriate.</p>	Positive						

		<p>A new, up to date office environment is likely to be attractive to the younger generation (<35). However, research shows that an open office environment is less attractive to the older generation (50+). Profile data published in 2016 shows that 24% of the staff population are older than 55, therefore it will be important to monitor the ongoing impact of the new office environment and make reasonable adjustments where necessary.</p>	APPENDIX 3
	Disability	<p>The West King Street/Town Hall Renewal Programme has been designed in accordance with the latest statutory guidelines on disability access.</p> <p>The design team has engaged regularly with the Disabled Residents' Forum to test design principles and seek guidance on how to deliver the most inclusive and accessible scheme to accommodate the needs of disabled people. This is a particular challenge given the listed heritage assets within the Town Hall, however, the design team continues to identify opportunities wherever possible to maximise accessibility for all. Features include a full Changing Places facility, which will create a more inclusive and accessible Town Hall for disabled people and their carers.</p> <p>In terms of the Decant Programme, carer responsibilities for disabled dependants will need to be taken into account, in addition to individuals with age-related mobility issues. However, the flexibility of 'office' based hours within the new ways of working should give such carers certainty of scheduled attendance and the flexibility to work around their carer responsibilities where appropriate.</p> <p>Access to the new decant sites (and the refurbished Town Hall) will be much improved from the existing buildings, particularly the Town Hall Extension, as the main entrances will be all a) at ground level and b) provide access for all through the same door. Customer services currently based on the first floor of the Town Hall Extension will be consolidated in the existing main customer services centre at 145 King Street, which also benefits from one, ground floor, level access entrance for all visitors.</p>	Positive

		<p>Staff that currently have a workplace assessment for special furniture will have this reviewed as part of the decant move programme as they will require a new assessment in their new location. Within departments, managers will engage with officers to ensure health-related issues are effectively supervised, potentially resulting in self-assessments and preferred desks arrangements. The programme will ensure that new ergonomic chairs are purchased for all Council employees subject to the decant, which are expected to meet the requirements of most specialist chair users, therefore reducing the number of additional chairs required.</p> <p>Likewise, 20% of the work stations will be height adjustable providing multiple users with the opportunity to make reasonable adjustments to their work station easily without the need for a designated desk.</p> <p>Where working remotely, the Council will continue to provide staff with specialist equipment where required. This means that it will be easier for a member of staff to have access to up-to-date IT and DDA-compliant office equipment for use at home as well as in the office. If they choose to use personal equipment for work purposes it will also mean less need to carry equipment between work and home.</p> <p>All these factors will be considered and monitored throughout via staff consultation (HR Change management) and the unions will be consulted and kept informed. It should be noted, however, that the current office accommodation is largely open plan and, therefore, does not represent a significant change for most members of staff.</p>	APPENDIX 3
	Gender reassignment	Both the proposed decant sites provide gender neutral toilets, as will the refurbished Town Hall building, which is expected to have a positive impact for this protected characteristic.	Positive
	Marriage and Civil Partnership	As part of the West King Street Renewal Programme, the redesign and consolidation of the Council's services will benefit the community as residents will benefit from new facilities and the added event space for ceremonies within the Town Hall.	Neutral

	No further impact on this protected characteristic is expected as a result of the WKSR / Town Hall Programme.	APPENDIX 3
Pregnancy and maternity	<p>HR holds pregnancy and maternity data on an individual basis and a workstation assessment is generally triggered by the individual.</p> <p>The decant programme and Town Hall refurbishment will give consideration to providing facilities for expressing milk and its storage within the new/refurbished office areas.</p> <p>All these factors will be considered and monitored throughout via staff consultation (HR Change management) and the unions will be consulted and kept informed.</p>	Neutral
Race	No specific impact on this protected characteristic is anticipated as a result of the WKSR / Town Hall programme.	Neutral
Religion/belief (including non-belief)	Space for reflection, meditation and prayer will be provided on both decant sites, as well as in the refurbished Town Hall. This is therefore expected to have a positive impact on this protected characteristic.	Positive
Sex	No specific impact on this protected characteristic is anticipated as a result of the WKSR / Town Hall programme.	Neutral
Sexual Orientation	No specific impact on this protected characteristic is anticipated as a result of the WKSR / Town Hall programme.	Neutral
Socio-economic factors	<p>Although 'new ways of working' is promoted as a staff benefit, to enhance work/life balance, the potential economic implications (perceived as 'cost-transfer') on staff are acknowledged if staff are working from home rather than working remotely in an alternative location. These could be:</p> <ul style="list-style-type: none"> • Increased travel costs (offset by decreased travel costs) • Increased utility costs (offset by choice of working in the office) • Increased cost of using personal telephones (offset by using Skype) 	Neutral

- Outlay on appropriate furniture & ICT equipment (offset by the option to work in the office/new ICT rollout)
- Outlay to install broadband (offset by choice of working in the office or other public locations where Wi-Fi is available e.g. coffee shops, libraries etc.)

Additionally, from a social perspective, there may be staff that are unable to work at home due to environmental issues, including:

- lack of suitable space
- potential over-crowding
- other familial work patterns.

Staff will be encouraged to consider working in a more agile way, for example from alternative locations (e.g. other Council sites, the local library, coffee shops, drop in centres etc.) Space will also be available for staff to work in an office location if they choose to.

All these factors will be considered and monitored throughout via staff consultation (HR Change management) and the unions will be consulted and kept informed.

APPENDIX 3

Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

No

Will it affect Children's Rights, as defined by the UNCRC (1992)?

No

Section 03	<p>Analysis of relevant data</p> <p>Examples of data can range from people profile reports, management reports, departmental equality data, data from the Human Rights Commission. Data should where possible, be disaggregated by different equality strands. Read guidance for rules on confidentiality.</p>
Documents and data reviewed	<p>The following documents and data have been used to help inform this Equality Impact Analysis:</p> <p>Equality Framework for Local Government (EPLG) 2018</p> <p>Hammersmith and Fulham Equality Objectives and Measures 2018-2020</p> <p>Local Plan 2018</p> <p>Statement of Community Involvement (SCI) 2015</p> <p>The Disabled People’s Commission – Co-Production Statement</p>
New research	<p>Not required.</p>
Section 04	Consultation
Consultation	<p>The Disabled People’s Commission (set up in December 2015 by the Leader of Hammersmith and Fulham Council) consists of 10 disabled people who live in Hammersmith and Fulham. They work closely with the Council and other partners to look at barriers experienced by local disabled people in a strategic and planned way and were commissioned to ensure the WKSR scheme was designed to be inclusive and accessible for disabled people.</p> <p>The Commission produced a Co-Production Statement (in collaboration with the Council, the Design Team, Barton Willmore, Proudlock Associates and Rogers, Stirk, Harbour and Partners), which provided a record of the active pre-application engagement and inclusive design discussions in relation to the West King Street Renewal programme. The Co-Production Statement is a ‘live document’ which provides detailed examples of the inclusive design discussions that have taken place, how Disabled Residents’ Team (DRT) comments have been reviewed and incorporated into the proposals and reflects on the successes and challenges of the process. The Co-production is focused on meaningful engagement at an early stage to ensure inclusive design principles are considered as part of the evolution of the development proposals, with the end goal of delivering a fully accessible development for all.</p>

The project Design Team comprises representatives from LBHF and A2Dominion as clients with an appointed technical design team comprising RSH-P (lead architects), Barton Willmore (planning and environmental planning consultants), Instinctif (communications / PR), TPP (highways consultant), Proudlock Associates (access consultant), Gillespies (landscape consultant) and Olsson (fire consultant).

The Commission listened to many disabled (and non-disabled people) and looked at lots of information and examples of co-production. Most of the time disabled people are not given the chance to take part or start important policy work from the beginning. For this reason, a lot of policy does not benefit disabled residents as well as it could.

LBHF prepared a development brief for the DRT on the 24 October 2017 and a series of introductory meetings followed. The Design Team provided the DRT with a background to the West King Street Renewal project, described the proposals, including detail on the residential, Town Hall, parking and public realm elements and explained the scheme evolution to date. The DRT decided that due to time pressures it would form a smaller working group to attend the design workshop meetings. It was also agreed that the DRT would consider a list of key issues to assist in the preparation of agendas and material to present.

On 19 December 2017 an initial meeting was held at Hammersmith Town Hall between the DRT, LBHF officers and LBHF Councillor Andrew Jones (Shepherds Bush Green Ward) and the Design Team. Councillor Andrew Jones and the DRT set out their roles and desire to co-produce plans for the West King Street Renewal development to ensure the highest standard of inclusive design.

The DRT Workshop meetings took place every 3 weeks in Hammersmith Town Hall, which was facilitated and supported by an officer from LBHF and documented by Barton Willmore. Regular design updates were given by RSH-P at the start of each meeting and it was agreed that the DRT would treat the proposals as confidential as pre-application discussions were not normally public. Meetings were held on:-

- Workshop #1 (Town Hall): 10 January 2018
- Workshop #2 (Highways and Public Realm): 12 February 2018
- Workshop #3 (Residential and Other Uses): 21 February 2018
- Workshop #4 (Draft Access Statement and Matters Outstanding): 14 March 2018

As a result of the workshops, the summary below sets out what the final scheme has achieved:-

- ⇒ An inclusive environment that reflects many aspects of best practice has, in principle, been accommodated and some of the key features in support of this are given below:
- ⇒ A Changing Places Facility is provided very near to the main entrance to the Town Hall, which has level access from any part of the development and semi-automated / power assisted entrance doors;
- ⇒ Approaches, communal circulation and interiors of the residential dwellings are designed to at least meet the required category of housing, with 90% meeting M4(2) and 10% M4(3) standards. The requirement states 10% need to meet M4(3) standards.
- ⇒ In the detail of the M4(3) and M4(2) standards, these are exceeded in many key parts, including wheelchair storage being provided near the front doors and the entrance doors and circulation doors exceed the required widths.
- ⇒ The wheelchair accessible/adaptable (M4(3)) units are dispersed across the residential blocks in terms of location, being on different levels. They are also located in different parts of the block, and are near to at least one lift. In addition, they are provided across all tenure types (and although tenure types are generally associated with different blocks, the affordable dwellings are divided between Block A and Block C). These measures allow for a greater choice for disabled residents when it comes to choosing a home in terms of not only tenure but views, access to amenities, proximity to transport, access to the high street for example - which are just some of many important considerations to endeavour to offer.
- ⇒ Standards for the spaces outside private dwelling entrances are provided or exceeded for all units, including at least 1500mm circulation outside M4(3) units.
- ⇒ Steps and ramps have been designed out of all primary access routes in the landscape.
- ⇒ Approaches to homes and entrances do not differ where they serve wheelchair accessible dwellings, but meet the higher standards everywhere. This includes the approach paths.
- ⇒ Dual lift access is best practice under the London Plan, and provided in Block C.
- ⇒ Within the larger (private) part of Block A the best practice standard is exceeded as there are three lifts.

⇒ Car parking provision commits all the available spaces to an accessible standard.

⇒ Adapted cycle spaces and spaces for mobility scooters can be provided within cycle stores, where space has been created in each. This is a helpful addition for families and disabled people; deaf-blind people may use a tandem for example and many mobility-impaired people use scooters. These provisions being made are also useful for independent tricycle riders including those with balance issues. These are not required by regulation or standards but best practice to provide.

Through engagement with the DRT, the Design Team have gained a more detailed insight into the different disabilities of the wider community who will be accessing the Town Hall, the challenges they face and their expectations in terms of their access requirements. The DRT have played an important role at Workshop meetings in raising their concerns and questioning the design rationale to ensure that inclusive design considerations for access points and disabled parking layout, for example.

The process has challenged the Design Team to go beyond the relevant Building Regulations and industry standards in achieving inclusive design and finding design solutions that enhance accessibility but does not compromise design quality.

Overall, the DRT Workshops have ensured that the proposed WKSR programme will achieve a high design quality and will be an inclusive and accessible development for all. The comments from the DRT have been incorporated into the development proposals where practical and feasibly possible subject to design, access and other associated considerations. This process has ensured a robust and comprehensive scheme has been prepared and includes early detailed design consideration for inclusive design that are typically responded to in detail post-planning submission during and after public consultation.

Analysis of consultation outcomes

The design team has actively engaged Disability Planning Forum and members of the Disabled People's Commission (a key stakeholder group) using the Council's new co-production approach to planning for the West King Street development. Where relevant the results of this engagement will be applied to design ideas in the proposed decant sites. Consultation with the group will continue throughout the project.


Engagement with the Trade Unions to discuss the relocation and associated matters will commence in late 2018.

