

Cabinet



Agenda

MONDAY
29 APRIL 2019
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 Issue
17 April 2019

If you require further information relating to this agenda please contact:
Katia Neale, Committee Coordinator, tel: 020 8753 2368 or email:
katia.neale@lbhf.gov.uk

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 that it may want to hold part of this meeting in private to consider the exempt elements of items 5 – 8 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 item numbers **4 – 8** 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 24 April 2019.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Tuesday 30 April 2019**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Tuesday 7 May 2019 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 **Tuesday 7 May 2019**.

Cabinet Agenda

29 April 2019

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 1 APRIL 2019	6 - 9
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<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>	
4.	ADOPTION OF A FREE-FLOATING CAR SHARING SERVICE AND APPROVAL TO TENDER AND PROCURE PROVIDER(S) IN LBHF	10 - 29
5.	GEOGRAPHICAL INFORMATION SYSTEMS - SYSTEM RE-PROCUREMENT	30 - 34

This report has an appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and is not for publication. The appendix has therefore been circulated to Cabinet Members only.

Any discussions on the contents of an exempt appendix will require Cabinet to pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press from the proceedings for that discussion.

6. MULTIDISCIPLINARY FAMILY ASSESSMENT SERVICE - CONTRACT VARIATION 35 - 47

This report has an appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and is not for publication. The appendix has therefore been circulated to Cabinet Members only.

Any discussions on the contents of an exempt appendix will require Cabinet to pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press from the proceedings for that discussion.

7. EDCITY DEVELOPMENT 48 - 71

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Any discussions on the contents of an exempt appendix will require Cabinet to pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press from the proceedings for that discussion.

8. HARTOPP AND LANNOY POINTS 72 - 110

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9. FORWARD PLAN OF KEY DECISIONS 111 - 122

10. ANY OTHER BUSINESS

LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

Proposed resolution:

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.

Agenda Item 1

London Borough of Hammersmith & Fulham

Cabinet Minutes



Monday 1 April 2019

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 Max Schmid, Cabinet Member for Finance and Commercial Services

159. MINUTES OF THE CABINET MEETING HELD ON 4 MARCH 2019

RESOLVED:

That the minutes of the meeting of the Cabinet held on 4 March 2019 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

160. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Andrew Jones and Councillor Sue Macmillan.

161. DECLARATION OF INTERESTS

There were no declarations of interest.

162. CORPORATE REVENUE MONITOR 2018/19 MONTH 9 - 31ST DECEMBER 2018

RESOLVED:

1. To approve that decision making in relation to production of final accounts to be delegated to the Strategic Director, Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.

2. To note the forecast General Fund outturn.
3. To note the HRA forecast underspend.
4. To agree the virements detailed in appendix 10.

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.

163. LAND ADJACENT TO NO. 245 BECHTEL HOUSE, HAMMERSMITH ROAD, W6 - SECTION 278 HIGHWAY IMPROVEMENT WORKS & SECTION 38 HIGHWAY WORKS

RESOLVED:

1. To approve the expenditure of £721,600, being the cost for the s278 highway improvement works on Hammersmith Road, Shortlands and Chalk Hill Road.
2. To note that the main construction works are to be carried out by the Council's Principal Highways Contractor, F.M Conway Ltd, under the existing Term Contract.
3. To approve entering into a legal agreement with the developer under section 38 of the Highways Act 1980 for the purpose of the Council adopting land and creating a new section of highway land.

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.

164. AGREEMENT FOR DIRECT CONTRACT AWARD OF CONTRACTS FOR THE PROVISION OF DAY SERVICES FOR OLDER PEOPLE

Councillor Ben Coleman stated that due to H&F CCG withdrawing their investment to one of the providers the Council had had to increase its funding of this service to maintain financial sustainability and ensure service viability as the service was at capacity. Further cuts in CCG funding were likely to happen and the Council would need to find alternative routes to ensure service continuity, as it could not continue to absorb all the costs.

RESOLVED:

1. To approve a waiver under Contract Standing Order 3.1 for the requirement for seeking competitive tenders for the reasons set out in section 3 in the report.
2. To approve a direct award for 12 months from April 2019 to March 2020 for Nubian Life, Alzheimer's Society and London Care, and six months for Notting Hill Genesis, from April 2019 to October 2019, whilst a review and procurement exercise is undertaken.
3. To approve the establishment of a £35,000 grant fund from October 2019 to fund day service provision by local community groups.

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.

165. DRUG AND ALCOHOL WELLBEING SERVICE CONTRACT EXTENSION AND VARIATION; AND THE ALCOHOL SERVICE CONTRACT EXTENSION

RESOLVED:

1. That Cabinet approves the award of an extension of the contract for the substance misuse treatment service for a further two years from 1 April 2019 to 31 March 2021 at the contract price set out in exempt appendix A.
2. That Cabinet approves a contract variation to the substance misuse treatment service contract for a period of two (2) years from 1 April 2019 to 31 April 2021 at the contract price set out in the exempt appendix A.

3. That Cabinet approves an extension of the contract for the alcohol specific treatment service for a further two years from 1 April 2019 to 31 March 2021 at the contract price set out in the exempt appendix A. The current provider is Change, Grow, Live or CGL (previously named CRI at contract award).

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.

166. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

167. ANY OTHER BUSINESS


None.

Meeting started: 7.00 pm

Meeting ended: 7.10 pm

Chair

Agenda Item 4

London Borough of Hammersmith & Fulham CABINET 29 APRIL 2019	 hammersmith & fulham
ADOPTION OF A FREE-FLOATING CAR SHARING SERVICE AND APPROVAL TO TENDER AND PROCURE PROVIDER(S) IN LBHF	
Report of the Cabinet Member for the Environment - Councillor Wesley Harcourt	
Open Report	
Classification - For Decision Key Decision: Yes	
Consultation: All services listed in the report along with the respective comments have been consulted.	
Wards Affected: All	
Accountable Director: Mahmood Siddiqi – Director for Transport and Highways	
Report Author: Carl Gellard Parking Policy and Projects	Contact Details: Tel: 020 8753 3522 E-mail: carl.gellard@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report proposes an additional transport option for the Borough to adopt in the form of a free-floating car sharing service (FFCS), in which cars can be hired on a pay as you drive basis and picked up from any permitted shared use bay in LBHF.
- 1.2. A FFCS has been adopted by a number of other London authorities which means that unlike the round-trip model, members are able to use the service across a much wider geographical area and are not constrained by having to finish their journey within a pre-determined time frame or by having to return the vehicle to a designated bay in a specific location.
- 1.3. The one-way nature of the FFCS provides greater journey possibilities and will complement our existing fully electric Blue City Car Club introduced in 2016 and 50 'round-trip' car club only bays currently available to members in LBHF.
- 1.4. This type of car club caters for different type of trip. The latest annual survey of car club members conducted by the charity CoMoUK (Collaborative Mobility) indicates that the FFCS model offers transport benefits through reducing car ownership and use, local parking stress and overall vehicle emissions. FFCS fleets comprise newer vehicles that also reduce air pollution. Research supported by an independent study published by Imperial College London.

- 1.5. There will be minimal cost implications for the Council from this initiative following appointment of the provider. All areas of expenditure will be the responsibility of the provider. Budgets are already identified for managing and monitoring existing car clubs and the additional officer fees required for a FFCS scheme will be minimal.
- 1.6. The value to the Council is not known at this time but it is expected to generate in excess of £100,000 over the lifetime of the contract.
- 1.7. This report seeks approval to award a two-year contract to one or more providers of FFCS in LBHF, demonstrates the benefits of such a scheme and sets out the strategy to procure the service in LBHF through a competitive tender process.

2. RECOMMENDATIONS

- 2.1 To agree to adopt the free-floating car sharing service (FFCS) model in LBHF.
- 2.2 To approve the procurement strategy as described in Section 5, Option 1;
- 2.3 Following a procurement process undertaken in accordance with the approved strategy, delegate approval to award a contract(s) for a FFCS provider(s) to the Director of Transport & Highways, in consultation with the Cabinet Member for Environment.; and
- 2.4 To introduce a FFCS concessionary permit fee of £800 for fully electric vehicles and £1,400 for internal combustion engine vehicles, to be reviewed annually.

3. REASONS FOR DECISION

- 3.1. To comply with the requirements contained in Contract Standing Orders that 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.
- 3.2. The contract value is calculated as being the total value of the concession contract for all parties and not just that of LBHF. The total value of this contract to LBHF will exceed £100,000.
- 3.3. Introducing an FFCS will directly contribute to the administrations objective to be the greenest borough. The promotion of FFCS was identified by Transport for London's Roads Task Force as one of a number of demand management measures that can reduce overall car dependence by making access to cars more flexible, thereby reducing pressure on road space and encouraging sustainable transport and help reduce air pollution.

4. PROPOSAL AND ISSUES

- 4.1. LBHF currently has two round trip car clubs operating - the fully electric static Blue City Car Club introduced in 2016 that operate from Source London charge points, and 50 car club only bays currently available to members in LBHF. The success of car clubs is clear, for example, the BlueCity scheme had nearly 8,000 rentals in 2018 resulting in nearly 80,000km being travelled.
- 4.2. A FFCS has already been adopted by a number of other London authorities which means that unlike the round-trip model, members are able to use the service across a much wider geographical area and are not constrained by having to finish their journey within a pre-determined time frame or by having to return the vehicle to a designated bay in a specific location. The one-way nature of the FFCS therefore provides greater journey possibilities and will complement our existing round-trip car clubs.

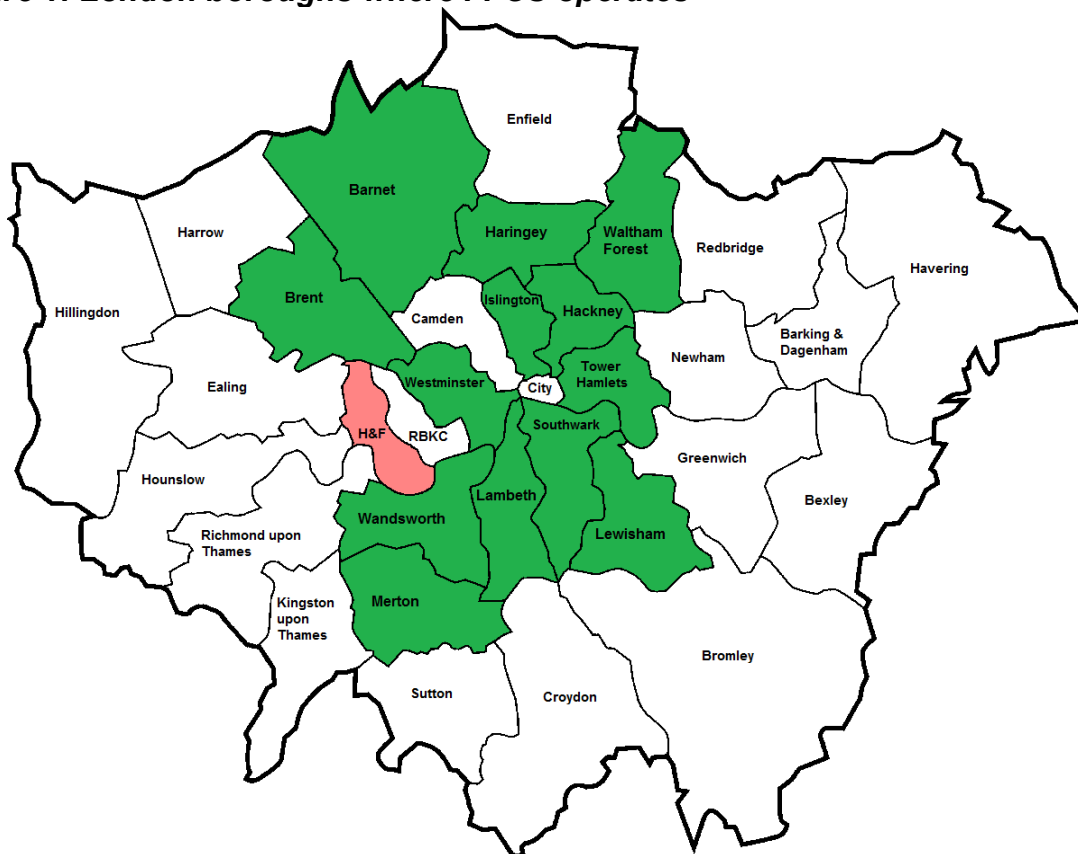
What is a Free-Floating Car Sharing Service (FFCS)?

- 4.3. The FFCS is a mobility service in which members locate a nearby available vehicle (typically via an app on a smartphone), drives to their destination paying on a per-minute basis and subsequently ending their journey after one-way usage.
- 4.4. The FFCS differs from traditional 'round-trip' car sharing in that use is in general spontaneous, whereas round-trip car sharing operates on the basis of advance booking/reservation and vehicles are designated parking bays where they must be collected and returned.
- 4.5. The FFCS is recognised (by authorities and academia) as a key tool in providing for Londoners' urban mobility needs by offering a realistic and economical alternative to private car ownership. The proven benefits of FFCS are:
 - Reduce private vehicle ownership
 - Increase efficiency of personal transport
 - Improve air quality and reduce NOX, PM and CO2 transport emissions
 - Reduce parking stress
 - Reduce congestion
 - Rationalise business travel and reduce commuting by car
 - Encourage social mobility and social inclusion by offering wider transport choices
 - Increase walking cycling and use of public transport.
- 4.6. A FFCS currently operates in thirteen London boroughs and is provided by multiple providers as illustrated in Figure 1. Members are provided with a much broader area to begin and end their one-way journey. The growth of FFCS is expected to continue in 2019/20 as other authorities including Kensington & Chelsea, Ealing, Newham and Greenwich are planning to launch the service.

Procurement of the FFCS provider

- 4.7. A tendering exercise will be undertaken enabling the Council to procure one or more FFCS providers in LBHF. The highest scoring tenderer will be awarded a contract to operate up to 100 vehicles, the second highest scoring will be awarded a contract to operate up to 50 vehicles and the third highest scoring will be awarded a contract to operate up to 20 vehicles in a permitted parking area defined by the council.
- 4.8. The FFCS provider(s) will make an annual payment for a fixed number of vehicles and the value of the annual payment will be determined by composition of fully electric vehicles and internal combustion engine vehicles in the provider's fleet.
- 4.9. It is not possible to develop a fully electric FFCS fleet at this time due to vehicle availability and charging infrastructure. However, to incentivise the provider(s) to procure cleaner and more environmentally friendly vehicles to members, the cost of a fully electric vehicle permit will be £800 whereas a permit for an internal combustion engine vehicle will be £1,400. Every effort will be made to incentivise operators to develop a EV fleet and these will be included in the tender requirements with weighted scoring criteria focusing on EV growth. It is understood at this time, vehicle fleets are more than 20% with aspirations to grow this in the coming years.