Section 05	Analysis of impact and outcomes
Analysis	<p>Co-production has fostered a sense of ownership in the development process due to the increased active participation from the DRT. Members have had the opportunity to attend design Workshops and provide their comments, whilst seeing the direct impact on the scheme. The Co-production process and circulation of design material and responses by the Design Team has provided a written record of how the design of the scheme has evolved and response to their comments. This has provided reassurance to DRT members that their inclusive design comments have been heard and actioned.</p> <p>The Workshops have allowed the DRT to become more involved in early planning discussions, freely offer their experiences and provide design comments that would enhance accessibility of the scheme.</p>

Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	<p>The equalities impact analysis of the West King Street/Town Hall Renewal Programme has found that in general, there is unlikely to be any potential unlawful discrimination against protected groups associated with the implementation of the programme. However, the Council welcomes comments from the public and other stakeholders on the findings of this equalities impact analysis.</p> <p>The analysis has shown that not all protected characteristics will be affected in a similar manner by the development and that generally, the redevelopment will have a positive or neutral impact upon all protected groups and characteristics and will improve the overall quality of life among people in these groups. The WKSR programme is unlikely to adversely impact upon Human and Children's rights.</p> <p>The Council will take the following actions to promote its equalities duties:</p> <ul style="list-style-type: none"> • it will monitor the issues raised in this report on an ongoing basis. Potential issues that may adversely impact on the protected characteristics will be reported and a statutory review will take place to help resolve these issues; • it will provide people with an opportunity to comment on the EQIA; and • it will monitor the development of equalities legislation and associated case law to help ensure that the Council remains legally compliant.

Section 07	Action Plan	APPENDIX 3
Action Plan	N/A	

Section 08	Agreement, publication, and monitoring	
Chief Officers' sign-off	Name: Position: Email: Telephone No:	
Key Decision Report (if relevant)	Date of report to Cabinet/Cabinet Member: 03/12/18 Key equalities issues have been included: Yes	
HR Business Partner	Name: Position: Date advice / guidance given: Email: Telephone No:	

London Borough of Hammersmith & Fulham CABINET 3 DECEMBER 2018		 h&f hammersmith & fulham
CIVIL PENALTIES AS AN ALTERNATIVE TO PROSECUTION FOR HOUSING ACT OFFENCES		
Report of the Cabinet Member for Housing – Councillor Lisa Homan		
Open Report		
Classification - For Decision Key Decision: Yes		
Consultation None		
Wards Affected: All		
Accountable Director: Ann Ramage, Interim Assistant Director for Regulatory Services		
Report Author: Ms Anju Sidhu Bi-borough Team Manager Housing		Contact Details: Tel: 020 7341 5658 E-mail: anju.sidhu@rbkc.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Housing and Planning Act 2016 (“the 2016 Act”) introduced a range of measures to crack down on rogue landlords and improve the private rented sector. These measures include:
- civil penalties of up to £30,000 as an alternative to prosecution for certain specified offences
 - extension of rent repayment orders to cover illegal eviction, breach of a banning order etc.
 - banning orders for the most serious offenders
 - maintenance of a database of rogue landlords and property agents against whom a banning order has been made.
- 1.2 This report outlines the new enforcement powers introduced by the 2016 Act and sets out proposals for using these powers as part of the Council’s enforcement functions. It also recommends that the Council’s Environmental

Health Enforcement Policy is updated to take account of the enforcement powers introduced by the 2016 Act.

- 1.3 Under the Housing Act 2004 and the Rent Repayment Orders and Financial Penalties (Amounts Recovered) Regulations 2017, amounts recovered by Rent Repayment Orders and financial penalties may be applied to meet the Council's administrative, legal costs and expenses incurred or associated with carrying out its enforcement functions under Part 1-4 of the Housing Act 2004 or Part 2 of the 2016 Act. This includes any investigation or proceedings relating to a contravention of the law relating to housing or landlords and tenants and the promotion of compliance relating to these functions. Any money not used for these purposes must be paid into the Consolidated Fund held by the Government.

2. RECOMMENDATIONS

- 2.1 To approve the use of the powers provided by the Housing and Planning Act 2016 and authorise the Interim Assistant Director for Regulatory Services to use these powers.
- 2.2 To approve the statement of principles policy in relation to civil penalties as an alternative to prosecution, contained in Appendix A, including the charges for Civil Penalty Notices.
- 2.3 To approve that the revenue arising from civil penalties and Rent Repayment Orders will be retained within the Environmental Health Department to meet the legal or administrative costs and expenses incurred in, and associated with, discharging its enforcement functions under Parts 1–4 of the Housing Act 2004 or under Part 2 of the 2016 Act, in relation to the private rented sector.
- 2.4 To approve the amendment to the Council's Environmental Health Enforcement Policy, which will be updated to take account of the enforcement powers introduced by the 2016 Act.

3. REASONS FOR DECISION

- 3.1 The decision is needed to introduce new powers of the Housing Act 2004 as amended by the 2016 Act.
- 3.2 The use of the powers will contribute to the Council's priority 'Taking pride in Hammersmith and Fulham'. They will reinforce the Council's strong enforcement stance against landlords who do not comply with their statutory obligations and enable the Council to penalise the worst landlords by direct financial sanctions. They are in line with the Government's intention to prevent landlords from benefiting from criminal behaviour. They will deliver swifter action against rogue landlords and result in financial penalties being paid directly to the Council, which can then be used to further improve conditions and management in the private rented sector. This will reassure good landlords in the borough and encourage them to invest in their properties and

also attract responsible tenants. The private rented sector is a growing tenure sector and plays a significant role in meeting housing need in the borough.

- 3.3 The Council's Environmental Health Department are responsible for ensuring that housing conditions in the private rented sector are safe and healthy for private tenants. Environmental Health currently use powers in the Housing Act 2004 to prosecute landlords through the courts when they do not comply with the law. This action is taken when offences are committed such as when landlords do not licence houses in multiple occupation, comply with enforcement notices or management standards.
- 3.4 The law has been amended to allow the Council to use additional civil penalty powers as part of a crackdown on rogue landlords. Civil penalties of up to £30,000 can now be used as an alternative to prosecution for certain offences. These powers complement the Council's powers of prosecution. There are also new enhanced powers to recover rent in some cases through Rent Repayment Orders.
- 3.5 This report seeks the introduction of these new powers with a fair charging regime. The penalty imposed will reflect the type and severity of offence, landlord's compliance history and other relevant factors. This will be done on a case by case basis. Action through the courts will be reserved for the most serious offences.
- 3.6 Income received from a civil penalty can be retained by the Council provided that it is used to further its statutory functions in relation to its enforcement activities as described above. It would be unlawful for the income to be used for any other purpose.
- 3.7 Until now the main legal sanction for non-compliance with housing law in the private rented sector has been criminal prosecution through the courts. This is a time consuming and resource-intensive process and results in the perpetrator having a criminal record, even for the less serious offences. The new powers do not remove the option of prosecution but complement it by providing a more streamlined enforcement option achievable in a much shorter timescale, while reserving criminal prosecutions for the most serious contraventions.
- 3.8 Civil penalties cannot be issued unless the evidence has met the criminal standard of proof i.e. 'beyond reasonable doubt', the same level as for criminal prosecutions. In considering the decision to issue a Civil Penalty or not, the Council must also be satisfied that there is sufficient evidence upon which a criminal court could convict and that the action is in the public interest. If a Civil Penalty is decided upon, a prosecution cannot also be sought.
- 3.9 The Housing Act 2004 made provision for Rent Repayment Orders (RRO) to deal with situations where the landlord of a property had failed to obtain a licence for a property that was required to be licensed, which is an offence. A RRO is an order made by the First-Tier Tribunal requiring a landlord to pay a

specified amount in rent, to the tenant if the tenant paid their own rent or to the Council if the rent was paid through housing benefit or universal credit. The powers have been extended as set out in Appendix B.

- 3.10 The 2016 Act provides that if a Council becomes aware that a landlord has been convicted of any of the relevant offences, it must consider applying for a RRO. Although there is no duty to assist a tenant to apply for an RRO the Council may help a tenant to apply for a RRO, for example, helping the tenant to apply by conducting proceedings or by giving advice.
- 3.11 The 2016 Act introduces provision for the Council to apply for a banning order where a person has been convicted of a banning order offence. A banning order is an order by the First-tier Tribunal that bans a landlord from letting housing and letting agency work, property management work; or doing two or more of those things.
- 3.12 A civil penalty may be imposed for a breach of a banning order. The 2016 Act provides that the Secretary of State must establish and operate a database of rogue landlords and property agents and must ensure that local housing authorities are able to access and update the database for the purpose of carrying out their functions.
- 3.13 One hundred and seventy-two civil penalty notices have been issued across London to date. On average each notice carries a fine of £5,100. A significant proportion of these notices were issued for failing to licence properties and failing to publicise management fees.
- 3.14 A summary of the powers for civil penalties, extension of RROs and Banning Orders is outlined in Appendix B.

4. PROPOSAL AND ISSUES

- 4.1 The Council must have a policy in place for civil penalties and this is detailed in the form of a Statement of Principles (Appendix A), with guidelines in a charging matrix below:

Penalty bands in relation to severity of offence

Band number	Severity of offence	Band width
1	Moderate	£0 - £4,999
2		£5,000 - £9,999
3	Serious	£10,000 - £14,999
4		£15,000 - £19,999
5	Severe	£20,000 - £24,999
6		£25,000 - £30,000

- 4.2 The Matrix allows for maximum penalties to be issued for the most serious offences. In deciding the penalty, the council must consider:
 - Severity of the offence

- Culpability and track record of the offender
 - The harm caused to the tenant
 - Punishment of the offender
 - Deterring the offender from repeating the offence
 - Deterring others from committing similar offences
 - Removing any financial benefit, the offender may have obtained as a result of committing the offence
- 4.3 Officers will have regard to the matrix and the statutory guidance. This will determine an indicative level of penalty for the offence under consideration. Having determined an indicative level of penalty, it will be adjusted in each individual case to take into account other mitigating or aggravating factors that are relevant. Worked examples are detailed in Appendix A.
- 4.4 There is also a need to develop a procedure which must be in line with Government guidance which covers the servicing of notices, representations, rights of appeal and financial recovery.
- 4.5 The use of RROs is prescribed by law and in statutory guidance¹. These powers will be considered in response to all serious offences where it is in the public interest and where there is sufficient evidence for a successful application to the First Tier Tribunal. The Council needs to agree to adopt these powers.
- 4.6 The Council's Scheme of Delegation will be amended to reflect the adoption of these powers and officer authorisations will be amended accordingly.

5. OPTIONS AND ANALYSIS OF OPTIONS

Decision not to use the new powers

- 5.1 The main decision of this report is whether to agree to use the new powers. If the Council decides not to use the new enforcement powers, this would mean that the only legal sanction for contraventions of housing law by landlords and managing agents would be criminal prosecution through the courts.
- 5.2 Prosecution is resource intensive and time consuming with cases often taking many months to reach a court hearing. Civil Penalties would introduce a less cumbersome form of enforcement, with criminal prosecutions reserved for the most serious offences.
- 5.3 A decision not to use the new enforcement powers would not fully support the success of the existing property licensing schemes operating in the borough and would not amount to the most efficient use of enforcement resources where approximately one in three homes are privately rented.

¹ Rent repayment orders under the Housing and Planning Act 2016, Guidance for Local Housing Authorities: DCLG; April 2017

- 5.4 A decision not to adopt the RRO powers would mean that the Council or tenants would not be able to recover rent paid to landlords when certain offences have been committed. The powers would only be available for homes in multiple occupancy licensing offences and not the wider range of offences now available.
- 5.5 Not using the new powers would reduce the enforcement tools available to the Council to crack down on rogue landlords who knowingly rent out unsafe and substandard accommodation. The private rented sector is a growing tenure sector and plays a significant role in meeting housing need in the borough. Officers therefore need to be enabled to work pro-actively to address the issues found and develop a professional private sector landlord market.

Cost of appeals versus retention of monies

- 5.6 The introduction of civil penalties is likely to provoke a significant number of appeals due to the considerable financial penalties. Additional legal costs will be incurred as part of the Council being the respondent to any appeals but these can be off-set against the income from the civil penalties.
- 5.7 This decision will enable the council to retain the money from any Civil Penalties issued, and ring-fence the revenue for statutory functions in the private rented sector as discussed above. Other than its legal costs, the Council cannot currently retain any fines imposed in court through criminal prosecutions.

Default on civil penalty payments

- 5.8 Landlords or Managing Agents could default on payment of the sums. However, a successful RRO application or civil penalty would cover the costs of debt recovery action in addition to meeting the deterrent, punishment and harm recompense set out in the statement of principles in Appendix A.

6. CONSULTATION

- 6.1 There is no statutory requirement to consult on the use of the new enforcement powers. However the government has widely publicised these powers through social media and contacted landlord associations and accreditation schemes directly informing them of these changes. If members agree to adopt these powers the, Council will publicise this on the Councils website and other media channels.

7. EQUALITY IMPLICATIONS

- 7.1 These proposals affect the entire private rented sector in all wards and are aimed at raising standards and improving safety within rented homes. An Equalities Impact Assessment has been conducted and no negative impacts on any groups with protected characteristics have been identified.

7.2 Implications verified by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

8.1 This report refers to the statutory guidance as set out in section 126 and schedule 9 of the Housing and Planning Act 2016. The body of the report also accurately reflects statutory requirements for imposing a civil penalty as an alternative to prosecution. The Council's relevant scheme of officer delegations will need to be updated to ensure officers can make use of the powers, if and once, Cabinet approves the recommendations. Any enforcement taken under these new powers must be applied in a reasonable and proportionate manner.

8.2 The Rent Repayment Orders and Financial Penalties (Amounts Recovered (England) Regulations 2017 specify that any monies recovered under these provisions can only be used by the Council to cover the costs and expenses (whether administrative or legal) incurred in, or associated with, carrying out any enforcement functions in relation to the private rented sector. Any money not used for this purpose must be paid into the Consolidated Fund which is the Government's general bank account at the Bank of England.

8.3 Implications verified/completed by: Janette Mullins, Senior Solicitor, tel. 020 8753 2744.

9. FINANCIAL IMPLICATIONS

9.1 The use of new enforcement powers to levy civil financial penalties against landlords as an alternative to criminal prosecution is not expected to require any additional staffing resources over and above the current establishment.

9.2 Where penalties are successfully enforced this income will in the first instance be used to offset the costs associated with the enforcement of these powers and the recovery of the fine. Any surplus generated will be retained by the Council but must be used to further its statutory functions in relation to the private rented sector.

9.3 Implications completed by: Lucy Varenne, Finance Manager, (020 7341 5777). Implications verified: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

10. IMPLICATIONS FOR BUSINESS

10.1 The proposal aims to improve the local private rented sector and its regulation by dealing more effectively with rogue landlords. As the database will assist identifying rogue landlords this will discourage them from operating in this sector. This will result in improved housing standards which will lead to a better regulated and vibrant private rented sector.

- 10.2 This is expected to have direct positive implications for local businesses, namely landlords who run their businesses and manage their properties in accordance with established rules and requirements.
- 10.3 Implications verified/completed by: Albenia Karameros, Economic Development Team, tel. 020 7938 8583.

11 **COMMERCIAL AND PROCUREMENT IMPLICATIONS**

- 11.1 There are no procurement implications associated with the recommendations contained in this report.
- 11.2 Implications completed by: Joanna Angelides, Procurement Consultant, tel. 0208 753 2586 on behalf of Simon Davis, Assistant Director Commercial Management.

12 **IT IMPLICATIONS**

- 12.1. IT Implications: There are no IT implications arising from this decision report.
- 12.2. IM Implications: If H&F will be processing sensitive personal data as a result of this decision, steps will be required to ensure compliance with the General Data Protection Regulation (25 May 2018) - with all potential data protection risks properly assessed and mitigating actions agreed and implemented. The completion of a Privacy Impact Assessment is required, to be signed off by the Information Management Team.
- 12.3. It is assumed the data held about landlords, including fines, will be logged in a local register. The register needs to be included on the council's Information Asset Register to support our GDPR compliance.
- 12.4. Implications completed by: Karen Barry, Strategic Relationship Manager tel. 0208 753 3481.
- 12.5. Implications verified by: Veronica Barella, Chief Information Officer, tel. 020 9753 2927.

13 **RISK MANAGEMENT**

- 13.1. Risk Management implications have been considered and incorporated within the body of the report. Assurance on the proposals will be undertaken as risks will be tracked on an ongoing basis by the service area. Benefits from the proposals are aimed at raising standards and improving safety within rented homes in line with our Corporate Risk, 7 Managing our Statutory Duties and contributing to the Councils Values and Vision including Doing Things with our Residents not too them.
- 13.1 Risk Management implications have been approved. Michael Sloniowski Risk Manager, tel. 020 8753 2587, mobile 07768 252703.

14 OTHER IMPLICATIONS

- 14.1 There are no property implications, business intelligence, health and wellbeing, social value, Section 106 and PREVENT implications.
- 14.2 Implications verified/completed by Anju Sidhu Team Manager, tel. 020 7341 5658.

15 BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES:

Appendix A – Statement of principles

Appendix B - Summary of powers under the Housing and Planning Act 2016

STATEMENT OF PRINCIPLES

Civil Penalties Matrix

Officers will have regard to the matrix set out below, which is to be read in conjunction with the guidance below it. The matrix is not intended to provide a prescriptive tariff applicable in every case but provides guiding principles intended to help determine an indicative level of penalty for the offence under consideration, taking into account the statutory guidance. Having determined an indicative level of penalty, it will be adjusted in each individual case to take into account other relevant, mitigating or aggravating factors pertinent to that case.

Penalty bands in relation to severity of offence

Band number	Severity of offence	Band width
1	Moderate	£0 - £4,999
2		£5,000 - £9,999
3	Serious	£10,000 - £14,999
4		£15,000 - £19,999
5	Severe	£20,000 - £24,999
6		£25,000 - £30,000

Process for imposing a civil penalty and the right to make representations

Before imposing a financial penalty on a person, the Council will give the person notice of the Council's proposal to do so [a 'Notice of intent']

A person who is given a notice of intent may make written representations to the Council about the proposal to impose a financial penalty. Any representations must be made within 28 days, this period starting the day after the date on which the Notice of intent was given.

After the end of the period for representations the Council will—

- (a) Decide whether to impose a financial penalty on the person, and
- (b) If it decides to impose a financial penalty, decide the amount of the penalty

In determining whether to impose a financial penalty, and the level of any penalty, the Council will consider any representations received.

Where an offender remedies a breach during the representation period this would not, in itself, be reason for the Council to determine that the imposition of a financial penalty was inappropriate. However, compliance at that stage would be taken into account when determining the amount of the penalty [See 'Discounts' below].

If the Council decides to impose a financial penalty on the person, it will give the person a notice (a "final notice") imposing that penalty.

The final notice will set out—

- a) The amount of the financial penalty,
- b) The reasons for imposing the penalty,
- c) Information about how to pay the penalty,

- d) The period for payment of the penalty,
- e) Information about rights of appeal, and
- f) The consequences of failure to comply with the notice

Discounts

In cases where there have been no relevant or aggravating factors, as outlined in each case above, the Council will retain the discretion to apply a discounted rate to any civil penalty in the following circumstances:

In the event that the offender complied with the identified breach (for example by making an application to license a previously unlicensed address) within the representation period at the 'Notice of Intent' stage, the Council will consider reducing the level of penalty by 20%

Guidance: Relevant considerations as to the level of penalty for each relevant offence

1. Failure to comply with an Improvement Notice

Maximum court fine that can be levied for failure to comply with an Improvement Notice = Unlimited.

An Improvement Notice specifies repairs/improvements that the recipient must carry out in order to address hazards in a property. Category 1 hazards are the most serious, judged to have the highest risk of harm to the occupiers; the Council has a duty to take appropriate action where a dwelling is found to have one or more category 1 hazards present.

In most cases, the service of an Improvement Notice will have followed an informal stage, where the landlord had been given the opportunity to carry out improvements without the need for formal action. In such cases, failure to comply with an Improvement Notice represents an on-going failure on the part of the landlord to deal with the hazard(s) thereby continuing to expose the tenant(s) to harm.

Failure to comply with an Improvement notice will usually be regarded as a serious matter thereby meriting a Band 3 or 4 penalty (£10,000 - £19,999).

Consideration of landlord's assets and income

Where the landlord has five or less rented units, and there are no aggravating factors in the case, a Band 3 penalty may be considered appropriate.

Where the landlord or agent is controlling/owning a significant property portfolio and/or has demonstrated management failures in the past a Band 4 penalty may be considered appropriate.

Aggravating features/factors specific to non-compliance with an Improvement Notice.

The nature and extent of hazards that are present. Multiple hazards and/or

severe/extreme hazards that are considered to have a significant impact on the health and/or safety of the tenant[s] in the property would justify an increase in the level of the penalty.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were 'spent'], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,
- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

2. Failure to licence a licensable HMO

Maximum Court fine that can be levied for failure to licence an HMO = unlimited

Higher risk HMOs of 3 or more stories, occupied by 5 or more persons forming 2 or more households are required to hold a 'mandatory' property licence issued by the Council. The licensing regime ensures that the HMO has sufficient kitchens, baths/showers and WCs, has adequate fire safety precautions and places a limit on the number of persons permitted to occupy it. The licence holder is required to comply with a set of licence conditions relating to property conditions and property management.

The Council views the offence of failing to licence a mandatory HMO as a significant failing; mandatory licensing was introduced by the Government in order to regulate conditions, standards and safety in the properties considered to represent the highest risk to tenants as regards such matters as fire safety and overcrowding.

Failure to licence a Mandatory HMO will usually be regarded as a serious matter thereby meriting a Band 3 or 4 penalty (£10,000 - £19,999). Where there are aggravating factors it may be considered as a severe matter thereby meriting a Band 5 penalty (£20,000 - £24,999).

Consideration of landlord's assets and income

Where the landlord/agent is in control or owns one or two HMOs and there are no aggravating factors in the case, a Band 3 penalty may be considered appropriate.

Where the landlord or agent is in control or owns a significant property portfolio and/or has demonstrated management failures in the past a Band 4 penalty may be considered appropriate. More severe aggravating factors may warrant a Band 5 penalty.

Aggravating factors specific to non-licensing offences

The Council will have regard to the following factors in determining the final level of the penalty:

- The condition of the unlicensed property,
- The nature and extent of any significant hazards that are present,
- Poor management including lacking or inadequate amenities or fire safety precautions,
- Overcrowding,
- Evidence that the landlord/agent was familiar with the requirement to licence.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were 'spent'], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,
- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

Consideration of landlord's assets and income

Where the landlord/agent is in control or owns one or two rented properties and there are no aggravating factors in the case, a Band 2 penalty may be considered appropriate.

Where the landlord or agent is in control or owns a significant property portfolio and/or has demonstrated management failures in the past a Band 3 penalty may be considered appropriate. More severe aggravating factors may warrant a Band 4 penalty.

Aggravating factors specific to non-licensing offences

The Council will have regard to the following factors in determining the final level of the penalty:

- The condition of the unlicensed property,
- The nature and extent of any significant hazards that are present,
- Poor management,
- Overcrowding,
- Evidence that the landlord/agent was familiar with the requirement to licence.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were 'spent'], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,
- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

3. Failure to comply with licensing conditions

Maximum Court fine that can be levied for failure to comply with licensing conditions
= £5000

All licences include a set of conditions imposing a variety of obligations on the licence holder relating to the letting, management and condition of the rented property, including:

- Undertaking Gas Safe and electrical checks,
- Installing and maintaining smoke alarms,
- Providing written tenancy agreements and protecting deposits,
- Notifying the Council in any specified changes in circumstances,
- Carrying out specified measures to prevent or address anti-social behavior,
- Maintaining the property in reasonable repair,
- Ensuring that the gardens are tidy and free from refuse,
- Carrying out works that were a condition of the licence,
- Reducing occupation levels as necessary.

It is important that all licence conditions are complied with but failure to comply with certain licence conditions is likely to have a much higher impact on the safety and comfort of residents than with others.

In determining the level of Civil Penalty, the Council will therefore first consider:

- The number of licence condition breaches; and
- The nature and extent of deficiencies in respect of each condition.

The circumstances of each case will vary widely but officers will have regard to the following factors in determining the level of penalty:

- a. Failure to comply with a condition to provide tenants with landlord's/manager's contact details or for failing to address relatively minor disrepair will each usually be regarded as a moderate matter meriting a Band 1 or 2 penalty (£0 - £9,999).
- b. Failure to comply with a condition to provide adequate fire safety precautions,

to address serious Anti-Social Behaviour issues or to carry out works or improvements, would usually be regarded as a serious matter meriting a Band 3 or 4 penalty (£10,000 – £19,999).

- c. Failure to comply with this category of licence conditions may be viewed more seriously in larger HMOs than in smaller, as the risk posed to occupiers may be significantly higher. The decision on the level of Civil Penalty will significantly influenced by the risk presented.

Consideration of landlord's assets and income

Case "a" above:

For a landlord/agent controlling/owning 1 or 2 properties and with no other relevant or aggravating factors, the offence would usually be regarded as a moderate matter meriting a Band 1 penalty (£0 - £4,999).

For a landlord/agent controlling/owning a significant property portfolio, and/or who has demonstrated experience in the letting/management of property and with no other relevant or aggravating factors, these same offences would usually be regarded as a moderate matter meriting a Band 2 penalty (£5,000 - £9,999).

Case "b" above:

For a landlord/agent controlling/owning 1 or 2 properties and with no other relevant or aggravating factors, the offence would usually be regarded as a serious matter meriting a Band 3 penalty (£10,000 - £14,999).