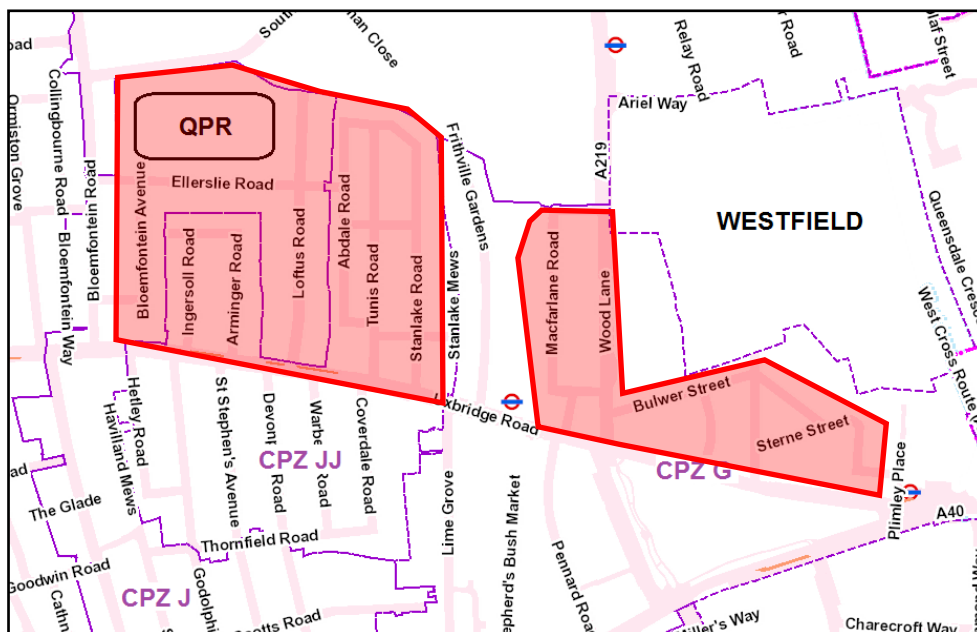
Figure 1: London boroughs where FFCS operates



Management of the FFCS

- 4.10. A 'Permitted Area' will be created which will encompass the majority of shared use parking bays across LBHF. However certain areas will be restricted through 'geofencing' which restricts the user from ending a journey in a street or area defined by the Council. From a user perspective it is preferable not to exclude many areas as this makes the operating area easier to understand and membership more attractive.
- 4.11. Evidence has shown there will be a natural turnover of vehicles as they will be driven by members to different parts of the borough and across London where other local authorities offer the scheme. Should clustering occur, the Council will have control of defining the operating area and could exclude certain hotspots if desired, on a permanent or temporary basis. For example, in the streets surrounding QPR on a match day and the streets closest to Westfield shopping centre which both experience an increased number of visitors during fixtures and at weekends. Restricting or removing access to certain areas (geofencing) is dynamic and can be added, amended and removed at ease and operates in real time. Costs of these actions are taken by the provider with penalties where infringements occur.
- 4.12. Members will be made aware of the restricted area via an app on a smartphone and/or through the vehicles in car navigation system. If a member leaves a vehicle in the restricted area, they will continue to be charged for the booking as well as parking charges. This measure ensures that members park vehicles in the Permitted Areas.

Figure 2: Example of possible dynamic geofencing in LBHF



- 4.13. Clustering of cars in a particular street or area is unlikely and will be actively discouraged by mechanisms such as a clustering penalty fee to the provider in the event that an excessive number of vehicles end journeys in a particular street or area.
- 4.14. The Council will be able to exclude areas from the scheme at any time if problems arise in practice and it is considered that the number of scheme vehicles parked in an area is causing difficulty for residents.
- 4.15. There will be minimal cost implications for the Council from this initiative following appointment of the provider. All areas of expenditure will be the responsibility of the provider. The value to the Council is not known at this time but it is expected to generate in excess of £100,000 over the lifetime of the contract. This is calculated by the first year's baseline minimum revenue being £53,200, which is based on 25% of total vehicles ending journeys in H&F in a typical 24-hours period. This annual revenue figure will increase based on (a) the value offered by the provider during the tender stage and (b) the number of vehicles that complete journeys in H&F. Details are provided in Appendix 1; Business Case.
- 4.16. The cost implication that should be noted is a potential reduction in the revenue from shared use P&D parking. However, it is important to note FFCS vehicles will be parked for their longest periods over night when P&D parking charges do not apply, resulting in no loss of revenue. During the day when the service is in a constant state of flux it is not possible to estimate the potential loss in parking revenue.
- 4.17. The potential reduction has not been quantified but is not expected to be significant and will be accounted for by the income generated from the FFCS vehicles operating in the borough.
- 4.18. All fees associated with the hire of the vehicle including parking fees, congestion charge and fines will be the responsibility of the FFCS customer.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. There are three options to consider for the car sharing model in LBHF:

1. Option 1 – Open tendering to procure a FFCS service, from one or more providers.

This will enable the Council to award a contract to a FFCS provider based on a rigid set of scoring criteria. Tendering by way of an open tender will ensure the Council can appoint the most suitable provider and receive the best value for money for its residents and the Council.

2. Option 2 – Procure provider(s) by way of a non-exclusivity agreement.

A non-exclusivity agreement is open to more than one party. Currently there are three main providers of FFCS in London; DriveNow (BMW), Zipcar Flex (Avis Group) and Ubeeqo/eCar Club(Europecar). In some London boroughs, multiple providers provide the free-floating service by way of a non-exclusivity agreement. As the popularity of FFCS is anticipated to grow in London, additional providers may join the market and operate the service. Under competition law, the Council would be required to offer the same terms of service to new providers. A disadvantage of this approach is that it would be difficult for the Council to restrict and manage the overall number of permitted vehicles in the borough as each provider would be entitled to the same number.

3. Option 3 - To not progress with the FFCS and retain the existing ‘round-trip model’ in LBHF.

The ‘round trip’ model serves a much smaller catchment area of members as usage of this facility is usually confined to those who live or work within a reasonable walking distance of the fixed location. The ‘round-trip’ model also doesn’t provide the same flexibility as a FFCS which allows one-way journeys and covers a much wider geographical area as described in section 4. Relying singularly on a ‘round trip’ car club model is not sufficient in tackling the concerns of reducing private vehicle ownership, improving air quality and reducing congestion.

5.2. It is recommended that Option 1 is adopted.

6. CONSULTATION

6.1. The contract is being reviewed by the Councils Legal Services. The contract will enable the provider(s) to park their free-floating vehicle fleet in all shared use bays across LBHF Submitted competitive tenders will be evaluated via the capitalEsourcing system.

6.2. Key performance indicator (KPI’s) will form part of the contractual agreement between LBHF and the provider(s) which will ensure the quality of the FFCS service in LBHF. KPI will incorporate future growth of an EV fleet.

6.3. Following evaluation of tenders, we are recommending that Cabinet delegate the award decision to the Cabinet Member for the Environment to appoint the successful provider(s).

7. EQUALITY IMPLICATIONS

7.1. The Council has given due regard to its responsibilities under Section 149 of the Equality Act 2010 and it is not anticipated that there will be any negative impact on any groups with protected characteristics from the awarding of this contract. Please refer to the Equality Impact Assessment in Appendix 2.

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

8. LEGAL IMPLICATIONS

Type of contract and threshold

- 8.1. The contracts proposed in this report are concession contracts under the Concession Contracts Regulations 2016 (“CCR 2016”). The current threshold for a concession contract under the CCR 2016 is £4,551,413 (the “Threshold”).

Above or below threshold

- 8.2. If the value of a concession contract is over the Threshold then it must be procured in accordance with the rules under the CCR 2016. The “value” of a concession contract is considered to be the turnover value to the provider. It is difficult to assess the turnover value of a 100 permit contract, 50 permit contract or 20 permit contract, but this report is proposing to run a full procurement exercise in accordance with the CCR 2016 in any event, so it is not necessary to calculate the value of the contracts.

High value services (£181,302 and greater)

- 8.3. Under the council’s Contract Standing Orders (“CSOs”), table 10.2a, for an above-Threshold concession services contract the council must use an existing framework agreement, or publish a contract notice in the Official Journal of the European Union (“OJEU”) along with an opportunity listing on the council’s e-tendering system webpage (capitalesourcing.com) and publication of a contract notice on the government’s Contracts Finder website. This report is proposing to run a full procurement competition with a contract notice in the OJEU, so this requirement will be met.
- 8.4. Legal comments completed by Hector Denfield, associate at Sharpe Pritchard LLP, on secondment to the council (hdenfield@sharpepritchard.co.uk).

9. FINANCIAL IMPLICATIONS

- 9.1. There will be minimal cost implications for the Council from this initiative following appointment of the provider. All areas of expenditure will be the responsibility of the provider. The value to the Council is not known at this time but it will generate in excess of £100,000 over the lifetime of the contract, comprising as a minimum, income from the vehicle permits plus any additional income.
- 9.2. There is likely to be an impact on P&D income, however, this is likely to be minimal as the FFCS vehicles will be parked for their longest periods over night when Pay & Display parking charges do not apply. The impact on P&D income cannot be determined at this stage due to the constant flux of activity as the FFCS vehicles will be moving constantly throughout the day, however, the selected parking bays that will be used will be reviewed and any significant changes to parking income will be reported as part of monthly monitoring.
- 9.3. Budgets are already identified for managing and monitoring car clubs that currently operate in H&F. The additional officer fees required for a FFCS scheme in H&F will be minimal.
- 9.4. Implications verified by: Gary Hannaway, Head of Finance, tel. 020 8753 6061.
- 9.5. Implications verified by Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

10. IMPLICATIONS FOR LOCAL BUSINESS

- 10.1. There are no direct implications for local businesses. The proposal to adopt a FFCS in LBHF will assist in rationalising business travel and reduce commuting by car for business purposes.
- 10.2. *Implications verified/completed by: Alben Karameros, Economic Development Team, tel. 020 7938 8583.*

11. COMMERCIAL IMPLICATIONS

- 11.1. The proposed procurement strategy is in line with both Concession Contracts Regulations (CCR) 2016 and the Public Contracts Regulations (PCR) 2015. The proposal also reflects the Council's Contracts Standing Orders (CSOs) as it proposes a fully compliant open tender.
- 11.2. *Implications verified/completed by: Andra Ulianov, Head of Contracts and Procurement, tel. 020 8753 2284.*

12. IT IMPLICATIONS

- 12.1 IT Implications: No IT implications are considered to arise from the proposal in this report. However, if the adoption of the FFCS results in a requirement for new systems to be procured, existing systems to be modified, or IT enhancements to be considered (such as the use of IoT sensors) IT Services should be consulted.
- 12.2 IM Implications: A Privacy Impact Assessment should be completed to ensure all potential data protection risks resulting from this proposal are properly assessed with mitigating actions agreed and implemented.
- 12.3 The contracts with the new providers should include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR).
- 12.1. *Implications verified/completed by: Karen Barry, Strategic Relationship Manager, IT Services, tel. 0208 753 3481.*

13. RISK MANAGEMENT

- 13.1. It is likely that the impacts of a FFCS will evolve over time as a larger number of customers and prospective customers experience life-course events and as the services offered by FFCS providers themselves evolve e.g. price levels, area of service coverage, FFCS densities and the spatial distribution of the FFCS fleet. Non-car-owning households may likely use FFCS for shopping purposes; one possible interpretation of this is the capacity of an FFCS vehicle to carry shopping and is an important characteristic for households that do not own their own vehicle. Car-owning FFCS users are more likely to use FFCS to attend business meetings and use FFCS for business travel because they are not commuting by private car and therefore do not have a private car available at their workplace which is an increasing trend in London.
- 13.2. The report proposals contribute to improving the local environment risk through improving air quality projects and contributing to our council priority, to take pride in Hammersmith & Fulham by working hard to be the most environmentally positive borough in London and ensuring our public needs and expectations risk is well managed by delivering a place that is safe, clean and green. The wider benefits to risk management include those to public health by moving away from traditional fossil fuels. Revenue generated from the scheme contributes to the council's finances and our priority of being ruthlessly financially efficient.

13.3. *Implications verified/completed by: Michael Sloniowski, i Risk Manager, tel 020 8753 2587, mobile 07768 252703. David Hughes on mobile 07817 507695 and tel. 0207 361 2389.*

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

14.1. None

LIST OF APPENDICES

Appendix 1 – Business Case & Procurement Strategy

Appendix 2 – Equality Impact Assessment

APPENDIX 1: BUSINESS CASE AND PROCUREMENT STRATEGY REPORT

BUSINESS CASE

1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED

The Council will tender a Contract to procure a free-floating car sharing service (FFCS) in Hammersmith & Fulham (H&F).

LBHF currently has two round trip car clubs operating - the fully electric Blue City Car Club introduced in 2016 that operate from Source London charge points, and 50 car club only bays currently available to members in LBHF. The success of car clubs is clear, for example, the BlueCity scheme had nearly 8,000 rentals in 2018 resulting in nearly 80,000km being travelled.

A FFCS has already been adopted by a number of other London authorities which means that unlike the round-trip model, members are able to use the service across a much wider geographical area and are not constrained by having to finish their journey within a pre-determined time frame or by having to return the vehicle to a designated bay in a specific location. The one-way nature of the FFCS therefore provides greater journey possibilities and will complement our existing round-trip car clubs.

Adopting a FFCS in which cars can be hired on a pay-as-you-drive basis and picked-up from any permitted location, and then dropped-off in any permitted areas in H&F and in other London boroughs who provide the service. This will provide members with a wide geographical area to make one-way journeys.

Why are they needed?

Introducing FFCS will directly contribute to the administration's objective to be the greenest borough. The promotion of FFCS was identified by Transport for London's Roads Task Force as one of a number of demand management measures that can reduce overall car dependence by making access to cars more flexible, thereby reducing pressure on road space and encouraging sustainable transport.

Who uses or receives them?

There around 10,000 members of the existing 'round-trip' car clubs in H&F which are provided by City Car Club (Enterprise), Zipcar (Avis Group) and Blue City (Bolloré Group). It is anticipated members of the existing 'round-trip' model will use a FFCS as the scheme caters for more journey types.

What are the most important objectives and benefits the new contract is aiming to deliver (and/or what are the most serious risks it is seeking to avoid?)

FFCS is recognised as a key tool in providing for Londoners' urban mobility needs by offering a realistic and economical alternative to private car ownership. The overall aim and objective of FFCS in H&F is to:

- Reduce private vehicle ownership
- Increase efficiency of personal transport
- Improve air quality and reduce NOX, PM and CO2 transport emissions

- Reduce parking stress
- Reduce congestion
- Rationalise business travel and reduce commuting by car
- Encourage social mobility and social inclusion by offering wider transport choices
- Increase walking, cycling and use of public transport for trips not undertaken by car.

Will the services, or supplies be shared with others or sovereign to just H&F?

FFCS currently operates in thirteen London boroughs and is provided by multiple providers where members can begin or end their journey. The growth of FFCS is expected to continue in 2019/20 as other authorities including Kensington & Chelsea, Ealing, Newham and Greenwich launch the service.

2. FINANCIAL INFORMATION

Each contract will incur no expenditure, they are revenue generating only. However, Parking Policy Team officer fees are budgeted for this work, to manage the agreement and will be funded from the parking reserve. It is recognised there will be some loss in P&D revenue and although this is difficult to estimate, it is expected to be minimal as the vehicles will be used during the day and parked overnight when parking charges do not apply.

The level of revenue that can be realised will not be determined until after the contract tender process has been completed and the successful provider(s) are identified. Up to three FFCS providers may be appointed with the highest scoring tenderer being awarded a contract to operate 100 vehicles the second 50 vehicles and the third 20 vehicles.

The level of revenue generated through the FFCS will be determined by the annual Pre-Payment Charge (PP) made in advance by the successful provider(s) for the total number of permitted vehicles they are awarded.

The annual PP is an advance payment by the provider to the Council for an assumed average number of vehicles that end journeys in H&F in any 24hr period, determined by the overall stock of internal combustion engines and fully electric vehicles in the providers' fleet. The PP is calculated as follows:

- Internal combustion engine vehicle permit charge – minimum value £1,400
- Fully electric vehicle permit charge – minimum value £800

Concessionaire	Vehicles	Estimated Number of petrol vehicles	Estimated Number of electric vehicles	Total	PP #
ONE	100	75	25	£125,000	£31,250
TWO	50	38	12	£62,800	£15,700
THREE	20	15	5	£25,000	£6,250
TOTAL	170	128	42	£212,800	£53,200

PP is based on 25% of total vehicles that end journeys in H&F on average, in a typical 24-hour period.

It is anticipated that if three FFCS providers are appointed in H&F, the first year's baseline minimum revenue will be £53,200, which is based on 25% of total vehicles ending journeys in H&F in a typical 24-hours period. This annual revenue figure will increase based on (a) the value offered by the provider during the tender stage and (b) the number of vehicles that complete journeys in H&F.

There will be minimal cost implications for the Council from this initiative following appointment of the provider. All areas of expenditure will be the responsibility of the provider and although the value to the Council is not known at this time it will generate in excess of £100k over the lifetime of the contract, comprising as a minimum, income from the vehicle permits plus any additional income.

There is likely to be an impact on Pay & Display income, however, this is likely to be minimal as the FFCS vehicles will be parked for their longest periods over night when Pay & Display parking charges do not apply. The impact on Pay & Display income cannot be determined at this stage due to the constant flux of activity as the FFCS vehicles will be moving constantly throughout the day, however, the selected parking bays that will be used will be reviewed and any significant changes to parking income will be reported as part of monthly monitoring.

3. OPTIONS APPRAISAL AND RISK ASSESSMENT

There are three options to consider for the future of car sharing in H&F:

Option 1 – Using a competitive tender to procure a FFCS scheme.

This will enable the Council to award a contract to a FFCS provider based on a rigid set of scoring criteria. Tendering by way of a consultation exercise will ensure that the most suitable providers are procured for H&F.

Option 2 – Procure provider(s) by way of a non-exclusivity agreement.

A non-exclusivity agreement is open to more than one party. Currently there are three main providers of FFCS in London; DriveNow (BMW), Zipcar Flex (Avis Group) and Ubeeqo (Europcar). In some London boroughs, multiple providers provide the free-floating service by way of a non-exclusivity agreement. As the popularity of FFCS is anticipated to grow in London, additional providers may join the market and operate the service. Under competition law, the Council would be required to offer the same terms of service to new providers. A disadvantage of this approach is that it would be difficult for the Council to restrict and manage the overall number of permitted vehicles in the borough as each provider would be entitled to the same number.

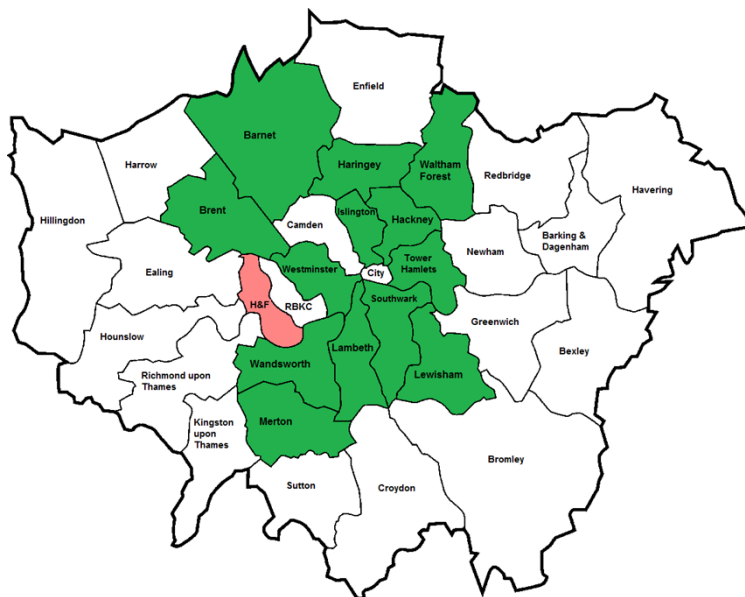
Option 3 - To not progress with the FFCS and retain the existing 'round-trip model' in Hammersmith & Fulham.

The 'round trip' model serves a much smaller catchment area of members as usage of this facility is usually confined to those who live or work within a reasonable walking distance of the fixed location. The 'round-trip' model also doesn't provide the same flexibility as a FFCS which allows one-way journeys and covers a much wider geographical area. Relying solely on a 'round trip' car club model is not sufficient in tackling the concerns of reducing private vehicle ownership, improving air quality and reducing congestion.

Option 1 is the recommended approach to enhance car sharing services in H&F. By realising the numerous benefits of the one-way FFCS model, this will support our target to become the greenest borough and air quality targets.

4. THE MARKET

A FFCS scheme currently operates in thirteen London boroughs and is provided by multiple providers as illustrated on the map below. Members are provided with a much broader area to begin and end their one-way journey. The growth of FFCS is expected to continue in 2019/20 as other authorities including Kensington & Chelsea, Ealing, Newham and Greenwich are planning to launch the service.



PROCUREMENT STRATEGY

5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

The contract to operate a FFCS scheme in H&F will be for two years, with a further two-year extension provision built in. A competition tendering exercise will be undertaken enabling the Council to procure one or more FFCS providers in H&F.

6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS

The FFCS will alter the way people make journeys in H&F and reduce private car ownership and use. Research from London Transport Demand Survey & Carplus Annual Survey 2016-2017 suggests that on average 2.2 people travel in a car share vehicle compared to 1.6 people in a private car which demonstrates increased efficiency in personal transport and use of road space and contributes to reducing air pollution.

7. OTHER STRATEGIC POLICY OBJECTIVES

The introduction of the FFCS scheme in H&F will complement the existing round-trip and fully electric car club models that already operate in H&F. The nature in which the FFCS scheme operates and the flexibility of where users can begin and end a journey, means that members across a wider geographical area will have access to the service.

8. STAKEHOLDER CONSULTATION

The successful provider(s) will consult with existing members in H&F and other boroughs who host the service to promote the FFCS scheme. The Parking Policy Team will communicate and promote the FFCS through the council media platforms including the website and Twitter.

9. PROCUREMENT PROCEDURE

A fully compliant open tender process will be undertaken through the Capital eSourcing system. The opportunity will be advertised in accordance with the Regulations. Accessing the open market will enable the council to realise best value. It is intended to procure up to three providers for the FFCS scheme.

10. CONTRACT AWARD CRITERIA

The evaluation process is to select the “Most Economically Advantageous Tender (MEAT). The “MEAT” is determined as the highest evaluated score in a 40:60 combination of method statement and financial scores respectively. Prior to the method statement and financial offer, a commercial response will be required that will cover the acceptance of the proposed contract on a pass/fail basis and will include matters such as insurance liabilities and quality procedures.

The method statement response will cover the operational aspects of providing and operating a FFCS in H&F, and this will include evaluating customer experience and satisfaction from current services elsewhere in London. The financial statement relates to how much a provider is willing to pay the Council for an annual permit with the minimum price accepted for each vehicle type being:

- Fully Electric Vehicle £800
- Other vehicles £1,400

The bidder that passes the commercial response evaluation and achieves the highest overall score for its proposal, once the method and financial statement weighted scores have been combined, will be awarded the contract. The option will exist for the council to award further contracts to the second and third place tenderers at a reduced vehicle fleet as described above.

The following evaluations and weightings will apply to the tendering process:

Commercial response	Pass/Fail
Method statement	40%
Financial statement	60%

PROJECT MANAGEMENT AND GOVERNANCE

11. PROJECT MANAGEMENT

The project team is comprised of the following officers:

Parking Policy Manager
Parking Projects Engineer
LBHF Procurement Lead

12. INDICATIVE TIMETABLE

Date	Action	Progress
March/April 2019	Prepare tender package for the FFCS scheme	Ongoing
April 2019	Cabinet report seeking permission to tender	In progress
May 2019	Finalise tender package for FFCS	
June 2019	Commence the procurement process and tender documentation issued	
July 2019	Deadline for submission of tenders in line with the applicable regulations	
September 2019	Likely commencement date: date the provider contract(s) are awarded	

CONTRACT MANAGEMENT

The Parking Policy Team will closely monitor the performance and usage of the FFCS scheme through data provided by the provider(s).

The provider(s) will be contractually required to provide data and information as part of the contract and upon request, at regular intervals on a quarterly basis. Key Performance Indicators (KPI's) will be employed to ascertain the effectiveness of the FFCS scheme in H&F and take appropriate action if there is are performance concerns.

APPENDIX 2 - H&F Equality Impact Analysis Tool

Conducting an Equality Impact Analysis

An EqIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative, or unlikely to have a significant impact on each of the protected characteristic groups.

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The tool has been updated to reflect the new public sector equality duty (PSED). The Duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

- 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;**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against the three tenets of the Equality Duty.

General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Equality Officer for support.
6. Further advice and guidance can be accessed from the separate guidance document (on the intranet) or [ACAS - EIA](#). Or you can contact the councils Equalities Lead (see below).

Equality Lead: Fawad Bhatti (Policy & Strategy)

Fawad.bhatti@lbhf.gov.uk

020 8753 3437

H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	3rd Quarter 2019
Name and details of policy, strategy, function, project, activity, or programme	ADOPTION OF A FREE-FLOATING CAR SHARING SERVICE AND APPROVAL TO TENDER AND PROCURE OPERATOR(S) IN LBHF To approve the recommendation in the report titled – Adoption of a Free Floating Car Sharing Service and Approval to Tender and Procure Operator(s) in LBHF
Lead Officer	Name: Carl Gellard Position: Parking Engineer Email: carl.gellard@lbhf.gov.uk Telephone No: 020 8753 4651
Date of completion of final EIA	05/03/2019

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Section 02	Scoping of Full EIA		
Plan for completion	Timing: September 2019 Resources: Parking Projects and Policy Team		
Analyse the impact of the policy, strategy, function, project, activity, or programme	As a result of the overall works, there may be benefits associated with certain groups and not others as detailed below:		
	Protected characteristic	Analysis	Impact:
	Age	N/A	Neutral
	Disability	N/A	Neutral
	Gender reassignment	N/A	Neutral
	Marriage & Civil Partnership	N/A	Neutral
	Pregnancy & maternity	N/A	Neutral

	Race	N/A	Neutral
	Religion/belief	N/A	Neutral
	Gender	N/A	Neutral
	Sexual Orientation	N/A	Neutral
<p>Human Rights or Children's Rights 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</p>			

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	N/A
New research	N/A

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Section 04	Consultation
Consultation	N/A
Analysis of consultation outcomes	N/A

Section 05	Analysis of impact and outcomes
Analysis	N/A


Section 06	Reducing any adverse impacts and recommendations
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Outcome of Analysis	N/A
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Section 07	Action Plan
Action Plan	N/A

Section 08	Agreement, publication and monitoring
Chief Officers' sign-off	Name: Chris Bainbridge Position: Head of Transport Policy and Network Management Email: chris.bainbridge@lbhf.gov.uk Telephone No: 0208 753 3354
Key Decision Report (if relevant)	Date of report to Cabinet/Cabinet Member: 08/04/2019 Key equalities issues have been included: Yes/No
Equalities Lead (where involved) (ACTING)	Name: Chris Bainbridge Position: Head of Transport Policy and Network Management Email: chris.bainbridge@lbhf.gov.uk Telephone No: 0208 753 3354

Agenda Item 5

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>29 APRIL 2019</p>	
GEOGRAPHICAL INFORMATION SYSTEMS – system re-procurement	
Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid	
Open Report with exempt appendix Appendix A 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	
Classification - For Decision Key Decision: Yes	
Consultation The services which use the GIS system were consulted.	
Wards Affected: All	
Accountable Director: Veronica Barella, Chief Information Officer	
Report Author: David Wadham, Senior Project Manager	Contact Details: Tel: 020 8753 1949 E-mail: david.wadham@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report seeks the approval to direct award a new contract for Geographical Information Systems (GIS) and continue to share the use of this system with the Royal Borough of Kensington and Chelsea and Westminster City Council.
- 1.2. The existing GIS system offers multi layered mapping functionality and is currently used by council departments such as Environment, Housing, Highways and Planning. The system is also used by the public through the 'Where's my nearest?' function on the lbhf.gov.uk website. Many of the maps available on the website, for example CPZ maps, are also created using the GIS data.