For a landlord/agent controlling/owning a significant property portfolio, and/or who has demonstrated experience in the letting/management of property and with no other relevant or aggravating factors, these same offences would usually be regarded as a severe matter meriting a Band 5 penalty (£20,000 - £24,999).

Aggravating factors specific to licence condition offences

None – the nature of the licence condition breaches and their impact upon the occupiers will be assessed as outlined in case "a" and case "b" above.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were 'spent'], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,
- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

4. Failure to Comply with an Overcrowding Notice

Maximum Court fine that can be levied for overcrowding offences = Unlimited.

Section 139 of the Housing Act 2004 allows the Council to serve an Overcrowding Notice in respect of an HMO that falls outside of the scope of HMO licensing. The notice specifies, on a room by room basis, the maximum number of persons allowed to occupy each room as sleeping accommodation or that the room is not considered suitable for that purpose.

Overcrowding exposes HMO tenants to unacceptably cramped living conditions, contributes to the spread of certain respiratory diseases, affects child educational development and has a negative impact on social well-being. It can also affect hygiene and sanitation due to inadequate sanitary facilities for those needing them, it can contribute to obesity and poor diet due to inadequate cooking and food preparation facilities for those needing them and have an impact on means of escape from fire.

The Council will view failure to comply with an Overcrowding Notice as a serious matter meriting a Band 3 penalty (£10,000 - £14,999).

Consideration of landlord's assets and income

The civil penalty for a landlord controlling one or two HMOs with no other relevant or aggravating factors would usually be regarded as a serious matter meriting a Band 3 penalty (£10,000 - £14,999).

The civil penalty for a landlord/agent controlling/owning a significant property portfolio, and/or who has demonstrated experience in the letting/management of property and with no other relevant or aggravating factors, would usually be regarded as a severe matter meriting a Band 5 penalty (£20,000 - £24,999).

Aggravating factors specific to licence condition offences

The severity of overcrowding present; breaches that relate to over-occupation in multiple rooms or extreme over-occupation of an individual room would justify a higher civil penalty.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were 'spent'], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,

- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

5. Failure to Comply with the Management of Houses in Multiple Occupation [England] Regulations

Maximum Court fine that can be levied for failure to comply with HMO management regulations = £5000

The HMO Management Regulations impose duties on the persons managing HMOs in respect of:

- Providing information to occupiers (regulation 3),
- Taking safety measures, including fire safety measures (regulation 4),
- Maintaining the water supply and drainage (regulation 5),
- Supply, inspection and maintenance of gas and electricity installations (regulation 6),
- Maintaining common parts (regulation 7),
- Maintaining living accommodation (regulation 8),
- Provision of sufficient waste disposal/refuse facilities (regulation 9).

It is important that all the regulations are complied with but failure to comply with certain regulations is likely to have a much higher impact on the safety and comfort of residents than with others.

In determining the level of civil penalty, the Council will therefore first consider:

- The number of management regulation breaches; and
- The nature and extent of deficiencies in respect of each regulation.

The circumstances of each case will vary widely but officers will have regard to the following factors in determining the level of penalty.

- a. Failure to failure to display a notice containing their contact details or for failing to address relatively minor disrepair will each usually be regarded as a moderate matter meriting a Band 1 (£0 - £4,999).
- b. Failure to failure to maintain fire alarms in working order, to maintain essential services to an HMO or to allow an HMO to fall into significant disrepair will each usually be regarded as a serious matter meriting a Band 3 penalty (£10,000 - £14,999).

Consideration of landlord's assets and income

Case "a" above:

For a landlord/agent controlling/owning 1 or 2 HMOs and with no other relevant or aggravating factors, the offence would usually be regarded as a moderate matter meriting a Band 1 penalty (£0 - £4,999).

For a landlord/agent controlling/owning a significant property portfolio, and/or who has demonstrated experience in the letting/management of property and with no other relevant or aggravating factors, these same offences would usually be regarded as a moderate matter meriting a Band 2 penalty (£5,000 - £9,999).

Case “b” above:

For a landlord/agent controlling/owning 1 or 2 HMOs and with no other relevant or aggravating factors, the offence would usually be regarded as a serious matter meriting a Band 3 penalty (£10,000 - £14,999).

For a landlord/agent controlling/owning a significant property portfolio, and/or who has demonstrated experience in the letting/management of property and with no other relevant or aggravating factors, these same offences would usually be regarded as a severe matter meriting a Band 5 penalty (£20,000 - £24,999).

Aggravating factors specific to management regulation offences

None – the nature of the management regulations breaches and their impact upon the occupiers will be assessed as outlined in case “a” and case “b” above.

Generic aggravating factors

The Council will also have regard to the following factors in determining the final level of the penalty:

- A previous history of non-compliance,
- Examples of previous non-compliance would include previous successful prosecutions [including recent convictions that were ‘spent’], works in default of the landlord and breaches of regulations/obligations, irrespective of whether these breaches had been the subject of separate formal action,
- Any available information regarding the financial means of the offender, not restricted to just rental income from the rented home[s].

6. Failure to comply with a Banning Order

The 2016 Act includes provisions and processes for a person to be banned from being involved, for a specified period, in one or more of the following activities

- Letting housing
- Engaging in letting agency work
- Engaging in property management work.

Banning Orders are reserved for what are recognised as being the most serious housing-related offences. In the event that the Council is satisfied that the offence of breaching a Banning Order has occurred, this would normally be the subject of prosecution proceedings.

Where it is determined that a civil penalty would be appropriate in respect of a breach of a Banning Order, this would normally be set at the maximum level to reflect the severity of the offence.

Summary of powers under the Housing and Planning Act 2016

Civil Penalties

The 2016 Act amended the Housing Act 2004 to give the Council power to impose a civil penalty as an alternative to prosecution for a number of offences under the Housing Act 2004. Those offences are as follows:

- Failure to comply with an Improvement Notice
- Offences in relation to licensing of houses including Part 3 of the Act
- Offences of contravention of an overcrowding notice
- Failure to comply with management regulations in respect of Houses in Multiple Occupation

The maximum penalty that can be set is £30,000 per offence.

Guidance provides that Council should consider the following factors to help ensure that the civil penalty is set at an appropriate level:

- Severity of the offence.
- Culpability and track record of the offender
- The harm caused to the tenant.
- Punishment of the offender.
- Deter the offender from repeating the offence.
- Deter others from committing similar offences.
- Remove any financial benefit the offender may have obtained as a result of committing the offence. The guiding principle here should be to ensure that the offender does not benefit

Rent repayment Orders

The 2016 Act has extended RROs to cover a wider range of offences as follows:

- Failure to comply with an Improvement Notice under section 30 of the Housing Act 2004
- Failure to comply with a Prohibition Order under section 32 of the Housing Act 2004
- Breach of a Banning Order made under section 21 of the 2016 Act
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977

A RRO can be applied for when the landlord has committed a relevant offence. Where an application for a RRO is made and the landlord has not been convicted of

the offence for which the RRO application is being made, the First-tier Tribunal will need to be satisfied beyond reasonable doubt that the landlord has committed the offence.

The amount of rent repayment will be assessed by the First Tier Tribunal but is set at a maximum of the rent paid during the 12 months prior to the offence.

The legislation provides that the Council must have regard to guidance given by the Secretary of State and that they are expected to develop their own policy on when to prosecute and when to apply for a RRO and should decide each case independently.

Banning Orders and National Database of Rogue landlords

Breach of a Banning Order is a criminal offence. The 2016 Act (Banning Order Offences) Regulations 2018 outlines Banning Order offences under the Housing Act 2004 which include:

- Failing to comply with an Improvement Notice under section 30;
- Failing to comply with a Prohibition Order under section 32
- Offences in relation to licensing of HMOs under sections 72 and 95;
- Contravention of an overcrowding notice under Section 139;
- Failure to comply with HMO management regulations
- False or misleading information under section 238

Non-statutory guidance has been issued by the Secretary of State in relation to Banning Orders. This lists factors which a Council should take into account when deciding whether to seek a Banning Order. These are as follows:

- The seriousness of the offence;
- Previous convictions/rogue landlord database;
- The harm caused to the tenant;
- Punishment of the offender;
- Deter the offender from repeating the offence;
- Deter others from committing similar offences.

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>3 DECEMBER 2018</p>	
<p>H&F HOUSING: COMPLIANCE AND ASSET MANAGEMENT STRATEGY</p>	
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>	
<p>Open</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation:</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Jo Rowlands, Strategic Director of Growth and Place</p>	
<p>Report Author: David McNulty, Assistant Director Operations, Growth and Place</p>	<p>Contact Details: Tel.: 07867 160527 Email: david.mcnulty@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 The appended asset management strategy (the “Asset Management Strategy”) sets out the Council’s approach to how it will invest agreed capital resources in delivering a compliance-based asset management approach across all council housing.
- 1.2 The Asset Management Strategy sets out how we will ensure that the Council adopts a planned approach over the medium term to address the issues identified through a range of surveys including fire risk assessments, asbestos surveys and stock condition and structural surveys.

2. RECOMMENDATIONS

- 2.1 To approve the Asset Management Strategy as set out in appendix A.
- 2.2 To delegate approval to the Strategic Director of Growth and Place in consultation with the Cabinet Member for Housing of the annual delivery plan to achieve the objectives set out in the Asset Management Strategy.
- 2.3 To delegate to the Strategic Director of Growth and Place to put in place necessary measures to consult with residents on the Asset Management Strategy.

3. REASONS FOR DECISION

- 3.1 The Council is committed through its Fire Safety Plus programme to achieve a higher standard of fire safety across its housing stock (the “Fire Safety Plus Strategy”). This Fire Safety Plus Strategy sets out how available resource will be invested and prioritised to achieve this objective.
- 3.2 Following on from the Hackitt Review, there are key areas which need to be improved in the way in which the Council manages housing. The Asset Management Strategy outlines how the Council will adopt the very best practice in implementing these changes.

4. BACKGROUND

- 4.1 The Asset Management Strategy establishes how the Council will prioritise investment in housing over the course of the next five years. It makes clear the Council’s commitment to achieve a compliance-based asset management approach to its housing stock.
- 4.2 The resources required to maintain housing stock are significant therefore prioritisation is required to ensure that we achieve the Council’s objective of a higher standard as set out in the Fire Safety Plus Strategy. The resources available are those that are already pre-agreed through the Housing Revenue Account Business Plan and the additional £21 million when the Council launched its Fire Safety Plus Strategy in 2017.
- 4.3 Adoption of the Asset Management Strategy will align the investment decisions in the Council’s housing stock with the Council’s wider objectives of:
 - 1. Building shared prosperity
 - 2. Doing things with residents, not to them
 - 3. Taking pride in Hammersmith and Fulham

4. Creating a compassionate Council
5. Being ruthlessly financially efficient.

4.4 The Government's Hackitt Review will have significant implications for how the Council manages its stock. The adoption of the recommendations in the Hackitt Review will ensure that Hammersmith and Fulham is leading best practice in how it manages and invests in its stock. The key themes of the review are

- Clear roles and responsibilities to ensure a stronger focus on building safety
- Clear governance and record keeping of investment decisions
- Robust record keeping of all changes made to detailed plans
- Clear rights and obligations for residents to maintain the fire safety of individual homes, working in partnership with the Council.

4.5 The Asset Management Strategy clearly identifies responsibility for taking forward the delivery of the Council's compliance and asset management approach. The Growth and Place Directorate is the lead for this area and is putting in place structures which reflect the need for clearly defined roles between the operational and strategic in delivering a capital programme.

4.6 The Asset Management Strategy identifies the need to develop the Council's overall approach to asset management through improved recording of data and information about the condition of Council's housing stock, and to improve access to this information to residents. Work is underway to improve the Council's recording of stock condition and improve information made available to residents.

5. CONSULTATION

5.1 Subject to cabinet approval it is proposed that the strategy would be discussed through existing resident forums, including the Housing Reps Forum, Fire Risk Advisory Working Group and the Repairs Working Group. Feedback from these groups would be reported back to the Cabinet Member for Housing and inform further iterations of the strategy and the Compliance and Asset Management Delivery Plans.

6. EQUALITY IMPLICATIONS

6.1 In implementing the strategy all efforts need to be made to mitigate any negative impacts on residents with protected characteristics arising from any refurbishment works.

Implications completed by Peter Smith: Head of Policy and Equalities, tel. 020 8753 2206.

7. LEGAL IMPLICATIONS

- 7.1 The Asset Management Strategy has sought to implement some of the key recommendations made in Dame Judith Hackitt's report "Building a Safer Future" which reviewed building regulations and fire safety. It is likely that there will be legislation to overhaul of the system and gives residents a stronger voice in an improved system of fire safety.

Implications verified/completed by: Janette Mullins, Senior Solicitor, tel. 020 8753 2744.