- 1.3. The approval to share geographical information systems across the three boroughs under a previous contract was given in July 2016 based on the recommendation given in the Cabinet paper entitled 'GEOGRAPHICAL INFORMATION SYSTEMS – PLATFORM CONSOLIDATION'. In 2016 a saving of £75,000 was identified in licencing costs over three years for H&F, plus a reduction of required support staff by one FTE.
- 1.3 The GIS service is currently hosted by RBKC and WCC on their infrastructure.
- 1.4. Continuing to provide this service through a shared infrastructure platform and support model will continue to deliver reduced costs for all three parties.
- 1.5. H&F have agreed with RBKC and WCC to lead on the procurement of the proposed GIS software licence agreement through a Crown Commercial Service (CCS) Framework (RM 3821 for Data and Application Solutions). An Inter-Authority Agreement will be entered into to cover the new contract and the recovery of costs from RBKC and WCC. The Inter-Authority Agreement will require input from H&F's Legal Services to protect sovereign Council interests in event of termination of this agreement. RBKC and WCC have also agreed with H&F to continue to share the hosting of the service on RBKC servers.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves the direct award through the CCS Data and Application Solutions Framework (RM3821) of an Enterprise Licence Agreement for GIS software. Details of the costs can be found in the exempt Appendix A. H&F's share of the licence cost will be funded from IT Services' operational budget.
- 2.2 That Cabinet delegates to the Chief Information Officer the authority to agree and enter into an Inter-Authority Agreement with RBKC and WCC to recompense H&F for these GIS services.
- 2.3 That Cabinet approves the on-going annual cost of hosting services provided by RBKC for the GIS software. Details of the costs can be found in the exempt Appendix A. Costs will be funded from the IT Services' operational budget.

3. REASONS FOR DECISION

- 3.1. The proposals contained in this report will allow the council to continue to provide GIS services at a low cost. Implementing a sovereign service would entail a significant implementation cost and additional on-going costs which can otherwise be avoided.

4. PROPOSAL AND ISSUES

- 4.1. It is proposed that the Council directly awards a contract through the Crown Commercial Service framework for Data and Application Solutions Framework (RM3821). The term of the appointment would be 3 years.
- 4.2. H&F will be the lead procuring party on behalf of RBKC, WCC and H&F. Councils will need to enter into an Inter-Authority Agreement to cover the arrangement and to govern the relationship between H&F as the lead procuring party, and RBKC and WCC who are receiving the service. Shared IT service staff will operate under the existing Section 113 agreement.
- 4.3 The hosting platform will remain located within the RBKC datacentre for the 3-year term.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1 Officers in the IT service have reviewed the existing sharing of GIS services and considered if other methods of delivery and/or suppliers would offer a better outcome for the council. The apparent cost avoidance of continuing with a shared infrastructure and licensing agreement make the existing arrangement the best for the council financially.
- 5.2 The extensive use of the existing products and crucially their superior functionality over competitors also demonstrates that retaining the existing product and shared hosting offers the council the opportunity to deliver the best quality services.
- 5.3 A sovereign service providing the same functionality would need to invest significantly more to provide the same service as is currently in place. Details of costs can be found in the exempt Appendix A. The savings offered by the continuation of the existing system contributes to the Council priority of being Ruthlessly Financially Efficient.

6. CONSULTATION

- 6.1. Shared IT service staff and service users have been consulted.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative impacts on any groups with protected characteristics, under the terms of the Equality Act 2010, from the awarding of this contract. In the deployment of new GIS services, staff training will be considered, planned and implemented as appropriate. The GIS team will work closely with existing user groups to ensure effective communications.
- 7.2. *Implications verified/completed by: Peter Smith, head of Policy & Strategy, tel. 020 8753 2206.*

8. LEGAL IMPLICATIONS

- 8.1. The Contract is above the EU threshold so must be procured in line with the Public Contract Regulations 2015. To meet this requirement the Council may call off from an established framework. The proposal here is to call off from the CCS Framework provided that it follows the process set out in the framework.
- 8.2. The Council has chosen to directly award a contract through the framework to the provider. This is permitted when the service/product required is low volume and low value provided that the decision can be made on the basis of the terms of the catalogue content and form of Contract. Further the award must be based on price alone. It is for the officers to ensure that these requirements for call off are met. The award through the CCS framework would satisfy the requirements of CSO 10.2.
- 8.3. Prior to entering into the agreement with the provider an Inter-Authority Agreement will need to be agreed with RBKC and WCC to cover the back to back arrangements for this contract. The IAA will set out: how the Council recover contributions from the other Councils, ensure service delivery, set up a governance structure, confirm commitment and define liabilities in the event that the contract is terminated early.
- 8.4. *Implications verified/completed by: Sally Stock, Partner, Sharpe Pritchard LLP on secondment to the Council. sstock@sharpepritchard.co.uk*

9. FINANCIAL IMPLICATIONS

- 9.1 The financial implications are contained within the exempt Appendix A.
- 9.2 *Implications completed by Andre Mark - Finance Business Partner (Corporate Finance), tel. 020 8753 6729*
- 9.3 *Implications verified by Emily Hill – Assistant Director (Corporate Finance), tel. 020 873 3145.*

10 IMPLICATIONS FOR LOCAL BUSINESS

- 10.1 No implications.
- 10.2 *Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.*

11 COMMERCIAL IMPLICATIONS

- 11.1 The commercial implications are contained within the exempt Appendix A.
- 11.2 *Implications verified/completed by: Andra Ulianov, Head of Contracts and Procurement, tel. 0208 753 2284.*

12 IT IMPLICATIONS

- 12.1 The proposed solution allows IT Services to continue to support the GIS service in the most efficient way. The support is currently split between H&F and RBKC staff which creates service resilience by creating a complimentary skill set across the councils.
- 12.2 The proposal supports the Council's vision to be Ruthlessly Financially Efficient as it provides the best value for money while enabling the on-going use of an industry leading solution for GIS mapping.
- 12.3 The existing Inter Authority Agreement will be reviewed to ensure it continues to provide right level of protection and governance for H&F.
- 12.4 *Implications verified/completed by: Veronica Barella, Chief Information Officer, tel. 020 8753 2927.*

13 RISK MANAGEMENT


- 13.1 The proposal in this paper is to continue using a supplier which has previously undergone due diligence checks and has provided a good quality of service in the past. There will be no implementation or development changes required therefore no significant risks have been identified.
- 13.2 A contributing factor to the proposal to continue with the existing sharing arrangement is in order to avoid the unnecessary complexity, and associated risks, of implementing a new sovereign service or shared service with a different product.
- 13.3 A project RAID log will be maintained during the governance and procurement stages and the corporate risk register updated if appropriate after project closure.
- 13.1 *Implications verified/completed by: (Name, title and telephone of officer) - please send it to Michael Sloniowski Risk Manager, tel 020 8753 2587, mobile 07768 252703. David Hughes on 07817 507695 and 0207 361 2389.*

14 BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES

Exempt Appendix A

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">29 APRIL 2019</p>	
<p style="text-align: center;">MULTIDISCIPLINARY FAMILY ASSESSMENT SERVICE - CONTRACT VARIATION</p>	
<p>Report of the Cabinet Member for Children and Education – Councillor Larry Culhane</p>	
<p>Open Report with Exempt Appendix Appendix B to 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>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation Children’s Services, including the Family Support and Child Protection Team, have been consulted in drafting this report.</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Steve Miley, Director of Children’s Services</p>	
<p>Report Author: Craig Holden, Commissioning and Transformation Lead, PSR</p>	<p>Contact Details: Tel: 07795 127385 E-mail: craig.holden@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks an adjustment to funding for Hammersmith & Fulham’s Family Assessment Service (FAS). The service provides a multi-disciplinary assessment of the needs, risks, parenting capacity and potential for change in complex families, to inform decisions by the local authority and the family courts.
- 1.2. The FAS service is provided via a block contract with Tavistock and Portman NHS Foundation Trust (T&P) from 1st January 2016 to 31st December 2020. This is at an annual contract cost of £549,992 and a total contract cost of £2,749,960 if the full contract period of five years is utilised. Hammersmith & Fulham Council and

Westminster City Council (WCC) currently pay 50% each of that annual value, at £274,996 p.a.

- 1.3. The FAS originated under the former shared services arrangements as a three-party contract between LBHF, WCC and T&P. Based on population needs within the newly sovereign LBHF context, demand has proven to be higher in LBHF than the originally anticipated 50/50 contract cost split.
- 1.4. This report seeks Cabinet approval for a variation of the contract to allow LBHF to assume responsibility for funding 65% of the remaining two years of the provision. In the interests of continuing partnership working it is requested that this variation be backdated to 1st January, 2019. If approved, this variation will adjust LBHFs current annual contribution from £274,996 to £357,495 per annum for a total increase of £164,998 over the final two years of the contract.
- 1.5. The vital role of the FAS service in safeguarding LBHFs most vulnerable residents means that any service instability or interruption could impact on the Council meeting its statutory obligations. The block contract provided by T&P has proven to represent value for money compared with past complete reliance on spot purchasing.
- 1.6. Over the coming months officers will initiate service redesign work looking at the future demand for FAS services within LBHF social care and consider the longer-term recommissioning of the contract.
- 1.7. Further information is set out in the exempt Appendix B.

2. RECOMMENDATIONS

- 2.1. To approve a variation of the Family Assessment Service (FAS) contract dated 1st January 2016 to increase LBHF's annual contribution from £274,996 to £357,495 for the period from 1st January 2019 until 31st December 2020.

3. REASONS FOR DECISION

- 3.1. The variation is necessary based on long-standing higher-than-expected activity levels in LBHF. It will ensure continuity of the role the FAS plays in promoting family-centred solutions, preventing escalation of crises, and avoiding the need for more costly services.
- 3.2. Family assessments focus on the needs, risk, parenting capacity and potential for change in complex families. Assessments play a key role in informing Care Proceedings and decisions by family courts on placements for children and young people. The purpose of the FAS is to improve positive outcomes for children and young people by:
 - Providing conflict management expertise
 - Empowering parents to communicate effectively
 - Building positive relationships within the family

- Promoting positive parenting skills.

3.3 Policy and practice developments in recent years have led to increased pressures on the timeliness and quality of family assessments:

- Family courts frequently require independent, multi-disciplinary assessments, which address psychological and/or psychiatric issues within families;
- The Revised Public Law Outline requires all Care Proceedings to be conducted within a 26-week timeframe, resulting in constrained timescales for the availability and completion of such assessments.

3.4 The service provided by T&P is considered to provide residents in LBHF with the most skilled, comprehensive level of service available to this vulnerable, often “hard to engage” group.

3.5 Since the contract commenced in quarter 1 2016/17, actual referrals to the service has been 70% for LBHF versus 30% for WCC (with 15 referrals from WCC and 58 from LBHF in 2018/19).

3.6 The unit cost of each assessment conducted by T&P is £9,166. This is comparable to the unit cost of the other known specialist provider in this market, Coral, who charge £8,500. Coral are used on occasion by the Family Service Child Protection Team when T&P are unable to complete an assessment within the legally mandated timeframe (for example because of a lack of available clinicians). Going forward commissioners will look at the potential to develop Coral as part of a provider framework that could offer increased flexibility and value for money.

3.7 The T&P block contract has proven to represent value for money compared with past practice. Prior to the current service, multi-disciplinary assessments were spot purchased by the council from a range of providers. The total assessment spent in 2014/15 with spot purchases was £513,719, compared with £405,251 in 2017/18 under the block contract.

3.8 In August 2018, WCC wrote to LBHF requesting that the contract be varied to reflect the difference in activity levels between the two boroughs. WCCs original request, based on usage levels, was that the variation be backdated to 1st April, 2018. This date was deemed by LBHF officers to be unacceptable and rejected. Officers in LBHF have been consistent that such a variation should:

- Be based on independent verification by LBHF of service quality, need, and value for money, a process that has now been concluded;
- Be contingent on the basis that appropriate governance approval is first received.

4 FUTURE SERVICE REDESIGN

4.1. Over the coming months officers will initiate service redesign work looking at the demand for FAS services within LBHF social care and consider the longer-term

recommissioning of the contract. Options discussed with Children's Services include:

- A framework arrangement where need is re-specified and multiple providers are tendered to give more flexibility over the type of assessments commissioned.
- Consideration of team composition in the Family Support Child Protection service with a view to having certain assessments carried out in-house.
- Finally, the FAS must be viewed within the context of the wider Children's Services provision, whereby the development of cohesive, evidence-based programming can allow children who are in danger of becoming 'at-risk' to be diverted to other, less intensive, lower cost alternatives.

4.2. The anticipated effect of these cumulative improvements is:

- Reduced unit costs per assessment to the council;
- Reduction or elimination of spot purchasing of assessments taking place outside of the contract;
- A more consistent assessment approach among a smaller and more cohesive group of providers

4.3. In the short term, measures are already underway to develop, in the current contract year, closer collaboration between T&P and LBHF including:

- Creation of a referral panel within the relevant social work teams to tighten and foster collaborative decision making on which referrals are most suitable and appropriate;
- Closer links between T&Ps Service Manager and LBHFs FSCP Team, including bi-weekly referral meetings and mid-way review meetings as the assessment progresses;
- Shared communication regarding situations where a referral requires multiple assessments;
- Cognitive function screening to confirm that the service is appropriate to the client's needs and capabilities;
- A revamped brochure from T&P to clarify services available in order to guide and refine referrals.

5 PROPOSAL AND ISSUES

5.1 The Cabinet approval for this contract, given on 5th November 2015, delegated authority to the Cabinet Member for Children and Education to increase or decrease the service activity levels by up to 25% of the original specification if required, with a corresponding adjustment in the Contract Price up to a value of £1m, in line with 12.6.1 of the Council's Contract Standing Orders. The requested increase of £82,499 per annum (£164,998 for the final two years of the contract) falls within that delegated authority.

5.2 However, it is deemed that the decision to grant this variation requires Cabinet approval for the following reasons:

- The 2015 decision to delegate authority was made during a different financial context and to a different budget envelope;
- Decisions involving the commitment of funds over £100k require Cabinet approval;
- Further detail is available in the finance comments in Section 8.

5.3 The cost implication of this contract variation is detailed in Table 1 below.

SERVICE	Dec 18 – Dec 19	Dec 18 – Dec 19 (Revised)	Dec 19 – Dec 20	Dec 19 – Dec 20 (Revised)	Original Contract Total (Jan 16 – Dec 20)	Revised Contract Total (Jan 16 – Dec 20)	Total difference: remaining 2 Years
Total Contract Cost	£549,992	£549,992	£549,992	£549,992	£2,749,960	£2,749,960	£0
LBHF Contribution	£274,996	£357,495	£274,996	£357,495	£1,374,980	£1,539,978	+ £164,998
WCC Contribution	£274,996	£192,497	£274,996	£192,497	£1,374,980	£1,209,982	- £164,998

Table 1 – Cost of Proposed Contract Variation

5.4 Further information is set out in the exempt Appendix B.

6 OPTIONS AND ANALYSIS OF OPTIONS

6.1 **Terminate the existing contract immediately and re-procure the service.** This is not recommended at this point because as a specialist service with a very low number of suitable providers, a good deal of market analysis and development is necessary to establish viable alternatives, which will take time. Secondly, the key role of the service in safeguarding LBHF most vulnerable residents means that any interruption in service could risk harm to residents, impact on the Council’s statutory obligations, and create reputational damage to the Council. Finally, the void created by lack of a block contract would require a return to complete reliance on spot purchasing, which has proven more expensive in the past.

6.2 **Do nothing.** This is not a recommended option because service activity levels over the last three years prove the importance of the service to LBHF. While acknowledging opportunities to improve and streamline the provision going forward, the current activity levels should at this point be fully met.

6.3 **Vary the contract effective from the date of the Cabinet decision.** This would maintain service stability while allowing sufficient time necessary for service refinements and redesign going forward.

- 6.4 **Vary the contract and backdate LBHF's contribution to 1st Jan, 2019. This is the recommended option** as it would maintain service stability while allowing sufficient time necessary for service refinements and redesign going forward. Negotiations between LBHF and WCC on varying this contract have been in progress since mid-2018, with requests made by WCC to vary the contract to the beginning of the 2018/19 financial year. During that time, LBHF officers' position has been that a proper understanding of LBHF's usage was required before submitting the matter for Cabinet approval. To allow time for this, a non-binding date of January 1st, 2019 for the variation to commence was put forward. Backdating payments to this date would honour that negotiation stance.

7 CONSULTATION

- 7.1 Relevant social work managers have been actively involved in the consideration of the contract variation. They are in agreement with the recommendations set out in this report.

8 EQUALITY IMPLICATIONS

- 8.1 It is not anticipated that the proposed adjustment to the funding of the FAS will have any negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010. It is believed that the continuation of this valuable service will have a high positive impact. The provision of a multi-disciplinary assessment service which is able to tailor assessments and gain specialist insights promotes equality of opportunity, particularly for the protected characteristics of age, disability, pregnancy/maternity, race, religion and sex.
- 8.2 *Implications verified/completed by Peter Smith, , Head of Policy and Strategy, tel. 020 8753 2206.*

9 LEGAL IMPLICATIONS

- 9.1 Type of contract and threshold:
Under the Public Contracts Regulations 2015 ("PCR 2015"), the contract between the council and Tavistock and Portman NHS trust (the "Contract") is a "schedule 3 services" contract. The current threshold for schedule 3 services contracts under the PCR 2015 is £615,278 (the "Threshold").
- 9.2 Applicability of Public Contracts Regulations 2015 ("PCR 2015")
The Contract has a lifetime value of £2,749,960 and therefore the PCR 2015 are applicable in full. Modifications to such contracts during their term are dealt with under regulation 72 of the PCR 2015. For a modification to be permissible it must fall under one of six safe harbours.
- 9.3 Regulation 72(1)(e) of the PCR 2015
In this case, the modification falls under regulation 72(1)(e) of the PCR 2015, in that the modification, irrespective of its value, is not substantial within the meaning of regulation 72(8) of the PCR 2015. The modification is therefore permissible.

- 9.4 Further information is set out in the exempt Appendix B.
- 9.5 *Legal comments completed by Hector Denfield, associate at Sharpe Pritchard LLP, on secondment to the council (hdenfield@sharpepritchard.co.uk).*

10 FINANCIAL IMPLICATIONS

- 10.1 The current budget for this contract is £277.7k in 2018/19 and is unchanged for 2019/20.
- 10.2 In addition to the contract value payment increase proposed of £82.5k per annum from January 2019, the total unbudgeted spot purchase support costing circa £140k was charged to the Family Support Child Protection Team in 2017/18. The spot purchase forecast variance to budget reported in the Corporate Revenue Monitor for 2018/19 is £145k. The forecast variance will increase by a further £21k in 2018/19 based on the proposed contract variation resulting in a 2018/19 forecast overspend of £166k.
- 10.3 This contract variation and an assumption that the spot purchase costs remain consistent mean a forecast 2019/20 overspend of c.£227k and 2020/21 overspend of c.£207k would be projected.
- 10.4 A review is being undertaken of the nature and causes of the overspend by the Service. Options to address the overspend will be put forward to the Council's Strategic Leadership Team.
- 10.5 The service will need to carefully monitor its usage of the T&P contract and monitor costs. The service should be satisfied that where appropriate the assessments are covered under the block contract. If spot purchases are necessary, the service should demonstrate cost effective spot purchasing.
- 10.6 Due to the value of the contract increase a Cabinet decision is required to agree this change to expenditure incurred by LBHF.

Financial Implications completed by: Tony Burton, Head of Finance Children's and Education, 020 8753 5405, and verified by Emily Hill – Assistant Director Corporate Finance, Tel. 020 8753 3145.

11 IMPLICATIONS FOR LOCAL BUSINESS

- 11.1 Potential providers include a wide range of organisations with a background in children's health and social care, including charities, private companies and not-for-profit organisations. Due to the specialist nature of the services required, there is limited scope for delivery by small and medium-sized enterprises (SMEs).
- 11.2 The market engagement event held prior to the launch of the tender sought to promote the tender opportunity and encourage bids, including from potential local organisations. However, there were no identified local organisations delivering the specified services and commissioners believed that the introduction of this service would not have a negative impact on business in the borough.

Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

12 RISK MANAGEMENT

- 12.1 This report seeks Cabinet approval for variation of the contract to allow LBHF to assume responsibility for funding 65% of the remaining two years of the provision. This is to mitigate service risk in accordance with our Council Risk Register entry, Business Resilience. The Service contributes positively to the delivery of the Council Priority, A Compassionate Council. The service consists of core social work case holders and specialist resource, including Child and Adolescent Psychiatry, Adult Psychiatry, Clinical Psychology and substance misuse and domestic violence practitioners. It focuses on key issues identified at referral. Its goal is to work with the family to produce robust, independent and well-evidenced assessment reports.
- 12.2 *Implications completed by Michael Sloniowski, Shared Services Risk Manager, tel. 020 8753 2587.*

13 PROCUREMENT IMPLICATIONS

- 13.1 The subject of the report is a three-party contract between LBHF, WCC and T&P. The contract commenced on 1st January 2016 and has a five-year duration. Currently LBHF and WCC jointly fund the service in equal shares. The author of the report is requesting retrospective approval for a contract modification which would increase the contract sum paid by LBHF with a corresponding reduction in the contract sum paid by WCC with effect from 1st January 2019. This would reflect the current take up of the service by the two councils.
- 13.2 The proposed contract modification would mean that for the final two years of the contract LBHF and WCC would respectively pay 65% and 35% of the total contract sum. This would increase the amount paid by LBHF over the five-year contract term from £1,374,980 to £1,539,978, resulting in additional expenditure of £164,998 and equating to a 12% increase.
- 13.3 The author of the report has demonstrated that the proposed contract modification would mean LBHF continue to obtain value for money from the contract.
- 13.4 LBHF Contract Standing Order (“CSO”) 20.1 requires that any report seeking approval for a proposed change in value to a services contract of +/- 10% or more must be referred to the Director of Law and the Commercial Director.
- 13.5 CSO 20.3 requires that where the total value of a contract modification is £100,000 or greater the decision to approve it is reserved to Cabinet.
- 13.6 The services forming the subject of the contract fall under the category of Social and other specific services as defined by Schedule 3 of the Public Contracts Regulations 2015 (“the Regulations”). Such services are subject to the provisions of the Regulations when they exceed the financial threshold of £615,278.

Accordingly, the contract falls under the Regulations and is classified as “regulated”.

- 13.7 A “regulated” contract can only be extended by way of a modification if the proposed extension satisfies one of the so called six “safe harbours” contained in Regulation 72 of the Regulations. Legal Implications to this report demonstrate that the proposed modification satisfies Regulation 72 1 (e) and is therefore lawful.
- 13.8 The legal requirement that modifications to regulated contracts satisfy Regulation 72 is also expressly provided for by CSO 20.3.2.
- 13.9 On the basis Cabinet approves the contract modification it must be executed as a Deed by the Director of Law and stored by Legal as the modification has a value above £100,000 (CSO 19.5.1).
- 13.10 *Procurement Implications completed by Tim Lothian, Procurement Officer, tel. 020 8753 5377.*

14 IT IMPLICATIONS

- 14.1 There are no IT implications resulting from the proposal in this report
- 14.2 *Implications completed by Karen Barry, Strategic Relationship Manager, tel. 0208 753 3481.*

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES

Appendix A
Exempt Appendix B

Referral Activity

- 1.1 As delivery of this service has progressed it has become clear that there is a greater need for it among Hammersmith & Fulham residents than their Westminster counterparts. 53% of Westminster City Council’s activity levels thus far in the contract occurred in Year 1 (2016), with a steady reduction since then. With this in mind, a 65%-35% funding split could be interpreted as somewhat favourable towards Hammersmith and Fulham in terms of the ratio of activity to financial outlay.

Table 2

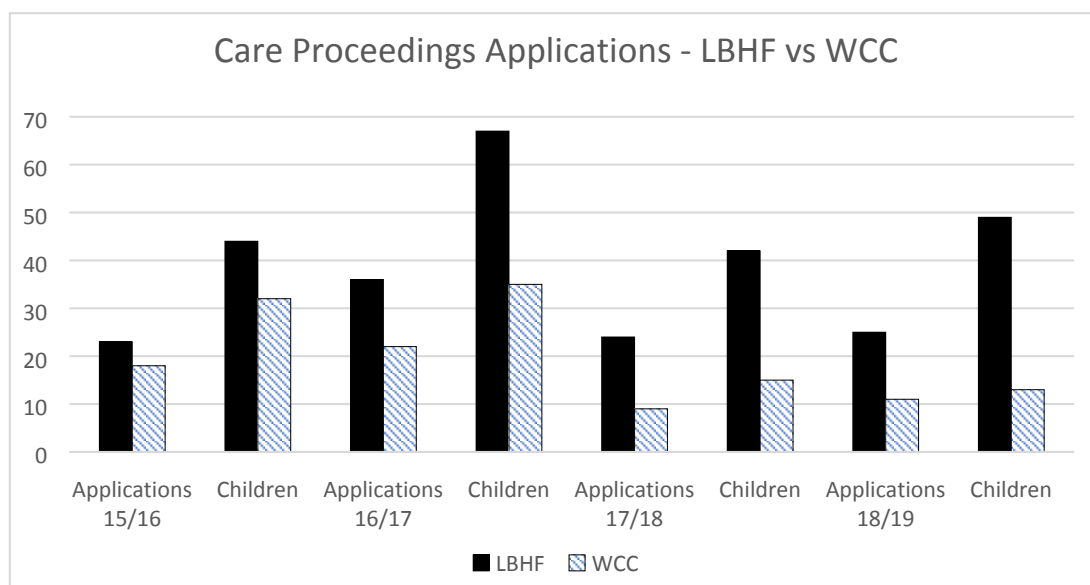
Allocated Referrals						
		WCC	LBHF	Total	Annual (WCC)	Annual (LBHF)
Year 1 (2016)	Q1	9	2	11	34	48
	Q2	7	14	21		
	Q3	11	18	29		
	Q4	7	14	21		
Year 2 (2017)	Q1	5	11	16	18	48
	Q2	1	13	14		
	Q3	3	13	16		
	Q4	9	11	20		
Year 3 (2018)	Q1	8	8	16	15	58
	Q2	5	14	19		
	Q3	0	17	17		
	Q4	2	19	21		
Total		67 (30%)	154 (70%)	221		

Increasing Demand

- 1.2 As a service, LBHF’s Family Service Child Protection Team is providing services to an increasing number of children requiring a statutory service, often with complex needs that necessitate Child Protection or Court intervention. This reflects the current trend nationally, though there is a lack of consensus regarding the underlying causes. Research commissioned by the Department of Education, suggests that the increase in demand could be because of better identification of problems such as child sexual exploitation, or national scandals raising awareness and leading to greater risk aversion among the public, family courts and social workers. Others argue that it is the result of the reduction in early intervention services which has led to greater demand for acute social care. Over the last decade, national figures show that England has generally had rising numbers of care applications seeing the number almost double during this time.
- 1.3 Overall demand on LBHF’s Family Support Child Protection service is, in turn, increasing. As of November 2018 the number of children with open cases stood at 610 compared to 458 open cases at the same point in 2016.

1.4 In Hammersmith & Fulham the FSCP Team is responsible for holding the majority of care proceedings. Figure 1 below illustrates the ongoing marked difference that exists in terms of case volume between LBHF and WCC. This is the case both for the number of applications received and the number of children that these applications relate to (for example in cases where multiple siblings are involved).

Figure 1



Increasingly Complex Need

1.5 It is also evident nationally that there is an increase in the complexity of cases, and Hammersmith & Fulham provides support to a large cohort of adolescents who are involved in Child Sexual Exploitation, Serious Youth Violence, Missing Education and on the Edge of Care. Notably, there has been a rise in court applications for the 14+ age cohort from 7% in 2016/17 to 15% in 2017/18, with a sizable number of cases issued involving young people deemed to be 'beyond parental control', engaged in 'County Lines' (drug running), concerns around Child Sexual Exploitation and criminality/gang affiliations. This coincides with growing public interest and increased media coverage of the County Lines/CSE phenomenon affecting many young people.

1.6 When social services are very concerned about the welfare of a child, the social worker may wish to consider taking the case to Court so they can make Court Orders to protect the child. PLO stands for 'Public Law Outline', a set of rules which tells social workers how to deal with these sorts of cases. There is a marked difference between LBHF and WCC in terms of the volume of cases requiring action. LBHF's FSCP has also experienced a steady number of children who require a child protection plan. Figure 2 compares PLO Cases and Court Proceedings for LBHF and WCC in 2018.

Table 3

	PLO Cases	Court Proceedings
LBHF	27	24
WCC	5	9

- 1.7 Due to the increasing complexity of presenting cases in LBHF, it is sometimes deemed clinically necessary to divide a referral into separate assessments, usually because it is not feasible to assess all family members together (for example if family members are not on speaking terms). This occurred six times for LBHF referrals in 2018, meaning that those six referrals were converted into 13 separate assessments. There has also been an increasing demand for assessments requiring a more comprehensive multidisciplinary input. Over the past three contract years this has risen from 2 in 2016, 5 in 2017, to 21 requested in 2018 with 11 multidisciplinary assessments undertaken in Quarter 4 of 2018 alone.

Block Contract and Spot Purchasing

- 1.8 A block contract with a single provider was agreed upon for this service because it was felt that this ensured that Hammersmith & Fulham Council's Local Offer included dedicated access to a Multidisciplinary Family Assessment Service for the delivery of assessments in the most efficient and effective manner.
- 1.9 Prior to the current service, multi-disciplinary assessments were spot purchased by the council from a range of providers, including health, private and charitable organisations. This spot purchasing approach proved excessively expensive. (See below)

Table 4

	LBHF
Assessment service spend, 14/15	£126,000
Spot purchase spend, 14/15	£387,719
Total assessment spend, 14/15	£513,719

The current service has been successful in reducing this overall spend (see below), however all parties acknowledge that there is room for improvement.