8. FINANCIAL IMPLICATIONS

- 8.1 This report is requesting approval of the Asset Management Strategy. As set out in para 4.7 it is expected that this Strategy will be delivered through pre-agreed budgets set out in the Housing Revenue Business Plan, the Fire Safety Plus Strategy and Capital Programme. The Strategy sets out a framework with which these resources will be prioritised.
- 8.2 The approval of the delivery plan resulting from the implementation of the strategy proposed in this report will need to be affordable to the HRA. The current approved HRA Capital Programme four-year (2018-22) budget of £133.6m which was approved at Cabinet on 8 October 2018 (based on forecasts as at 30 June 2018). Any additional funding requirements arising from the delivery plan will need to be approved by Cabinet if under £5m and by Full Council if over £5m. Once approved funding variations within the four-year capital programme will need to be approved via the Council's quarterly capital monitoring regime.
- 8.3 The cost of the longer term strategy will need to be affordable to the HRA over the course of 40 years. This needs to be demonstrated via the HRA business plan model which will need to demonstrate a minimum level of reserves and borrowing levels/costs in line with the requirements replacing the former HRA debt cap which was abolished on 29 October 2018 as announced in the Chancellors budget. Restrictions on HRA borrowing will be set out in the near future by the CIPFA¹ Prudential Code.
- 8.4 Implications completed by: Firas Al-Sheikh, Head of Financial Investment and Strategy (Growth & Place), tel. 020 8753 4790.
- 8.5 Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

¹ Chartered Institute of Public Financial Accountants

9. IMPLICATIONS FOR BUSINESS

- 9.1 There are no direct implications for business as a result of this strategy.
- 9.2 Implications completed by David Burns, Assistant Director Growth, tel. 020 8753 6090.

10. COMMERCIAL IMPLICATIONS

- 10.1 There are no procurement implications resulted from this report.
- 10.2 All procurement exercises that may result from adopting the strategy presented will follow the Council's Contracts Standing Orders (CSOs) and the Public Contracts Regulations (PCR 2015).
- 10.3 Implications provided by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

11. IT IMPLICATIONS

- 11. IT Implications: IT systems will be a key enabler in supporting the development of a compliance based approach to asset management and improve residents' access to compliance information. The service will need to work closely with IT Services and G&P Systems and Programmes to define the scope for this work and ensure that appropriate solutions/solution enhancements are properly specified and implemented.
- 11.2 Any contractors engaged to support the council in delivering the planned programme of works and any associated systems improvements will be expected to have a GDPR policy in place and all staff will be expected to have received GDPR training.
- 11.3 A Privacy Impact Assessment will need to be completed and kept up to date, to ensure all potential data protection risks around implementing this strategy are properly assessed with mitigating actions agreed and implemented. For example, a contract data protection and processing schedule or an information sharing agreement template and a Supplier Security Checklist to ensure any systems used by third parties comply with H&F's regulatory requirements.
- 11.4 Any contracts entered into as a result of this strategy will need to include H&F's new data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.

Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, tel. 020 8753 5748.

12. RISK MANAGEMENT

- 12.1 Asset management is the planned management of physical assets undertaken to meet the Council's service and financial objectives. By applying good asset management practices and principles the Council will ensure that its housing stock meets current and future needs, including planning for investment in repair and improvements, and reviewing and changing the portfolio to match local circumstances and legislation. An Asset management plan will contribute to the management of risk in the following areas; customer needs and expectations, legislation and compliance, value for money and environmental risk.

Risk implications verified by Michael Sloniowski, Risk Manager, tel. 0208 753 2587.

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES

APPENDIX A - Compliance and Asset Management Strategy 2018-22

APPENDIX A

H&F Housing

Compliance and Asset Management Strategy

2018 to 2022

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- 6. Key focus of works: years 1 to 4**
- 7. Asset Management and Compliance Systems and Capital Works**
- 8. Risks**

Foreword by Cabinet Member

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1. Executive summary

This is a time of unprecedented challenge and opportunity across the housing sector. The demand for high quality, affordable housing has never been greater. As such decisions about how we invest in the condition and fabric of the buildings have never been more important.

This Compliance and Asset Management Strategy is being put forward during a period of national uncertainty regarding health and safety regulations, in particular fire safety. However, what is certain is the need to invest in fire safety measures in line with the Council's Fire Safety Plus commitments. The Strategy will ensure the Council is leading when it comes to good practice in this area.

In July 2017 the Council launched Fire Safety Plus, which committed to:

- Do more than the minimum requirement to keep residents safe.
- Set aside an additional £21 million of investment in fire safety measure to make homes across Hammersmith and Fulham safe.
- Undertake a thorough review the fire safety of all communal blocks.
- Organise a programme of work to install: new fire doors, enhanced firefighting facilities and automated detection.

In addition to the Council's Fire Safety Plus commitment this asset management strategy takes in to account the longer term need to invest in our housing stock.

The Council has made a clear commitment to ensure when work is required to address Fire Safety issues that leaseholders would not be charged for this essential work.

In year one of the plan as well as Fire Safety works 16 capital schemes will be taken forward.

2. Council asset management priorities

The Council has established five over-arching priorities this strategy will contribute towards:

1. Building shared prosperity:

It will be critical to ensure that contractors used in the delivery of this strategy demonstrate the very highest standards of competence in relation to fire safety. In addition, the resources we will invest in housing over the period of this strategy will be to improve the shared prosperity of all residents. Our procurement approach will also look where possible to commission local contractors and contractors which maximise employment opportunities and apprenticeships for H&F residents.

2. Doing things with residents, not to them:

Working with residents to develop investment plans will be integral to the Council's asset management approach. Involving residents and being transparent with information regarding the safety and condition of their homes as identified through the Hackitt Review. This is at the heart of H&F approach and will remain so throughout the delivery of this strategy.

3. Taking pride in Hammersmith and Fulham:

In delivering this asset management strategy we will ensure work undertaken is of a high quality which enhances the homes and estates which residents live in.

4. Creating a compassionate council:

This Strategy sets out a prioritisation of blocks which considers not just the condition of blocks but residents specific needs. In particular, it sets out the prioritisation of sheltered blocks and hostels which the Council is responsible for as a landlord.

As well as implementing the investment set out in the Strategy we will work closely with colleagues in housing management and other council services to ensure they are at the heart of our approach.

5. Being ruthlessly financially efficient:

The Strategy sets out significant investment need which is required over the next 6 years of the strategy. In implementing this strategy, we will ensure that contracts are procured which maximise the investment value in residents' homes.

3. Hammersmith and Fulham Housing Stock and investment

The Council is the responsible landlord for over 17,000 homes across Hammersmith and Fulham, 12,227 tenanted homes and over 4,812 leasehold properties.

In addition, there are assets which are the responsibility of Council to maintain these include:

- Garage sites (approximately 1,200 garages across 70 sites)
- Un-adopted roads, footpaths and play areas and equipment
- Un-adopted drains, cesspits and lighting
- Shops
- Commercial premises
- Halls
- District heating systems (44)
- Lifts (216 in total)

The Housing Revenue Account for the Council's housing stock has a turnover in excess of £80 million.

The 40-year investment need was calculated by the Savills (September 2015) Stock Condition survey as £ 1.4 billion over a 40-year period, or approximately an annual investment need of just under £3,000 per dwelling.

This investment need is comprised of Future Major Works, (replacement of existing building elements derived from the survey) is the main driver in the overall investment profile in the short term, and reflects the existing condition of the stock, along with the contingency/ exceptional extensive category that allows for undertaking additional structural and compliance works where required.

Further investment is required to survey accurately the condition of building elements so that we can accurately invest capital resources in the most effective way possible.

This 40-year investment requirement demonstrates the continuing need to invest in existing ongoing regimes regarding cyclical, void and responsive maintenance (Revenue).

In addition to this investment work is being undertaken to refine the capital investment to address the issues identified through the review of Fire Risk Assessments. These are being profiled over the first 4 years of the capital programme. Across the next 4 years of the Housing Revenue Account business plan (to 2021/22) £ 133.6 million is provided for capital investment.

4. Hackitt Review

The Hackitt Review, commissioned following Grenfell, has major implications for the way we plan and deliver our asset management strategy. These implications are reflected in the approach outlined in our strategy.

The key recommendations of the review will be at the heart of how we implement the strategy.

We are implementing these recommendations through our asset management strategy and approach. There are four key themes which this strategy responds to:

1. Clear roles and responsibilities to ensure a stronger focus on building safety.

Roles and responsibilities are clearly defined in how the Council will manage and ensure the safety of homes across H&F. Clear distinction is made between the strategic, operational and delivery of capital schemes further information is set out in appendix 1.

A clear emphasis is on ensuring that data and information is properly recorded and shared in managing the Council's housing asset.

2. Clear governance and record keeping of decisions.

As well as clear roles and responsibilities, the Council has established clear governance arrangements which will manage the decision-making processes relating to capital investment across H&F. A new capital board has been established and is chaired by the Council's Chief Housing Officer.

3. Robust record-keeping of all changes made to the detailed plans.

The Council has invested in developing its approach to asset management information. It has developed a system to hold all health and safety compliance information across its housing stock, in particular that Fire Risk Assessments are regularly updated and review not just communal areas but are informed by a whole block approach.

We are developing the Council's asset base information and is putting in place plans to ensure that all information relating to the works capital and repairs are captured to enable the proper planning and asset management.

4. Clearer rights and obligations for residents to maintain the fire safety of individual homes, working in partnership with the Council.

The Council has invested significant resource and time in ensuring that residents are involved in works that take place across Hammersmith and Fulham. There is a thriving TRA network and resident forums which participate in discussions about capital works and repairs.

The Council has made available information regarding the condition of blocks so that residents can understand the issues relating to their homes and be vigilant. Fire Risk Assessments for blocks which are 10 storeys and above are made available on the Council's website and for people living in properties below 10 storeys they can request their FRA.

We are actively consulting residents about the proposed work at some of our complex sites.

5. Prioritisation of housing Stock

The basis of developing and delivering the capital programme will be the information and data captured from Fire Risk Assessments, asbestos surveys, communal heating and lift programme, lightning conductor, and LED lighting programme. This information will be the basis of H&Fs compliance led capital programme.

The proposed methodology, enables the Council to clearly demonstrate its priorities based on 10 property types and addressing issues relating to legacy schemes.

The prioritisation of the 10 property types is determined by: priorities highlighted by FRAs, height, layout and construction of the blocks, discussions with London Fire Brigade and the vulnerability of residents.

Further information regarding the property types is:

	Type of Property	Reason
1	Complex Schemes 4 Estates 10 blocks	The Council has blocks with complex issues and multiple work requirements around compliance. These will form a distinct work stream. These are: <ul style="list-style-type: none"> ▪ Charecroft Estate ▪ Edward Woods Estate ▪ Hartopp and Lannoy Point ▪ Jepson House <p>Technical consultants were appointed to develop, scope and programme works for these blocks.</p>
2	Above 10 storeys 24 Blocks	The recently published Hackitt Report recommends housing stock is prioritised where it is 10 storeys and above. The Council is following this advice.
3	6-9 storeys 51 Blocks	6 stories and above are a separate category because LFB ladders highest reach is 5 stories. This means capital work needs to prioritise these blocks.
4	Sheltered Housing 47 Blocks	Sheltered Housing has vulnerable residents and capital work needs to be prioritised as such.
5	Hostels 5 hostels	Hostels has vulnerable residents and any work considered needs to factor this in.
6	Converted Street properties 1426 properties.	Converted Street Properties need to be considered as a separate work stream. Statistically this is the property type has a higher proportion of fires. H&F has a large number of properties and a long-term programme is being planned to mitigate risk. The scale and size of this category is significant.
7	Tenants Halls 26 Halls	There are 26 of tenant halls across the borough. These are used for a variety of different purposes and are regularly

		used for resident meetings. It is critical that these are safe and the Council needs to ensure compliance.
8	HRA Commercial Properties 170 properties	These are usually shops below flats and need to be seen as separate work stream. Work is underway to ensure that commercial tenants are keeping up to date compliance records and that enforcement action and works prioritised accordingly.
9	Legacy Schemes	Past schemes where it is found work was not done to standard by previous contractors. These schemes are currently being planned and implemented.
10	Multiple compliance Issues	Schemes that are a priority owing to a combination of compliance and structural issues: <ul style="list-style-type: none"> ▪ Cox and Horton ▪ Aspen Gardens

The capital programme will be planned using these categories to ensure the capital investment is maximised to meet the need identified.

The Council is working closely with the London Fire Brigade and has agreed to set out work within the capital programme that will deal with any capital issues raised by the LFB. In the event of the LFB issuing a notice of deficiency, the Council will urgently prioritise these properties for any capital and repairs work.

6. Key focus of works: years 1 to 4

The Council needs to focus on the following type of works for the identified property types to maintain and improve compliance. Indicative costs for key works will be confirmed annually as the delivery plan of strategy are approved by Cabinet.