Table 5

	LBHF
Assessment service spend, 17/18	£265,497
Spot purchase spend, 17/18	£139,754
Total assessment spend, 17/18	£405,251

- 1.10 Spot purchasing generally occurs for two reasons:

- To provide a service that Tavistock & Portman are unable to provide. For example, when a parent and baby residential assessment is required due to significant risk of harm if they were assessed in a community setting; or there are particular concerns such as high risk sexualised behaviours that require a specialist assessment and/or assessment unit.
- If Tavistock & Portman are unable to meet a particular need within the 26-week time frame for the completion of all Care Proceedings, which is a requirement of all Local Authorities. In the event that T&P would be unable to conclude an assessment within this timeframe, the Family Service Child Protection team are directed by the courts to find alternative assessment providers who can.

Addressing these needs while making the service more flexible, comprehensive and better value for money will be key priorities for future service redesign.

Agenda Item 7

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>29 APRIL 2019</p>	 <p>h&f hammersmith & fulham</p>
EDUCATION CITY DEVELOPMENT	
Report of the Cabinet Member for the Economy and the Arts: Councillor Andrew Jones & the Cabinet Member for Children and Education: Councillor Larry Culhane	
Open Report with Exempt Appendices This report contains appendices that are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) and information subject to legal professional privilege under paragraph 3 and 5 of Schedule 12A of the Local Government Act 1972 respectively, and in all the circumstances of the case, the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.	
Classification: For decision Key Decision: Yes	
Consultation: Housing, IT, Property, Legal, Finance, Equality, Commercial, Risk Management	
Wards Affected: White City and Wormholt	
Accountable Directors: Jo Rowlands, Strategic Director for The Economy Department, Steve Miley, Director of Children's Services	
Report Author: David Burns, Assistant Director, Growth	Contact Details: Tel: 020 753 6090 David.Burns@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the rationale for entering into a development agreement, funding agreements, and providing capital budgets for the Education City Development in White City. The development will create a new mixed used education hub on the site of the ARK Swift Primary School at Australia Road, W12, including:
- A high quality primary school,
 - New and expanded nursery for 75 children,
 - New adult education facilities,

- New youth facilities,
 - An office for educational charities,
 - 132 new homes, 50% of which will be affordable housing.
- 1.2. Since the end of the Building Schools for the Future programme capital investment in existing schools has been minimal, with no significant central government investment to rebuild or refresh schools. This means that children at ARK Swift are being taught in buildings that are beyond their anticipated life span. This lowers the overall educational experience for pupils, and risks ARK being forced to divert funding to maintenance over education.
 - 1.3. In the absence of a national programme, the Council and Absolute Return for Kids (ARK) have been working together to plan and co-fund the new Education City, to enable a phased development with a new school being completed by Summer 2021, and the whole development completed by Summer 2023.
 - 1.4. The funding for the school and the office will be provided by ARK. The Council will fund the residential. Both parties will share in the cost of the youth facility, the nursery and the adult education facilities, as well as the construction of shared amenities.
 - 1.5. The Council now needs to make a series of decisions for the scheme to progress. This report sets out the decisions required to enter into a master development agreement, associated leases and agreements, and the necessary funding to move the project forward.
 - 1.6. The Council proposes to use a wholly owned local housing company for the development/ownership of the private rented homes. The report sets out the legal powers of the Council and actions required in this regard.
 - 1.7. The total budget requirement to deliver the development is £64,831,000. This is made up of:
 - £59,026,00 for the construction of the residential units
 - £3,694,000 for the construction of the youth facility
 - £2,111,000 for the construction of the nursery and adult education facilities.

2. RECOMMENDATIONS

That Cabinet approves

- 2.1. That the Council enters into the Master Development Agreement, a Deed of Cooperation and any other legal agreements with ARK and any subsidiary company, which are required to facilitate the delivery of Education City.
- 2.2. To delegate authority to the Strategic Director for Growth and Place, in consultation with the Cabinet Member for the Economy and the Arts and the Assistant Director of Legal and Democratic Services, to finalise and complete negotiations with ARK and any subsidiary company in order to give effect to the decision in 2.1 above.

- 2.3. That the Council enters into legal agreements with ARK and/or any other company for the future management of the Estate including but not limited to granting a lease to a management company for the central boulevard and service tunnels.
- 2.4. To delegate authority to the Strategic Director for Growth and Place, in consultation with the Cabinet Member for the Economy and the Arts and the Assistant Director of Legal and Democratic Services to finalise and complete negotiations with ARK and/or any company in order to give effect to the decision in 2.3 above.
- 2.5. To delegate authority to the Strategic Director for Growth and Place in consultation with the Assistant Director of Legal and Democratic Services to grant a leasehold interest to the Council's housing company in the part of the Site containing the private rented units.
- 2.6. To delegate authority to the Strategic Director, Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services to enter into a funding agreement with the Council's housing company for the private rented housing at Education City subject to receipt of satisfactory state aid advice and Full Council approval of the equity investment/ loan and associated budget.
- 2.7. Resolves that the area of land at Australia Road referred to in this report and shown edged red on the plan at Appendix 4 is no longer required for the purpose for which it is currently held.
- 2.8. To approve in principle the appropriation of the area of land as shown edged red at Appendix 4, for the planning purposes of facilitating redevelopment for residential and other uses pursuant to section 122 of the Local Government Act 1972 which will enable the Council in order to override easements covenants and other third party rights in respect of the land pursuant to section 203 of the Housing and Planning Act 2016 and note that final approval will be subject to a further report demonstrating that the requirements set out in the legal implications section having been satisfied.

That Cabinet recommends to Full Council

- 2.9. That the Council approve long term loan/equity funding and budget of up to £28.58 million for the private rented housing in accordance with state aid compliant market terms, subject to receipt of satisfactory legal and financial advice.
- 2.10. To approve a capital budget of £59,026,000 for the construction of 132 residential units and associated professional fees and development management costs. The total budget is split £30.45m Housing Revenue Account (HRA) and £28.58m General Fund (GF), funded by capital receipts, developer contributions or borrowing with final confirmation of funding

delegated to the Strategic Director, Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.

- 2.11. To approve the commitment of £8,938,000 of retained right to buy receipts to support the development of affordable housing within this project.
- 2.12. To approve a capital budget of up to £3,694,000 to fund the construction of, or provide a capital grant for, the Youth Facility, funded by capital receipts, developer contributions or borrowing with final confirmation of funding delegated to the Strategic Director, Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.
- 2.13. To approve a capital budget of up to £2,111,000 to fund the construction of the Adult Education and Nursery Facilities, funded by capital receipts, developer contributions or borrowing with final confirmation of funding delegated final to the Strategic Director, Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.

3. REASONS FOR RECOMMENDATIONS

- 3.1. The recommendations enable the development to proceed to create a new mixed used education hub, meeting the Council's education, housing and planning objectives.
- 3.2. The Education City Development delivers on several key Council strategies and priorities. The current facilities at the ARK Swift Primary School, the Adult Education teaching spaces, and the Harmony Nursery, have reached the end of their life and need either renewal or replacement.
- 3.3. The decisions are required to allow the Council to enter into a development agreement and associated leases and other related agreements, to secure funding for the project, and to allow the project to proceed to delivery.
- 3.4. Recommendations 2.1 to 2.4 enable the Council to complete legal documentation and enter into conditional agreements with ARK so that the development can proceed.
- 3.5. Recommendations 2.5 and 2.6 enables the Council to use its housing company for the delivery and ownership of the private rented units – through the granting of leases and the provision of loan funding. The delegations are subject to the Council receiving State Aid advice on the terms of the loan, which needs to be provided prior to any loan agreement being signed.
- 3.6. Recommendations 2.7 and 2.8 relate to the appropriation of land for planning purposes – appropriation enables the extinction of any rights over the land to facilitate development.
- 3.7. Finally, the recommendations to Council in relation to budget are required as any additions to the capital programme above £5m must be approved by Council, as must any equity or loan funding agreements.

4. PROPOSALS AND ISSUES

Background

Land Ownership

- 4.1. The Council is currently the freeholder of the whole site. ARK is the leaseholder of most of the site, including the school, the playground, buildings currently occupied by the Adult Education service and some NHS functions. The current Nursery building is owned by the Council and occupied by the Harmony Nursery. The Council is responsible for maintenance of the Nursery and the Adult Education buildings.
- 4.2. ARK's lease has 123 years remaining, and is simply a lease to own and operate the school buildings and ancillary spaces. It gives ARK no rights to develop the site without the Council's consent. The Council and ARK have to work together in order for any development to proceed on this site.

Strategic Context - Schools

- 4.3. The 2018-2022 Business Plan sets out clear priorities around improving and supporting schools in the face of ongoing funding reductions. This requires creative approaches to bridge the gap. The Industrial Strategy aims to promote a model of inclusive growth which recognises the key role of schools in equipping residents with the skills and capability to benefit from the dynamism of our local economy. Learning spaces that facilitate the borough's children acquiring the skills necessary to compete successfully in the future knowledge economy will be critical.
- 4.4. Hammersmith and Fulham has high performing and popular schools, with results at primary stage the fourth best in the country. To maintain and further accelerate standards for education in the borough, improvement in the school estate will be necessary – both at community schools and Academy schools like ARK Swift.
- 4.5. Much of the current estate is not fit for purpose, with post-war prefabricated buildings that do not match our ambition for excellence in teaching, learning and pupil wellbeing. As well as reducing future maintenance burdens, improving the physical environment benefits children's education by:
 - Providing environments that contribute to improving children's self-esteem and self-worth
 - Improving the flexibility of classroom space to meet new expectations around an agile curriculum, in line with the emerging OFSTED framework
 - More creative use of play space to support healthy school outcomes
 - Aiding teacher recruitment and retention, by providing modern fit for purpose working environments
 - Improving inclusion, by designing sufficient space and facilities for learners requiring extra support

4.6. There are a range of factors which go into making a successful school, from strong leadership, to the quality of teaching and learning, but there is strong evidence on the link between capital investment, well-designed school estates, and educational outcomes.

Strategic Context – Housing

4.7. The 2018-2022 Business Plan sets out clear priorities around delivering 1,500 new affordable homes, including 500 for affordable home ownership and to review all sites including smaller areas to use every available piece of land for housing. The Council also has London Plan commitments to deliver new housing.

4.8. To support these policies the Council has been preparing an assets and growth strategy, with the objectives of:

- Increase the supply of affordable housing in line with the administration’s priorities;
- Use capital resource to increase the Council’s income in line with the long term financial strategy; and
- Utilise assets to help manage demand and avoid costs, for instance from specialist housing or temporary accommodation

Strategic Opportunity at ARK Swift Primary School

4.9. Planning permission has been granted for the following:

4.9.1. New office headquarters for ARK and others (let at sub market rent);

4.9.2. A rebuilt ARK Swift Academy School;

4.9.3. A Nursery;

4.9.4. An Adult Education Centre;

4.9.5. A Youth Facility;

4.9.6. New residential facilities consisting of:

	Private Rented Sector (PRS)	Social Rent	Intermediate Rent for Key Workers	Total
Studio			1	1
1	14	13	27	54
2	47	20	10	77
	61	33	38	132
	46%	25%	29%	

- 4.10. A plan showing the new different uses at ground floor and first floor is shown in appendix 5. The residential element is spread across four blocks – two are stand alone buildings, while the remainder of the units are above the primary school and the nursery. The adult education is provided within the ground floor of one of the residential blocks. The youth facility and the office are stand alone buildings.
- 4.11. The development will be constructed in two Phases. The first phase consists of the school, office, youth facility, 24 social rented homes and the site wide infrastructure (Combined Heat and Power (CHP)) and underground services, and central boulevard). The second phase consists of the nursery, adult education facility and the remaining 108 homes.
- 4.12. For the development to proceed ARK will surrender their leasehold and new leases will be granted.
- 4.13. The result on completion will be the following property ownerships

Property	Owner
Freehold Land	LBHF
Residential PRS	LBHF Housing Company
Residential Intermediate	HRA
Residential Social Rent	HRA
Nursery	LBHF
Adult Education	LBHF
Youth Facility	LBHF
Office	ARK (Office Company)
Primary School	ARK (School)

- 4.14. The current buildings are at the end of their useful life and the approved development proposals allow the re-provision and enhancement of these facilities, while also providing affordable housing.
- 4.15. The core drivers for the development compromise a mixture of financial and strategic drivers. These are summarised below:

Strategic drivers

- The potential to renew key community assets so that they are modern, fit-for-purpose and which can support key outcomes in the community
- Leveraging Council land to increase the supply of affordable homes, contributing to London Plan targets and the administration’s commitment to delivery 1,500 new genuinely affordable homes

Financial drivers

- Lower life-cycle maintenance costs of re-provided community assets, including the nursery and the adult education facility
- Avoidance of major planned maintenance
- The potential for future income to help support the provision of Council housing and other services, generated from the PRS units

- The avoidance of costs from temporary accommodation

Adult Education and Nursery Re-provision

- 4.16. The current site includes provision for a nursery, operated by Harmony Nursery a local charity, and a new nursery will be created for Harmony. The nursery will be temporarily decanted during the construction, to allow the development to proceed. On completion, the Nursery will occupy the new property, with space for 70 children. Harmony will be granted a lease by the Council for this building.
- 4.17. The adult education service currently operates a satellite service from temporary buildings on the primary school site. The service is in the process of being decanted to a property on the Uxbridge Road to allow the service to continue uninterrupted. On completion of phase 2, it will be able to return to a new fit for purpose facility.
- 4.18. Both of these facilities are needed moving forward, and so have been included in the masterplan and budget.

Youth Facility Provision

- 4.19. The masterplan for the scheme includes a youth facility. The 2018-2022 Business Plan includes a commitment to deliver a new youth facility in the north of the borough. The facility is proposed as a universal service, providing open access facilities for young people to. The design of the facility includes homework and learning spaces, meeting spaces, media and music rooms, and sports pitches.
- 4.20. The Council and ARK are contributing a maximum of £3.5m each for the construction of this facility, and the Youth Charity Onside are contributing £3.25m.
- 4.21. The funding for the operational aspects of the youth facility will be the subject of a further cabinet report, if required.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. There are options regarding the decision to enter into the development in principle, and through what mechanism the Council owns and delivers the housing units.

Option 1 – Do Nothing

- 5.2. This option is not preferred. Without entering into the development agreement and associated funding, the Council will not benefit from the proposed development, in terms of provision of new housing and community facilities. The school pupils will miss the opportunity to be educated in modern, fit for purpose schools.