Property Type	Key work required
Complex Schemes	<ul style="list-style-type: none"> ▪ Installation of new Front Entrance fire doors s and communal (FD60) ▪ Compartmentalisation & firestopping of service cupboards/risers in corridors and communal areas ▪ Smoke control ventilation ▪ Communal Smoke Alarms ▪ Window and panel replacement ▪ Corridor doors replacement ▪ Possible Demolition ▪ Feasibility of sprinklers ▪ Asbestos removal

	<ul style="list-style-type: none"> ▪ Other works will be identified as further investigation takes place.
Above 10 storeys	<ul style="list-style-type: none"> ▪ Installation of new front entrance and means of escape fire doors (FD60) ▪ compartmentalisation & firestopping of service cupboards/risers in corridors and communal areas ▪ Smoke control ventilation ▪ Dry riser to wet riser (above 50m) ▪ Firefighting lift feasibility ▪ Asbestos removal ▪ Lightning conductors ▪ LED lighting
6-9 storeys	<ul style="list-style-type: none"> ▪ Installation of new front entrance and means of escape fire doors (FD60) ▪ Compartmentalisation and firestopping of service cupboards/risers etc in corridors and communal areas ▪ Dry riser firefighting facilities (where absent) ▪ Smoke control ventilation ▪ Firefighting lift feasibility ▪ Lightning conductors ▪ Asbestos removal ▪ LED lighting
Sheltered Housing	<ul style="list-style-type: none"> ▪ Communal Alarms ▪ Compartmentalisation of loft spaces ▪ Installation of new front entrance and means of escape fire doors ▪ Asbestos removal ▪ District heating system
Hostels	<ul style="list-style-type: none"> ▪ Installation of new front entrance and means of escape fire doors ▪ compartmentalisation & firestopping of service cupboards/risers ▪ Asbestos removal ▪ District heating system
Converted Street properties	<ul style="list-style-type: none"> ▪ Installation of new fire doors (FD30s) ▪ compartmentalisation & firestopping of service cupboards/risers ▪ Communal smoke detection installation and upgrade ▪ Asbestos removal
Tenant Halls	<ul style="list-style-type: none"> ▪ Possible Fire door installation ▪ General compartmentalisation
HRA commercial properties	<ul style="list-style-type: none"> ▪ Works to be confirmed

The installation of Fire Doors and general compartmentalisation works will form the major elements of work in the Council's capital programme over the next five years.

These works will be in addition to the 16 pre-construction schemes which are currently being planned for year 1 of the programme.

Of significant concern is the quality of previous compliance works not meeting the required standard in particular: fire doors which is identified as a sector wide issue.

Further surveys of the extent of this problem are currently being undertaken as the matter has only recently been brought to the Council's attention and the capital programme will need to factor this element.

7. Asset Management and Compliance Systems and Capital Works

Significant focus has been on implementing the council's compliance data base. To inform the council's asset and compliance approach further work needs to be undertaken to implement this and the assessment management system Techforge. The Council requires:

- A record of the work undertaken as part of the capital programme. The effective process of recording completed works and installation dates will drive future planning and investment requirements.
- Robust checks and balances to ensure the quality of works undertaken achieves compliance. This will start with an assessment of competence of those appointed to complete the works. Focus on quality checks by experienced and competent clerk of works.
- A process by which the capital works feed into the Council's overall asset management data base and systems. This will require further investment in the software and resources made available to robustly manage data.
- Commission condition survey of the stock to inform the asset management system of future capital work requirements

8. Risk

There are significant risks across the property sector with regards to fire safety compliance, asbestos management and structural issues. A number of products, in particular fire doors, previously certified as compliant on further testing post Grenfell are now identified as failing.

This is a major challenge to address given the number of fire doors we will need to fit identified through the Fire Risk Assessments.

- It is vital that the Council quickly mobilises so that it procures sufficient numbers of fire doors of the necessary standard and accreditation.
- Communications with residents will be key throughout the programme to manage resident expectations.

As the Grenfell Inquiry continues and the government formally responds to the Hackitt review it is highly likely that there will be changes to regulatory landscape and delivery of works during the five-year programme period.

- Identified in the strategy is the need to regularly appraise of regulation changes and emerging themes from the public inquiry as it progresses.

These risks will be monitored by the Asset Management Board and reported on via planned annual compliance and asset delivery reports.

Many buildings are nearing the end of their originally envisaged service life and will require on-going investment to ensure they continue to provide good, quality homes for our residents over the next 40 years. The investment will be significant including the replacement of windows, heating and electrics and addressing structural issues that develop over time owing to deterioration. A condition survey is required to inform future programmes so that the Council can plan for the future.

Appendix 1

Roles and Responsibilities

Hammersmith and Fulham

The named duty holder for London Borough of Hammersmith and Fulham is the Council's Chief Executive. The Chief Executive will be advised with regards to Compliance and Asset Management by the Strategic Director of Growth and Place.

Strategic Director: Growth and Place

The Directorate with Strategic and Operational responsibility for the planning and deliver of the Council's asset management strategy is the Council's Growth and Place Directorate.

Growth and Place Structure

To reflect this there are three senior managers who are responsible and accountable for the different aspects of a compliance-based asset management approach and capital delivery. The responsibilities of each post holder are set out beneath:

Chief Housing Officer:

- Establish a compliant specification for capital delivery.
- Leaseholder consultation and billing for major works.
- As per regulatory requirement, ensure that FRA and health and safety compliance surveys are undertaken and information provided in line with the Council's established compliance system.
- Ensure information and repairs data is accurately record in the Council's established asset management system.
- Completion of health and safety repairs identified through surveys.
- Chair Council's Asset Management Board.


Assistant Director of Operations:

- Completion and regular updating of an Asset Management Strategy and accompanying asset investment plan.
- Specification and procurement and delivery of a stock condition survey to supplement existing asset management information.
- Implement and maintain core systems: Geometra and TechForge.
- Maintaining data and information regarding compliance and asset management.
- Ensure appropriate governance and information is provided for transparent capital investment decisions.
- Data capture and interface of repairs and capital delivery informs asset management approach.
- Ensure framework is in place so changes in national policy and practice are reflected.
- Communications and substantive resident involvement in the process.

Assistant Director of Direct Delivery:

- Delivery of capital investment schemes and associated fire safety works.
- Fire Safety Plus Capital Works Programme.
- Complex Schemes.
- Legacy schemes (past schemes where it is found work was not done to standard).

Agenda Item 12

London Borough of Hammersmith & Fulham CABINET 3 DECEMBER 2018	 hammersmith & fulham
REFORMING SPECIALIST HOUSING	
Report of the Cabinet Member for Public Service Reform - Councillor Adam Connell	
Open report A separate report on the exempt part of the Cabinet agenda provides financial information.	
Classification - For Decision Key Decision: Yes	
Consultation The development of this report has been informed by the Specialist Housing Board which includes representation from adult social care, housing, growth and regeneration, and children's services.	
Wards Affected: All	
Accountable Director: Lisa Redfern, Strategic Director of Social Care and Public Service Reform	
Report Author: Nick Kimber, Strategic Lead for Public Service Reform	Contact Details: Tel: 02087531203 E-mail: nick.kimber@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report sets out work the Council is undertaking to reform its investment in Specialist Housing. The key principle informing this new approach is the need to provide the right home with the right support at the right time as the basis to improve outcomes for residents. This recognises the central role that housing plays in supporting people who may need specialist housing to maintain their autonomy, enabling them to stay in a home of their own, or recover from a crisis before living independently again.
- 1.2. The report suggests the need for reform to improve outcomes for local people and tackle inequality, building on the Council's historical investment in this area. Change is needed to prioritise new models of support which are based

on the principles of co-production that the Council is embedding following the publication of the Disabled People’s Commission earlier this year. A transformed offer can make a major contribution to the Council’s strategic priorities as set out below:

Creating a compassionate council	Doing things with residents, not to them	Being ruthlessly financial efficient
Further enhancing our independent living offer giving people greater choice and control over their lives.	Co-producing new models of support and embedding this in delivery.	Changing how we invest, shifting towards greater prevention.

1.3. Currently, the Council spends £11.5m on commissioning community and voluntary sector care and support providers to provide housing management and care in 599 bed spaces across 69 buildings. This provision supports five principal groups of residents:

- care leavers and young people;
- residents with mental health conditions;
- rough sleepers;
- older people in extra care provision;
- survivors of domestic abuse; and
- residents with learning disabilities.

1.4. Officers have begun work to review the current investment and its impact ahead of opportunities to re-commission key parts of the pathway, principally support for care leavers and young people, mental health provision, and the rough sleeping pathway. This is being taken forward by the newly established Joint Specialist Housing Board and re-commissioning will involve co-production activity with a wide range of residents and stakeholder groups. The Board’s core membership also includes a representative from the recent Disabled People’s Commission. This initial work suggests that there is a clear need for significant change in our approach as demand rises. New approaches, developed with citizens, will help meet future demand, which is expected to rise, and provide a greater range of housing options which meet need, often at lower cost than our current commissioning arrangements.

1.5. Analysis suggests key issues around:

- Demand exceeding supply;
- Budget pressures in the Council’s wider placement budgets as a consequence of current provision not meeting overall need; and
- A need to drive improved collaboration across the Council and the wider health and social care system

1.6. There are a number of contracts which expire in March 2019, and the ability to continue these arrangements with incumbent providers where this is prudent, will enable the Council to complete a fundamental redesign of our

approach. There is a clear need to co-produce new solutions with residents and providers, developing innovative approaches which better meet need, and help to reduce long-term costs across local public services.

- 1.7. The Council will seek to secure efficiencies within the extended contracts, where this does not compromise our ability to make longer term decisions about how the future design of services will maximise outcomes and savings opportunities. Details of this will be included as part of the Council's overall budget setting process for 2019/2020.
- 1.8. The cost of the recommended direct award of contracts to the Council is £4,102,732 across 15 contracts. A waiver is required because it is proposed to award contracts without open competition.

2. RECOMMENDATIONS

- 2.1. That Cabinet agrees the strategic framework in relation to the Specialist Housing Programme, and its key principle of the right home with the right support at the right time as the basis to improve outcomes for residents.
- 2.2. That Cabinet approves a waiver of the Contract Standing Orders requirement to seek competitive tenders prior to contract award to enable the Council to directly award a range of contracts to incumbent providers. This will enable holistic, strategic commissioning of the Specialist Housing pathway.
- 2.3. That Cabinet agrees that officers will present further reports which will set out full procurement strategies and strategic business cases in relation to the care leavers and young people, rough sleeping, and mental health pathways.
- 2.4. To approve a direct award of contracts to providers, as set out in table 1 in the exempt report, to enable a consolidated strategic re-commissioning approach.

3. REASONS FOR DECISION

- 3.1. Across the specialist housing portfolio, there are a number of significant strategic re-commissioning opportunities arising over the next eighteen months, and the Council will be able to improve outcomes and achieve greater value for money by looking at these together rather than individually. Where incumbent provision is performing well, continuing the current arrangements will enable us to take a holistic look at where we provide care and housing support, and enable the Council to leverage the most creative and innovative solutions from the provider market. That notwithstanding, the Council's investment, as it is currently configured, will not be able to meet future needs and this requires a more fundamental review of provision over the next year to eighteen months.

3.2. The learning disability and extra care pathways have recently been reviewed and re-commissioned, and contracts for the care leavers and young people pathways do not expire until March 2020. The 2018 Rough Sleeping Commission provided the Council with a clear body of evidence to inform future commissioning approaches to the rough sleeping and the closely related mental health pathway. The establishment of sovereign commissioning arrangements on the Council's exit from the tri-borough arrangements, as well as the establishment of the Public Service Reform directorate, mean that there is now capacity and capability to take forward holistic commissioning activity.

3.3. A waiver of the Contract Standing Orders requirement to subject a service to competition is recommended because it is in the long-term interests of the Council to do so. These contracts provide critical services for vulnerable people and value for money. Quality is generally good and is being effectively managed where provider performance needs to improve. Direct awards are required as in all cases, the original contract terms have expired and there are no further provisions to extend. Subsequently, the contract arrangements have been extended to the current expiry date listed in table 1 (contained in the exempt part of the agenda); either through a modification of the terms or the direct award of a new contract. The detail for each contract is set out in appendix 1 (contained in the exempt part of the agenda).

4. PROPOSAL AND ISSUES

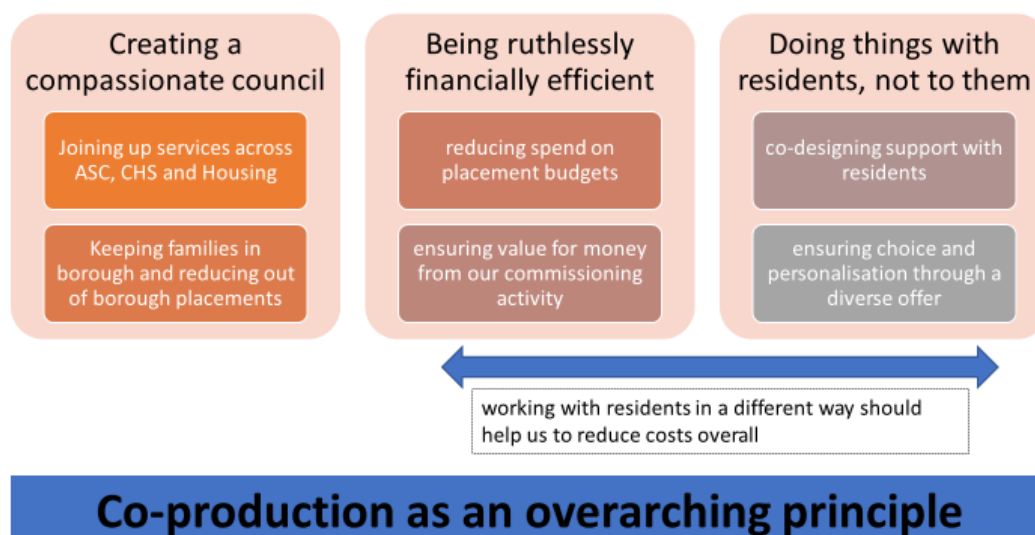
4.1. Currently, the Council spends £11.5m on commissioning community and voluntary sector care and support providers to provide housing management and care in 599 bed spaces across 69 buildings. This provision supports five principal groups of residents set out at paragraph 1.3.

Table 2

Specialist Housing Pathway	Number of bed spaces	Number of buildings	Contractual spend 2017-18
Extra Care 55 years+ predominantly	122	4	£2,414,545
Learning disabilities	External	55	£3,096,463
	In-house	16	£653,000
Mental Health	131	16	£1,786,950
Adult Homelessness	145	16	£2,153,910
Young people at risk & teenage parents	43	4	£682,185
Care leavers (includes shared bed spaces within young people at risk pathway)	73	10	£680,210

Domestic Abuse refuges	14	2	£121,934
Total	599	69	£11,589,197

4.2. While our current offer has a positive impact on residents, the context of growing demand and a greater emphasis on strength-based approaches means that it will not meet future challenges or ambitions. A strength-based approach means that the Council's starting point should always be asking people what they need to lead the life they want rather than assuming that providers of public services know best. It also recognises the strengths and resources individuals have and builds on these by working together. There is therefore a clear need to review and adapt our investment to ensure it supports this approach. Figure 1 below shows the way in which a reformed offer supports key aspects of the long-term vision for the borough:



4.3. To drive the necessary change, the Council has established a Specialist Housing Board, bringing together housing, adult social care, and children's services to focus on collaborative work to prevent tenancy failure, improve complex hospital discharge, and ensure that residents are placed in the right type of provision based on their need with a strong emphasis on retaining an independent tenancy.

4.4. The Board includes representatives from the recent Disabled People's Commission, and has a focus on co-production as an overarching principle of how it will operate. Its initial focus has been on the development of a case for change, based on its analysis of our current model, and an 'end state vision', which sets our future ambition. These are outlined below:

Where we are now...the case for change

- 4.5. The principal challenges identified by the Board are around a commissioning approach which lacks flexibility, largely based around block contracts which lack responsiveness to residents' needs. These do not provide the personalised approach to enable residents to progress into fully independent living. This results in 'bottlenecks' in the system, outcomes are not maximised, and there is then a reliance on expensive spot purchase of provision, often out of borough. The Board has defined the following key challenges to address through its work:
- *Provision which is not co-produced*, with residents not provided with the opportunity to work together with providers to shape the way services are provided;
 - *outmoded commissioning models*, with large block contracts which do not provide personalised support, maximise autonomy for service users, or promote the best possible outcomes;
 - *mismatch of supply and demand*, with not enough stock to match resident need and a lack of bespoke, fit for purpose property which impacts on the ability to deliver positive outcomes and achieve best value for money;
 - *fragmentation across the system*, with fractures across the health and care system and a lack of joined up investment to support early intervention and prevention;
 - *lack of diversity in our provider market*; an over reliance on historical models and the need to encourage a greater range of support and housing providers locally to stimulate innovation; and
 - *lack of diversity in our offer*, with limited opportunities for residents to exercise genuine choice over the type of accommodation or support
- 4.6. While the focus of change is rightly on improving outcomes, a key driver is how reform can help manage future demand for high cost services by intervening early. Demand for different types of support is now rising, with a projected growth in the need for long-term support for some groups such as residents with learning disabilities, and a clear trend for other groups such as care leavers, nationally and across London, to grow.
- 4.7. Over the course of the next 15 years, Hammersmith and Fulham's population of over 65s is set to rise as are the number of people within the local community who have learning disabilities and will require some form of social care support. Similarly, numbers of young people leaving care has grown steadily over the last few years, with a 25% growth in the overall Looked After Children (LAC) population, the majority of which has been in the over 16 cohort. The borough also has the fifth highest prevalence of individuals with serious mental health conditions in London, indicating a high level of demand for specialist accommodation as part of a broader system of support.

Where we want to be...the End State Vision

4.8. The over-riding objective for reformed investment will be a system built around the individual, with a focus on prevention and recovery, with the purpose of our offer being to support people to stay in their home, move back to their own home, or maintain an independent tenure in supported living. The key building blocks of this approach will include:

- *more personalised models of support*, with innovative use of approaches such as Housing First, Homeshare and shared lives plus which are person-centred and co-produced with residents;
- *increased supply*, utilising existing Council assets for specialist housing, re-purposing land and buildings where there is a strong financial case, as well as enabling new building which can add to supply in the borough;
- *integrated assessment and referral*, with rapid assessment and a highly coordinated cross-system offer to place people in the right accommodation at the right time; and
- *the right products to step down to*, with an offer which drives down reliance on out of borough placements and spot purchase, keeping families and communities together.

The table below sets out what this might look like at a programme overview level for the three cohorts proposed to be re-commissioned by March 2020:

Cohort	Ambition	Activity	Time
Mental Health	<ul style="list-style-type: none"> • residents retain their homes as far as possible • more specialist provision designed to meet individual need 	<ul style="list-style-type: none"> • Changes to social work practice • Replicate best practice procurement, including more flexible models 	April 2020
Rough sleepers	<ul style="list-style-type: none"> • Prevention framework • Crisis response • Increase in supply • Housing first approach 	<ul style="list-style-type: none"> • Development of crash pad provision • Piloting housing first approaches • Developing a new model of outreach 	Now to April 2020
Care leavers	<ul style="list-style-type: none"> • Bespoke accommodation that meets individual aspiration 	<ul style="list-style-type: none"> • Innovation pilots to inform evidence base 	April 2019

5. OPTIONS AND ANALYSIS OF OPTIONS

Option 1 – de-commissioning

- 5.1. Broadly, there are three main options. Firstly, to allow contracts to lapse when they expire in March 2019, and decommission services while making appropriate alternative arrangements for existing residents. This is not preferred because there is a clear ongoing need and no realistic prospect of securing appropriate alternative provision.

Option 2 – immediate re-procurement

- 5.2. Secondly, the Council could progress procurements more quickly, with the intention of recommissioning at pace and delivering contract efficiencies at an earlier point. Officers have explored options for contract savings during the proposed direct award periods but have concluded these could only be delivered through a reduction in the number of services or through a reduction in staffing levels.
- 5.3. Both options would pose significant risks to the current service provision and therefore are not recommended. Significant reductions in contract values have been achieved in recent years reflecting efforts to achieve value for money within existing models. The detail of this is set out in paragraphs 5.3 and 5.4 in the exempt part of the agenda.
- 5.4. This option is not preferred because it is felt that, while there may be savings which would be delivered at an earlier point and would contribute to reducing the Council's financial gap, greater long-term financial benefit could be achieved by looking holistically across the whole range of provision and developing a longer-term strategy to avoid costs over a five to ten-year period. Greater value for money will be achieved through root and branch review.

Option 3 – strategic reform

- 5.5. The third, and preferred, option is therefore to extend the range of contracts to March 2020 to enable a strategic re-commissioning exercise to take place, informed by the principles set out in this report, with individual procurement strategies approved by Cabinet at appropriate points. This option is preferred because it enables the Council to achieve greater long-term value and take a more strategic approach to its ongoing investment. The analysis presented in this report suggests that new models of support, informed by co-production and dialogue with the provider market are necessary to meet future challenges and policy objectives.
- 5.6. The table below sets out the broad timetable of activity for re-commissioning the mental health, care leavers and young people, and rough sleeping pathways:

What	When
Phase 1 – Co-producing and determining commissioning requirements	
• Co-production with residents and	Oct – Dec 2018
• Service review and analysis of best practice models	Dec 2018 - Jan 2019
• Issue of a Procurement Intention Notice	Dec 2018
Phase 2 – Governance and decision-making	
• Officer governance and challenge	Jan – Feb 2019
• Cabinet approval of procurement strategies	April 2019
Phase 3 – procurement and mobilisation	
• Development of ITT and specifications	March – May 2019
• Procurement phase launched	May 2019
• Tender submission and evaluation	June – Sept 2019
• Contract awards and governance	Oct – Nov 2019
• Contracts mobilisation	Dec – March 2019
• Service commencement	April 2020

6. CONSULTATION

- 6.1. There will be substantial consultation with residents and providers as part of the development of individual procurement strategies which will be brought to Cabinet in due course. This programme will be broad, seeking to work with service users and other citizens to co-produce the new approach. Internal consultation with key services has been through the Specialist Housing Board which is co-chaired by Adult Social Care and Housing and with representation from across the Council. The Board has membership from the recent Disabled People's Commission and has a planned session on disability and equality awareness and co-production, which will help to inform the way commissioners approach the commissioning, management and evaluation of services.
- 6.2. Incumbent providers have been consulted and the majority are prepared to enter into contract extensions without requiring an uplift. The Council is in discussions with three providers over small uplifts to seven contracts. Where uplifts are justified, budget provision will need to be subject to a separate decision.

7. EQUALITY IMPLICATIONS

- 7.1. As required by Section 149 of the Equality Act 2010, the Council has considered its obligations regarding the Public Sector Equality Duty and it is not anticipated that there will be any direct negative impact on groups with protected characteristics, as defined by the Act, from these proposals. The

extension of these contracts will ensure that the current levels of specialist housing provision are retained for vulnerable groups for the coming year.

- 7.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. As set out in the exempt part of the agenda.

9. FINANCIAL IMPLICATIONS

- 9.1. As set out in the exempt part of the agenda.

10. IMPLICATIONS FOR BUSINESS

- 10.1. There is no adverse impact from this decision. However, when individual procurement strategies are decided upon, consideration will need to be given to the potential impact on SMEs in provider supply chains.
- 10.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 07739 316 957.

11. COMMERCIAL IMPLICATIONS

- 11.1. As set out in the exempt part of the agenda.

12. IT IMPLICATIONS

- 12.1. There are no IT implications identified in this report.
- 12.2. Information management implications are that the contractors will be expected to have a GDPR policy in place and all staff will be expected to have received GDPR training.
- 12.3. As the contractors will be processing sensitive personal data on behalf of H&F Privacy Impact Assessments will need to be completed to ensure all potential data protection risks in relation to these contracts are properly assessed with mitigating actions agreed and implemented. For example, a contract data protection and processing schedule or an information sharing agreement template and a Supplier Security Checklist to ensure the systems used by the contractors comply with H&F's regulatory requirements.
- 12.4. The contracts will need to include H&F's new data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
- 12.5. Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 0208 753 3481.

13. RISK MANAGEMENT

- 13.1. There are a number of contracts which expire in March 2019 that if not renewed would give rise to service continuity risk. Direct Awards mitigate the risk of service impact on residents given the ability to continue these arrangements with incumbent providers where this is prudent. The Council has committed to complete a fundamental redesign of the approach in order to deliver better value and this mitigates the potential impact of short-term renewals to providers on the same terms. The Risk Manager agrees that there is a clear need to co-produce new solutions with residents and providers, developing innovative approaches which better meet need, and help to reduce long-term costs across local public services to manage the Council's risk of meeting our local resident's needs and expectations.
- 13.2. Implications completed by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587, mobile 07768 252703.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES:

Appendix 1 – Detail of contract extensions (*contained in the exempt part of the agenda*).

NOTICE OF CONSIDERATION OF A KEY DECISION

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Cabinet hereby gives notice of Key Decisions which it intends to consider at its next meeting and at future meetings. The list may change between the date of publication of this list and the date of future Cabinet meetings.

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Cabinet also hereby gives notice in accordance with paragraph 5 of the above Regulations that it intends to meet in private after its public meeting to consider Key Decisions which may contain confidential or exempt information. The private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers.