- 5.3. It would also mean that the Council would not benefit from the long term income stream generated from the private rented units, and an opportunity to provide badly needed additional affordable homes in the borough would not be taken.
- 5.4. The Council would also become liable for £1.93m in costs, due under the terms of the contingent cost sharing agreement, agreed in January 2019.

Option 2 – Enter into the Development Agreement

- 5.5. This is the preferred option. There is a clear need for re-provision of the school, adult education and nursery, and the educational benefits are clear. The additional housing will provide much needed affordable housing as well as the potential for a long-term income stream from the private rented units.
- 5.6. Management of financial and development risks is through the development agreement, which sets out clear conditions precedent before the development can proceed. In particular, the Council will not proceed if the funding condition cannot be satisfied (that is the Council has satisfied itself that the scheme is viable for it to be funded); and that the contract price is within an agreed budget.
- 5.7. The development agreement sets out the roles and responsibilities of each party, and sets out how the development will be funded and how construction will be delivered. It also sets out the Council's and ARK's rights to step in and complete the development, should either party fail to deliver once the development is under way.

Delivery Options for the Council

- 5.8. The Council proposes to deliver the London Affordable Rented Homes and Intermediate homes through the HRA, as this is the most efficient and appropriate use of capital. On completion, the homes will be owned and managed within the HRA, and all income streams will be to the benefit of the HRA.
- 5.9. The private rented housing is proposed to be held within a wholly owned housing company – while the Council can develop the new homes, it cannot hold commercial residential property in anything other than a housing company. In order for the company to develop or acquire the private rented units from the Council, it will require equity and loan funding. The recommendations above enable the Council to provide this funding. The terms of the funding are subject to State Aid advice, which will determine the most appropriate loan to value, interest rate and key funding terms. State Aid advice on the terms of the loan and balance of equity/ loan funding is being sought and will be obtained prior to any loan agreement being signed.
- 5.10. The Council has also engaged PWC to provide the Council with tax advice, to ensure that the contractual structure with ARK provides the Council does not create any unnecessary tax liabilities or impact on the Council's partial VAT exemption. The Council will not sign the development agreement until it is satisfied on these issues.

- 5.11. This advice will also cover issues around timing of when leases should be granted to the housing company and to ARK (or its subsidiaries), again to mitigate against any unnecessary tax liability.
- 5.12. The development agreement with ARK covers the procurement of a contractor for the construction of the whole development. The initial stages of this process have begun and will conclude in summer 2019 to enable a start on site before the start of the new school year, subject to all necessary planning and contractual arrangements being in place.
- 5.13. The legal and financial sections of this report cover the detail of the Council's options in regards to delivery and contractual arrangements, and the implications of these

6. CONSULTATION

- 6.1. Extensive public consultation has been undertaken on the planning application, with both public exhibitions and statutory consultation taking place prior to submission.
- 6.2. Specific consultation with the school, teachers, parents and pupils has also been undertaken.
- 6.3. ARK and the Council have applied under section 77 to the Secretary of State for the consent required for the changes to school land. This involves a public consultation process, including newspaper notices which will last for six weeks, and which started on 7th February. The application to the Secretary of State will then be considered by Department for Education and the Minister.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010, from this proposed development

Implications verified by: Peter Smith, Head of Policy and Strategy, 0208 753 2206

8. LEGAL IMPLICATIONS

- 8.1. The legal implications are contained in the exempt Appendix 1.

9. FINANCIAL IMPLICATIONS

- 9.1. As set out in the report, the most appropriate delivery mechanism for this scheme and funding terms are still subject to legal, tax and treasury advice. Changes to the current assumptions which have been made in the report will also change the financial implications, particularly in relation to tax and the

funding and return on the PRS. The financial implications will be updated as necessary within any future Cabinet or delegated decision reports.

Financial stability and financial strength of the contracting party

- 9.2. A Creditsafe check has been completed for Absolute Return for Kids (ARK) and ARK Schools which as at 30th August 2018 have Creditsafe ratings of 73 and 87 respectively and pass the Council's Financial standing tests. If permitted by the MDA, the Council should be satisfied by the financial checks carried out by Education City Developments Ltd. on the chosen works contractor ahead of formal appointment. As mentioned in the report approved by the Leader in January 2019 financial checks will be completed on third-party occupiers within the completed development.

Taxation

- 9.3. The Council has engaged PWC to provide taxation and corporate finance advice to determine the most appropriate lease and company structure, and timings of grant of leases to ARK and related companies. This work is not yet complete and discussions are taking place with ARK and their tax advisers. The completion of this work and consideration of their advice may amend some of the structures, and timing of transfers/ leases and cashflows set out in this report.
- 9.4. The Council will need to ensure that the structure does not lead to adverse Stamp Duty and Land Tax (SDLT) implications; and that any transaction does not create risks around the Council's VAT partial exemption. A breach of this threshold could cost the Council £3-4 million per year of breach.
- 9.5. The recommendations are subject to the Council receiving satisfactory tax advice that satisfies the above. The Conditions Precedent to the contract should include the ability for the Council to not proceed if adverse tax implications are identified.
- 9.6. H&F Housing Ltd. is a company limited by shares, with the Council the sole corporate shareholder. This means that the Council will receive any profits from the company via dividends. Although, the company is subject to corporation tax on profits. As the Council owns more than 75% of the shares, the company would be considered a group company for SDLT purposes and so eligible for Group relief.
- 9.7. While the company is eligible to be part of a VAT group it is subject to "normal" VAT rules, so can only recover VAT incurred on VAT taxable activities. Rental of residential property is exempt from VAT, so the company will not be able to recover VAT incurred on its on-going property management costs nor on property maintenance and refurbishment costs. The construction of the property will be through a design and build contract, meaning there will be limited direct purchase of supplies and services in construction by the company, and so the bulk of fees will be zero rated for VAT purposes.

9.8. HMRC would require and treat such market loans as being given on arm's length terms.

Capital Budget

9.9. This scheme requires significant capital investment from both the HRA and General Fund. The below table summarises the required budget and funding positions for the Council and the Council's housing subsidiary company:

9.10. Based on the social rented and intermediate homes being delivered in the HRA and the housing company receiving on-lending from the Council, the figures below assume the following:

- Long term PWLB loan for HRA & Non-Residential.
- Council on-lending to housing company at 5% with nil equity funding.
- Capitalised interest during the development period (in accordance with International Accounting Standard 23).
- Right to buy receipts applied towards 30% of works and development on costs for development of HRA units.

9.11. The capital budget addition and funding requirements are presented below:

		No. of Homes	2019/20 £,000	2020/21 £,000	2021/22 £,000	2022/23 £,000	Total £,000
Social Rent Phase 1	HRA	24	3,968	6,868			10,836
Social Rent Phase 2	HRA	9	134	498	2,869	514	4,015
Intermediate Rent Phase 2	HRA	15	224	806	4,638	831	6,498
Intermediate Rent Phase 3	HRA	23	339	1,383	4,311	2,412	8,444
Capitalised interest	HRA		40	186	174	257	657
Total Affordable Units		71	4,705	9,740	11,992	4,014	30,450
Private sector Rent Phase 3	Housing Company	61	905	4,380	14,064	8,154	27,503
Capitalised interest	Housing Company		19	41	263	750	1,073
Total Private Units		61	924	4,421	14,327	8,904	28,576
Total Residential		132	5,629	14,161	26,319	12,918	59,026
Non-Residential							
Youth Facility	General Fund		972	2,333	194		3,500
Adult Education & Nursery	General Fund		556	1,333	111		2,000
Capitalised Interest	General Fund		38	130	138		306
Total			1,566	3,797	443		5,806
Total Council Project Costs			7,195	17,958	26,762		64,832
Funded by							
RTB Receipts - HRA			1,400	2,866	3,545	1,127	8,938
Borrowing - Social Rent			3,306	6,874	8,446	2,887	21,512
Borrowing - PRS			924	4,421	14,327	8,904	28,576
Borrowing, capital receipts, developers contributions - General Fund TBC			1,566	3,797	443		5,806
Total			7,195	17,958	26,762	12,918	64,832

The final funding of the Youth Facility, Adult Education Centre and Nursery by the General Fund will depend on the availability of resources but the above table assumes that it will be fully funded by borrowing.

HRA Business Plan Impact

- 9.12. The revenue budget implications for the HRA will depend on whether the Council elects to internally or externally borrow which will be informed by the Treasury Management Strategy and availability of cash balances.
- 9.13. An appraisal has been completed by Altair which demonstrates that all of the HRA units produce a surplus before interest from year 1. However, after interest is applied there are several years of deficit before a surplus is achieved. To demonstrate that the long term HRA Business Plan can accommodate this, the position approved at 4 February 2019 Cabinet in the report “Financial Plan for Council Homes” has been overlaid with the inputs from the Altair appraisal. This sensitivity analysis confirmed that the long-term HRA Business Plan position maintained adequate reserves and CFR levels within prudential borrowing limits.
- 9.14. If an appropriation of land between the General Fund and HRA is required then there will also need to be a transfer of CFR attributable to that asset. There may also need to be a re-allocation of attributable debt between the General Fund and HRA. Any benefit to the General Fund in reduced capital financing costs, and costs to HRA arising from the appropriation will be based on a professional independent valuation of the land to be appropriated. The financial implications of any appropriation between the General Fund and HRA will be set out in full in a further decision report.

Youth Facility, Nursery and Adult Education Centre

- 9.15. The investment in the nursery and youth facility will result an ongoing MRP charge and potential interest charges (if external borrowing is taken out) or loss of investment income if cash balances are used, to the General Fund of c£250,000 per annum. Based on a 2.5% PWLB interest rate and MRP charge over the life of the assets (assumed to be the maximum 50 years) this would result in the following charges to the Council’s revenue budgets if the capital investment was fully funded by borrowing:

	Capital Budget	2019/20 £,000	2020/21 £,000	2021/22 £,000	2022/23 Onwards £,000
Youth Facility 2.5% interest and 2% MRP	3,500	24	83	88	158
Adult Education 2.5% interest and 2% MRP	760	5	18	19	34
Nursery 2.5% interest and 2% MRP	1,240	9	29	31	56
Capitalised interest 2% MRP	306	-	-	-	6
Total	5,806	38	130	138	254

- 9.16. The Council’s Adult Education Service may have the ability to generate additional revenues from the new premises however, detailed work will need to be completed on a revised business plan.
- 9.17. It is possible that some of the increased costs in relation to the Nursery could be met through the lease to Harmony of the new premises. In relation to the revenue implications of the capital expenditure on the Youth Facility, these are likely to be borne by the Council.

- 9.18. If the Council identified funding alternative to borrowing such as capital receipts or developer contributions this would reduce the interest and MRP charges. However, availability of such funding would need to factor in other potential calls on it such as the Town Hall refurbishment.

Altair Appraisal of Education City Development

- 9.19. The Altair appraisal has been worked on in consultation with Finance officers so that the long term economic and financial assumptions are consistent with the HRA Business Plan. As expected the affordable housing and intermediate housing have a negative net present value¹ which is in effect the cost of delivering additional affordable housing for the Council. The PRS has positive net present value if a conservative future capital receipt from a potential disposal is factored in but this is not enough for an overall positive NPV when taking all tenures into account. The NPVs are below:

Tenure Type	NPV £,000
PRS	4,667
Social rented	- 5,483
Intermediate rented	- 701
Total	- 1,517

- 9.20. If the Council wanted a break even present value the scheme would require further subsidy of £2.19m, the cost of providing the affordable housing. As RtB receipts are being applied to the maximum this would need to come from borrowing, developer contributions or other non-housing capital receipts that may become available in the future.

Provision of Development Funding to the Housing Company

- 9.21. The report requests approval to provide funding (via equity/ loan funding) to the Housing Company of up to £28.58m for the private rented sector housing. The timing of when the Housing Company will need investment, and/or need to borrow from the Council, will depend on the final structure and whether the Housing Company or the Council develop the properties. This is subject to the receipt of advice on tax and state aid from legal and financial advisers.
- 9.22. To on-lend to the Housing Company, the Council will need to consider its overall borrowing requirements and may borrow from the Public Works Loan Board (PWLB) or may use internal borrowing in line with the overall Treasury Management Strategy. It is expected that this will be long term borrowing but the length and repayment method, e.g annuity or repayment at maturity, will be determined once the Housing Company's requirements are clearer.

¹ **Net present value (NPV)** is the difference between the **present value** of cash inflows and the **present value** of cash outflows over a period of time. **NPV** is used in capital budgeting and investment planning to analyse the profitability of a projected investment or project.

- 9.23. In on-lending to the Housing Company, 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. This is likely to consider the split between debt and equity in the company, therefore the Council funding will need to be a mix of equity and debt funding. 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 Housing Company. The Council's margin will be determined by both the interest rate obtained from the PWLB and the state-aid compliant rate as advised by financial and legal advisers. In addition, the debt interest costs will be an allowable expense by the Housing Company against corporation tax.
- 9.24. 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 Housing Company.
- 9.25. As the split between equity and debt funding of the private rented sector housing is not known, the PWLB loan rate and the on-lending rate cannot yet be determined, the detailed financial implications are not yet available and the implications in the report are based on high level assumptions including the use of debt rather than equity funding and an example interest rate of 5% in modelling the effect on the Housing Company cashflows.
- 9.26. The key risk where the Council provides equity or loan funding to the Housing Company is a risk of default should the Company be unable to afford the interest payments or repay the Council. The funding will be provided on state-aid compliant terms which will include mitigations such as a charge on the assets the Housing Company.

Financial Benefits to Council

- 9.27. The regeneration could attract additional investment in services to serve the new homes and occupied offices to the local area thus creating additional jobs and generating business rates/council tax for the Council.
- 9.28. Potential reduction in temporary accommodation cost reductions from the development of 33 social rent homes. Based on the 2019/20 temporary accommodation budget this represents a cost reduction of £76,000 per annum based on 33 fewer households being in Temporary Accommodation.
- 9.29. The end Gross Development Value as estimated by Bidwells results in an increase in asset base for the Council from the current £1m to £50.7m, although this could only be realised if the Council were to dispose of the property.
- 9.30. The margin the Housing Company is paying on the loan from the Council and future dividends will provide an ongoing income stream for the Council. There

is also potential for a future large dividend payment in the longer term if individual units of the PRS or the entire portfolio is sold.