Reports relating to key decisions which the Cabinet will take at its private meeting are indicated in the list of Key Decisions below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the decision should instead be made in the public Cabinet meeting. If you want to make such representations, please e-mail Katia Neale on katia.neale@lbhf.gov.uk. You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 3 DECEMBER 2018 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2019

The following is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting and future meetings. The list may change over the next few weeks. A further notice will be published no less than 5 working days before the date of the Cabinet meeting showing the final list of Key Decisions to be considered at that meeting.

KEY DECISIONS are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant (ie. in excess of £100,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website on a monthly basis.

NB: Key Decisions will generally be taken by the Executive at the Cabinet.

*If you have any queries on this Key Decisions List, please contact
Katia Neale on 020 8753 2368 or by e-mail to katia.neale@lbhf.gov.uk*

Access to Cabinet reports and other relevant documents

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 of the list below.

Decisions

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this list by contacting the officer shown in column 4. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2018/19

Leader:	Councillor Stephen Cowan
Deputy Leader:	Councillor Sue Fennimore
Cabinet Member for the Environment:	Councillor Wesley Harcourt
Cabinet Member for Housing:	Councillor Lisa Homan
Cabinet Member for the Economy and the Arts:	Councillor Andrew Jones
Cabinet Member for Health and Adult Social Care:	Councillor Ben Coleman
Cabinet Member for Children and Education:	Councillor Larry Culhane
Cabinet Member for Finance and Commercial Services:	Councillor Max Schmid
Cabinet Member for Public Services Reform:	Councillor Adam Connell
Cabinet Member for Strategy:	Councillor Sue Macmillan

Key Decisions List No. 71 (published 2 November 2018)

KEY DECISIONS LIST - CABINET ON 3 DECEMBER 2018

The list also includes decisions proposed to be made by future Cabinet meetings

Where column 3 shows a report as EXEMPT, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).

* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
3 December				
Cabinet	3 Dec 2018	<p>Appointment of Client Technical Advisor - Town Hall Refurbishment and Heritage Works</p> <p>To seek Cabinet Approval to appoint a Client Technical Advisor for the Town Hall Refurbishment and Heritage Protection Works. The selection process was carried out through competitive bids using Crown Commercial Services framework.</p>	Cabinet Member for the Economy and the Arts	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Hammersmith Broadway	
Contact officer: Archie Adu-Donkor Archie.Adu-Donkor@lbhf.gov.uk				
Cabinet	3 Dec 2018	<p>Proposed Local Discretionary Business Rates Relief Scheme, 2018/19, 2019/20 & 2020/21</p> <p>To approve the amended Local Discretionary Business Rate Relief Scheme to provide support, by way of the Government Grant, to certain ratepayers who face an increase in their Business Rates bills for the financial year 2018/19 through to 2020/21.</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk				
Cabinet	3 Dec 2018	<p>Corporate revenue Monitor Month 5 - August 2018</p> <p>forecast of spend v budget for 2018-19</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Contact officer: Emily Hill emily.hill@lbhf.gov.uk				

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
				papers to be considered.
Cabinet	3 Dec 2018 Reason: Affects 2 or more wards	AWARD OF H&Fs NON-RESIDENTIAL PROPERTY WATER CONTRACT TO WATER PIUS Following Cabinet approval 15th January 2018 for the council to use its energy purchasing body's (Laser) framework to procure a water utilities provider for water and sewage services to its non-residential property portfolio and meet its requirement under the Water Deregulation 2017 for non-domestic supply. The council has completed a successful procurement tender, reviewed the winning tenderer's terms and condition and is in a position to award the contract depending Cabinet approval.	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Sebastian Mazurczak Tel: 020 8753 1707 Sebastian.Mazurczak@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	3 Dec 2018 Reason: Affects 2 or more wards	CIVIL PENALTIES AS AN ALTERNATIVE TO PROSECUTION FOR HOUSING ACT OFFENCES Recommended adoption of civil penalties of up to £30,000 as an alternative to prosecution for certain specified offences, extension of rent repayment orders to cover illegal eviction, breach of a banning order etc, banning orders for the most serious offenders to tackle poor landlords and protect tenants.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Anju Sidhu, Ann Ramage Tel: 020 7341 5658, Anju.Sidhu@rbkc.gov.uk, Ann.Ramage@rbkc.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	3 Dec 2018 Reason: Expenditure more than £100,000	Proposed new FM service model The paper provides details of options for the in house management of FM services in Corporate Property on the termination of the current Total Facilities Management contract PART OPEN PART EXEMPT	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Gerald Frith Gerald.Frith@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		This report is part exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	3 Dec 2018 Reason: Expenditure more than £100,000	<p>Approval of West King Street/Town Hall Renewal Programme - Approval of Business Case and Delivery Strategy</p> <p>This is to approve the Business Case and for approvals related to contracts for the West King Street/Town Hall Renewal Programme.</p> <p>PART OPEN PART EXEMPT This report is part exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for the Economy and the Arts</p> <p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: Sazeda Ibrahim Tel: 07710 021579 Sazeda.Ibrahim@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	3 Dec 2018 Reason: Expenditure more than £100,000	<p>Reforming Specialist Housing</p> <p>Report seeks approval for a new strategic framework for specialist housing and a waiver of the contract standing orders to directly award 15 contracts.</p> <p>PART OPEN PART EXEMPT</p>	<p>Cabinet Member for Public Services Reform</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nick Kimber Tel: 07887748495 nick.kimber@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background

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		This report is part exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		papers to be considered.
Cabinet	3 Dec 2018 Reason: Expenditure more than £100,000	Housing Compliance and Asset Management Strategy The Strategy sets out the Council's approach to delivering a health and safety compliance based approach to managing housing in Hammersmith and Fulham.	Cabinet Member for Housing Ward(s): All Wards Contact officer: David McNulty David.McNulty@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
14 January 2019				
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	Business Case & Procurement Strategy for the Housing Management System That Cabinet approves the divergence from the Integrated Management System Procurement Strategy and Business Case to permit the separate tendering of the Housing Management System currently supplied by Northgate (iWorld)	Cabinet Member for Housing Ward(s): All Wards Contact officer: Alistair Nimmons Alistair.Nimmons@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	Business Case & Procurement Strategy in Relation to the Procurement of a Contractor for Landscaping Works at Hammersmith Park Approval to procure a contractor to carry out landscaping works to	Cabinet Member for the Environment Ward(s): Shepherds Bush Green	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		disused bowling green in Hammersmith Park.	Contact officer: Alice O'Mahony Alice.O'Mahony@lbhf.gov.uk	documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Budg/pol framework	Interim Review of Polling Place and Polling district boundaries - Sands End Ward The current polling place in SEC polling district is due to close for redevelopment. It is proposed to designate Langford Primary School for use as a polling station in this district. It is also proposed to move the boundary between SEC and SEB polling district to allow residents in the most south westerly part of the current SEC district to become part of SEB district and vote in Saint Matthews Church Hall, which is much closer to them and more convenient than Langford Primary School.	Leader of the Council Ward(s): Sands End Contact officer: Zoe Wilkins zoe.wilkins@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	Offsite Records Storage Service Offsite Records Storage Service, for the secure storage of documents and records in a physical format including paper, microfilms, microfiche and some objects. This will also include retrieval services with the capability of doing scan on demand as well as a bulk scanning service and secure destruction of records as requested. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Anthea Ferguson Tel: 02087536641 Anthea.Ferguson@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	<p>Grove Neighbourhood Council - 7 Bradmore Park Road W6 0DT</p> <p>Grove Neighbourhood Council has approached the Council to acquire the Freehold of the property which they currently occupies under a 99 year lease from 20th January 1983 on a full repairing and insuring basis at a "peppercorn rent".</p> <p>PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Finance and Commercial Services</p> <p>Ward(s): Ravenscourt Park</p> <p>Contact officer: Ade Sule Tel: 0208 753 2850 ade.sule@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	<p>EdCity Development</p> <p>This report seeks Cabinet authority to support the principles of the development and contracting arrangements. Support for proposals to share in planning costs. Support for the YouthZone arrangements and funding.</p> <p>PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in</p>	<p>Cabinet Member for the Economy and the Arts</p> <p>Ward(s): Wormholt and White City</p> <p>Contact officer: Jacquie Agyemang-Johnson Tel: 020 8753 6090 Jacquie.Agyemang-Johnson@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	14 Jan 2019 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2018-19 Month 6 - Sept 2018 forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Affects 2 or more wards	Award of Warden Call Contract Following a competitive procure process authoty. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Steve Glazebrook Tel: 07976345556 Steve.Glazebrook@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	Business Case & Procurement Strategy for Housing District/Communal Heating Schemes and Renewal of Plant Rooms Approval is sought for a procurement strategy to refurbish boilers and associated plant serving housing heating schemes	Cabinet Member for Housing Ward(s): All Wards Contact officer: Richard Buckley richard.buckley@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	14 Jan 2019	<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2018/19 (SECOND QUARTER)</p> <p>This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the second quarter</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	14 Jan 2019	<p>Procurement Strategy for Legal Support for the Earls Court Regeneration to be procured through CCS Legal Services Framework</p> <p>To provide the council with continued legal advice to support the council's aims of achieving the best possible outcome for residents.</p> <p>PART OPEN PART EXEMPT This report is part exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for the Economy and the Arts	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): North End	
Cabinet Full Council	14 Jan 2019	<p>West King Street Renewal Project - Approval and Decision Paper</p> <p>This paper will update Cabinet on progress and seek approval for key decisions relating to this major programme.</p> <p>PART OPEN PART EXEMPT This report is part exempt from</p>	Cabinet Member for the Economy and the Arts	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be
	Reason: Expenditure more than £100,000		Ward(s): Hammersmith Broadway	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Donkor@lbhf.gov.uk	considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	<p>Mitie Update</p> <p>Follow up to 8th October Cabinet Paper providing more detail on the future Repairs and Maintenance model.</p> <p>PART OPEN PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: David McNulty David.McNulty@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	<p>APPROVAL TO APPOINT ARKBUILD PLC. AS MAIN CONTRACTOR FOR THE CONSTRUCTION OF 10 GENUINELY AFFORDABLE NEW HOMES AT SPRING VALE ESTATE</p> <p>This report seeks approval to appoint ArkBuild Plc. as main contractor for the construction of 10 genuinely affordable new homes at Spring Vale Estate. The report also seeks a waiver of the tendering requirements of Contract Standing Orders and sets out the contract price and background to the decision.</p>	<p>Cabinet Member for the Economy and the Arts</p> <hr/> <p>Ward(s): Avonmore and Brook Green</p> <hr/> <p>Contact officer: Matthew Rumble matt.rumble@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		PART OPEN PART EXEMPT This report is part exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	14 Jan 2019 Reason: Expenditure more than £100,000	Procurement Strategy for an Investigator in relation to a Major Development Contract Procurement Strategy report seeking approval of the strategy for appointing an investigator to carry out a detailed investigation in relation to major development contract involving council estates lands.	Cabinet Member for the Economy and the Arts Ward(s): North End Contact officer: Matthew Rumble matt.rumble@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
4 February 2019				
Cabinet	4 Feb 2019 Reason: Income more than £100,000	SUSSEX PLACE RAPID EV CHARGE POINTS Seek approval for releasing a mini-competition tender for the Call-Off Contract for electric vehicle rapid charge points in Sussex Place by LBHF Procurement, using TfL's Rapid Charge Point Concessions Framework.	Cabinet Member for the Environment Ward(s): Hammersmith Broadway Contact officer: Richard Hearle Richard.Hearle@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Feb 2019 Reason: Expenditure more than	Corporate Property Services Framework The report outlines revised LOTS to ensure external advice can be secured on a wide range of	Cabinet Member for Finance and Commercial Services Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
	£100,000 Yes	property advice to ensure the administrations outcomes on assets are delivered	Contact officer: David Burns, Nigel Brown Tel: 020 8753 2835 David.Burns@lbhf.gov.uk, Nigel.Brown@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Feb 2019 Reason: Affects 2 or more wards	Corporate Revenue Monitor 2018-19 Month 7 - Oct 2018 forecast of 2018-19 spend v budget	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Feb 2019 Reason: Expenditure more than £100,000	CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2018/19 (THIRD QUARTER) This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the third quarter	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Feb 2019 Reason: Expenditure more than £100,000	FOUR YEAR CAPITAL PROGRAMME 2019/20 This report presents the Council's four-year Capital Programme for the period 2019-23	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	4 Feb 2019	REVENUE BUDGET AND COUNCIL TAX LEVELS 2019/20 The 2019/20 revenue budget proposals are set out regarding: <ul style="list-style-type: none"> • Council tax levels • Savings and growth proposals • Changes to fees and charges • Budget risks, reserves and balances • Equalities Impact Assessments 	Leader of the Council	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
	Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk			
1 April 2019				
Cabinet	1 Apr 2019	Corporate Revenue Monitor 2018-19 Month 9 - Dec 2018 forecast of spend v budget	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
	Contact officer: Emily Hill emily.hill@lbhf.gov.uk			