Other financial risks to Council

- 9.31. Net contribution of affordable housing to long term HRA business plan is negative and for the first few years there is a revenue deficit if external borrowing is taken out, however this can be accommodated in the long term HRA Business Plan.
- 9.32. Gleeds have been advising the Council on the construction costs and have included an 8% contingency. To mitigate further for cost rises the appraisal model and capital budget include an additional 5% contingency. The Council will also reconsider the budget and funding on consideration of the tender prices and could consider value engineering to reduce the contract price to manage within the agreed budget.
- 9.33. The right to buy receipts being allocated to this scheme are time limited to up to three years depending on when they were generated, after which they have to be repaid to the Government. There is no guarantee that the Council will continue generating these receipts as they are dependent on a certain level of disposals. Therefore, any delay to the scheme could result in a shortfall that would result in further borrowing or alternative funding being required.
- 9.34. If the Council does not enter into the development by the long stop date, then it could be liable for its share of the pre-development costs of 43% up to £1.93m which would be a direct hit to the Council's reserves. If the Council enters into the development agreement but does not satisfy the conditions precedent by an agreed long stop date, and the agreement subsequently terminates, the maximum share of the pre-development costs would be £3,648,804.
- 9.35. There is a chance that that the cost of borrowing could increase between the date of this report and the time at which capital funding is obtained. Borrowing for this scheme will be undertaken within the wider Treasury Management Strategy to mitigate borrowing costs risks.
- 9.36. Running costs may be greater than estimated. The appraisal assumes that running costs will increase in line with inflation. It makes conservative assumptions about maintenance assuming that these costs will be incurred from year one whereas in reality most reactive repairs would be covered by the builders guarantee.
- 9.37. If increased rates and running costs result in the housing company defaulting the Council will have the power to take possession of the PRS units which it could retain as an income stream or dispose of to repay the associated debt. As it is the sole owner of the housing company the Council would ultimately end up absorbing any deficits or losses that the company incurs.

Scheme Appraisal

9.38. The Council commissioned Altair Consultancy and Advisory Services Ltd (Altair) to undertake scenario analysis and stress testing of the residential element of the Education City scheme, as agreed with Council officers:

- Education City base position
- Comparison of interest only and repayment mortgage scenarios
- Interest rate (development period and long-term rate) stresses on 4, 5 and 6%
- Cost and value stresses
- Rents and long-term costs inflated over development period scenario
- Disposal of private rent unit scenarios.

9.39. The appraisal model has been agreed with subject to the state aid compliant interest rate being confirmed. The details are contained in the reports and are attached for reference at the exempt Appendix 1.

Implications completed by: Firas Al-Sheikh, Head of Financial Investment and Strategy (Growth and Place), tel. 020 8753 4790.

Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

10. PROPERTY IMPLICATIONS

10.1. The Property team have been involved in providing advice on the lease terms to third parties as well as the long lease to ARK Swift for the office accommodation. Property have worked with Trowers on lease terms

10.2. In addition, property advice has been provided where requested by the Project Manager on other property matters including proposed Estate management company.

10.3. "Section 128 (1) of Local Government Act 1972 confers to Secretary of State power to give general consent to local authorities for the purpose of land disposals by local authorities. The terms of the Consent mean that specific consent is not needed for disposal of any interest in land which the local authority considers will help it secure the promotion or improvement of the economic, social or environmental wellbeing of its area. Local authorities are granted powers under Local Government Act 1972 (s123) to dispose of land. The specific general consent is subject to a best consideration guidelines where any under-value must not exceed £2,000,000. For valuations, where the under-value is above £2,000,000 then specific formal SOS consent is needed

10.4. The Council secured external valuation advice to provide best consideration advice in accordance to RICS guidelines by Bidwells and its advice has concluded the best consideration valuation has been met as any under-value is less than the threshold outlined below so general consent can be granted by the local authority. The external valuation advice was provided in February

2019 by Bidwells and was prepared in accordance with Circulate 6/03 – Local Government Act 1972 General Consent 2003.”

Implications verified by Nigel Brown, Head of Asset Strategy and Property Portfolio, tel. 020 8753 2835.

11. IMPLICATIONS FOR BUSINESS

- 11.1. The scheme has the *potential* to create tender opportunities for local small and medium size enterprises during the construction and operational phases of the development. The Local Supply Chain Initiative will be utilised to identify, engage and prepare suitable local businesses.
- 11.2. There is also scope to create employment opportunities ranging from work experience and *apprenticeships* to sustainable jobs for local people. The Work Matters Team will assist in engaging and supporting local residents (including local schools) to access any opportunities created.

Implications completed/verified by: Alben Karameros, Economic Development Team, mob. 07739 316 957.

12. COMMERCIAL IMPLICATIONS

- 12.1. External legal advice has been sought with regards to the procurement implications of this report and the usage a negotiated procedure without advertisement under Regulation 32(2)(b)(ii) of the PCR 2015.
- 12.2. While as the Leading Counsel advises, PCR 2015 allows for the direct award under the negotiated procedure without advertisement, a waiver from the CSOs for seeking competitive tenders or calling-off from a framework agreement must be approved. A waiver can be approved under the Council’s CSOs by the Relevant Person (in this case by the appropriate Cabinet Member(s) and the Leader of the Council) if they are satisfied that a waiver is justified.
- 12.3. A Voluntary Ex Ante Transparency (VEAT) Notice shall be published in Tenders Electronics D (TED) following the award stage. A contract shall be created in the Council’s Contracts Register to meet Council’s policies and statutory transparency regulations.

Implications provided by Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

13. IT IMPLICATIONS

- 13.1. There are IT implications arising from Option 1 for the intermediate housing component which “introduces an additional product into the HRA management, bringing complexity to tenancy management and requiring new processes to manage” (see 4.46.3) and IT services should be consulted should this be the preferred option going forward. IT services should also be consulted should any

IT implications arise as a result of implementing any other aspects of the scheme.

- 13.2. IM implications: (A) Privacy Impact Assessment(s) (PIA) will need to be conducted to ensure all potential data protection risks around implementing this scheme are properly assessed with mitigating actions agreed and implemented.
- 13.3. Any contracts affected by this will need to include H&F's data protection and processing schedule if this is not yet the case. 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, IT Services, tel. 0208 753 5748.

14. RISK MANAGEMENT

14.1. These risk 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 risk implications as set out in this report. Officers will ensure that the risk implications of any changes are fully understood. There are a number of risks associated with a project of this size and complexity. Regular project team and programme boards are used to manage risks.

14.2. Some of the key risks and associated mitigations are identified below.

Risk	Impact	Mitigation
Pre-Contract Risks		
Transaction structure leads to unintended or unforeseen tax liabilities, including risk to VAT partial exemption	Additional cost liability renders scheme unviable VAT partial exemption breached	Clear PWC advice being secured on appropriate mitigations. Conditions precedent include a viability condition, which means Council can't proceed without being satisfied as to tax advice
Procurement and State Aid Challenges	Contract is rendered ineffective by High Court judgement, and Council is liable for state aid fines	Clear Counsel's advice on correct way to proceed and publication of VEAT notice and State Aid compliance
VEAT Notice is drafted incorrectly	VEAT notice is challenged in light of Faraday ruling and contract is rendered ineffective	Advice in drafting of VEAT and contract award notice
s.77 Consent is not obtained	Development cannot proceed	S.77 Consent is a condition to surrender of lease by ARK, limiting the financial exposure of both parties, and is before build contract is signed

Funding Condition is not Satisfied	Development cannot proceed	MDA contains clear provisions for termination and cost exposure in event funding cannot be obtained by either party. Council will complete due diligence on ARK funding before signing MDA
Construction Budget cannot be met through procurement	Development cannot be funded and so cannot proceed	Opportunity to value engineer, and amend planning application so that budget can be met
Delivery/Post Contract Risks		
Delays to satisfying planning conditions	Construction costs increase and programme slips	Strong resourcing and quality of work in the pre-contract period
Build risk - timing and quality	Delay in delivery of the development	MDA includes LADs for the developer, which also flow through into the build contract
Cost inflation for construction	Reduces scheme viability or increases risk of contractor default	Robust sensitivity analysis to consider headroom, regular forecasting as part of business plan process, more control and expertise provides choices for value engineering
Risk in market values changes	Private rented units do not perform, risking viability of housing company	Risk is limited by them being private rent rather than sale, but there could be a sale of units to HRA or change affordability, robust sensitivity analysis has also been completed
Increase in finance rates	Reduces viability of schemes and financial or affordable housing outcomes	Flexibility of sources for finance to ensure best rates can be accessed, robust sensitivity modelling, fixed rate borrowing
Failure by developer	Scheme cannot be delivered	Council and ARK have mutual step in rights to the build contract to ensure completion
Failure by contractor	Scheme cannot be delivered	Council and ARK have robust rights to appoint a new contractor
Maintenance costs of assets higher than planned for	Long term risk of underperformance if investment asset	Benchmarking against resource requirements and other examples, robust sensitivity analysis of business model, robust business planning processes
External Risks that cannot be directly controlled by the Council		
Failure of ARK schools or main charity	No organisation to fund school and office element of scheme	Council has step in rights. Close liaison with central government
Wider legislative Tax Changes	Unforeseen increased costs, and long-term impact on performance of assets	Housing vehicle is flexible enough to respond to changes

Legislative changes increase build costs	Higher build costs reduce scheme viability and financial / housing outputs or delays scheme progress, future maintenance or upgrade costs unexpected and higher than planned impact financial viability of vehicle business plan	Monitoring of changes, identification of approach and budget for refurbishing stock held, consideration as part of tenure / service charge arrangements, quality of management resource
Economic Recession and impact on development sector	Skills shortage and impact on supply chain driven by national picture stalls housing delivery	Flexibility in delivery model to adapt to new circumstances e.g. Greater role for Council in development and flexible approach to tenure

- 14.3. Officers have considered the risks associated with the various stages of this project, as set out above, and sought to put in place appropriate mitigations. It is recommended that they continue to review, monitor, and escalate project risks as appropriate until the project objectives have been delivered and ensure that new risks identified are assigned to risk owners.
- 14.4. The financial implications section in this report identifies a number of key financial risks, including: the viability of the project if there are any changes to the affordable housing element; the need to ensure that funding required for the scheme can be accommodated within the HRA Business Plan while maintaining adequate reserves and CFR levels within financial borrowing limits; that the proposed structure of the scheme does not lead to adverse SDLT or VAT partial exemption implications. The financial risks which will need to be closely monitored and managed and subject to regular reporting to Members.
- 14.5. On receipt of the final tax advice from PwC, officers will need to consider the impact on the advice on the feasibility and affordability of the project and make appropriate recommendations to Members in terms of progressing the project.
- 14.6. 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 project, subject to the final tax advice being received, and in following the legal advice received should not be subject to procurement challenge by following the recommended course of action.
- 14.7. Officers will need to ensure that final legal advice in respect of ensuring compliance with state aid regulations is received in respect of on-lending to the Housing Company 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.
- 14.8. Officers will also 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.

- 14.9. 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
- 14.10. Officers will need to ensure there are appropriate governance and oversight arrangements in place to protect the Council's interests in respect of the use of a wholly-owned company (H&F Housing Ltd) and the proposed Community Benefit Investment (charity) vehicle.
- 14.11. Given the significance, value and complexity of the proposed programme, officers should set out the officer and member governance arrangements which will provide project oversight and assurance and ensure that costs are appropriately controlled, and key actions taken once approvals have been confirmed.



































Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 02073612389

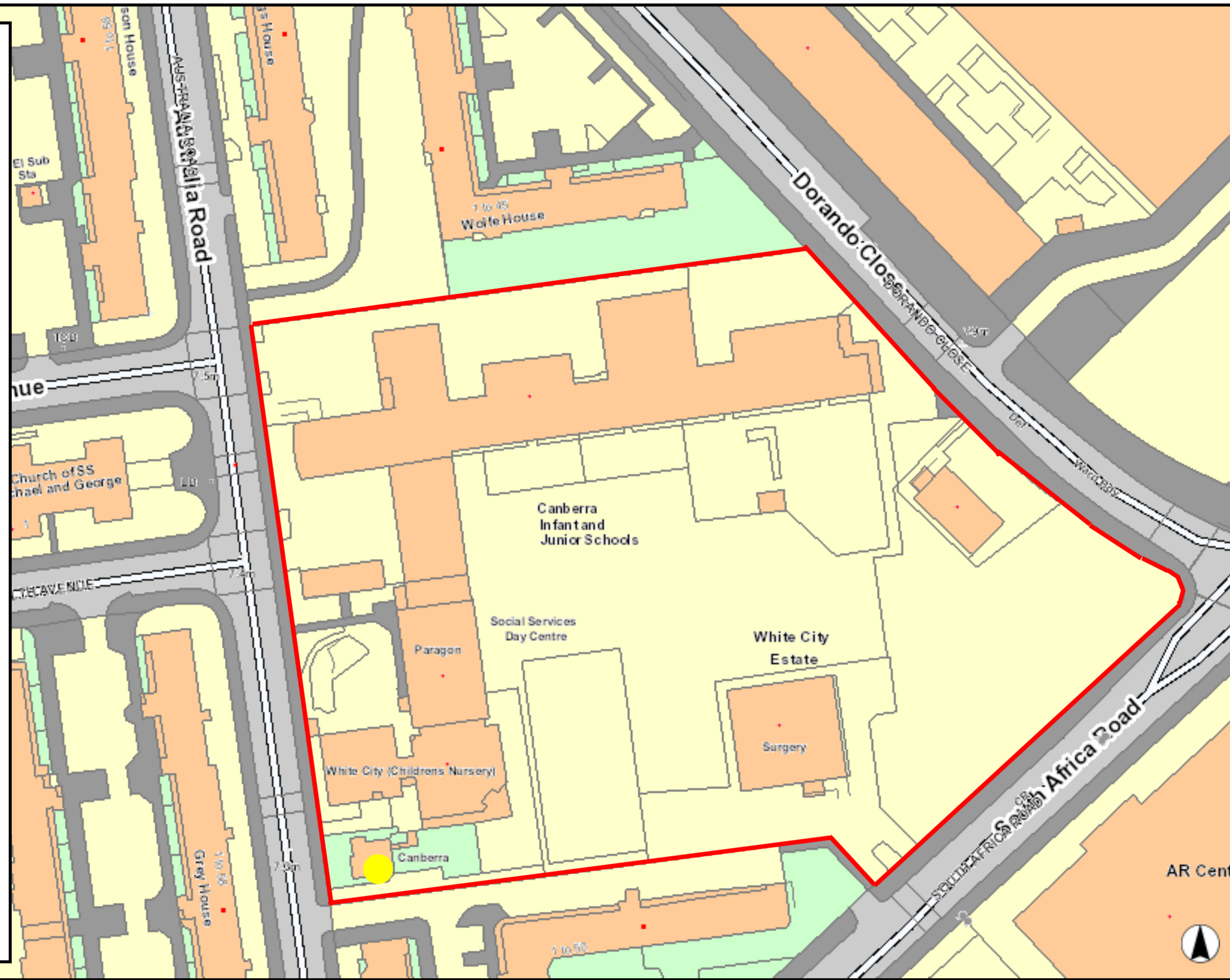
15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

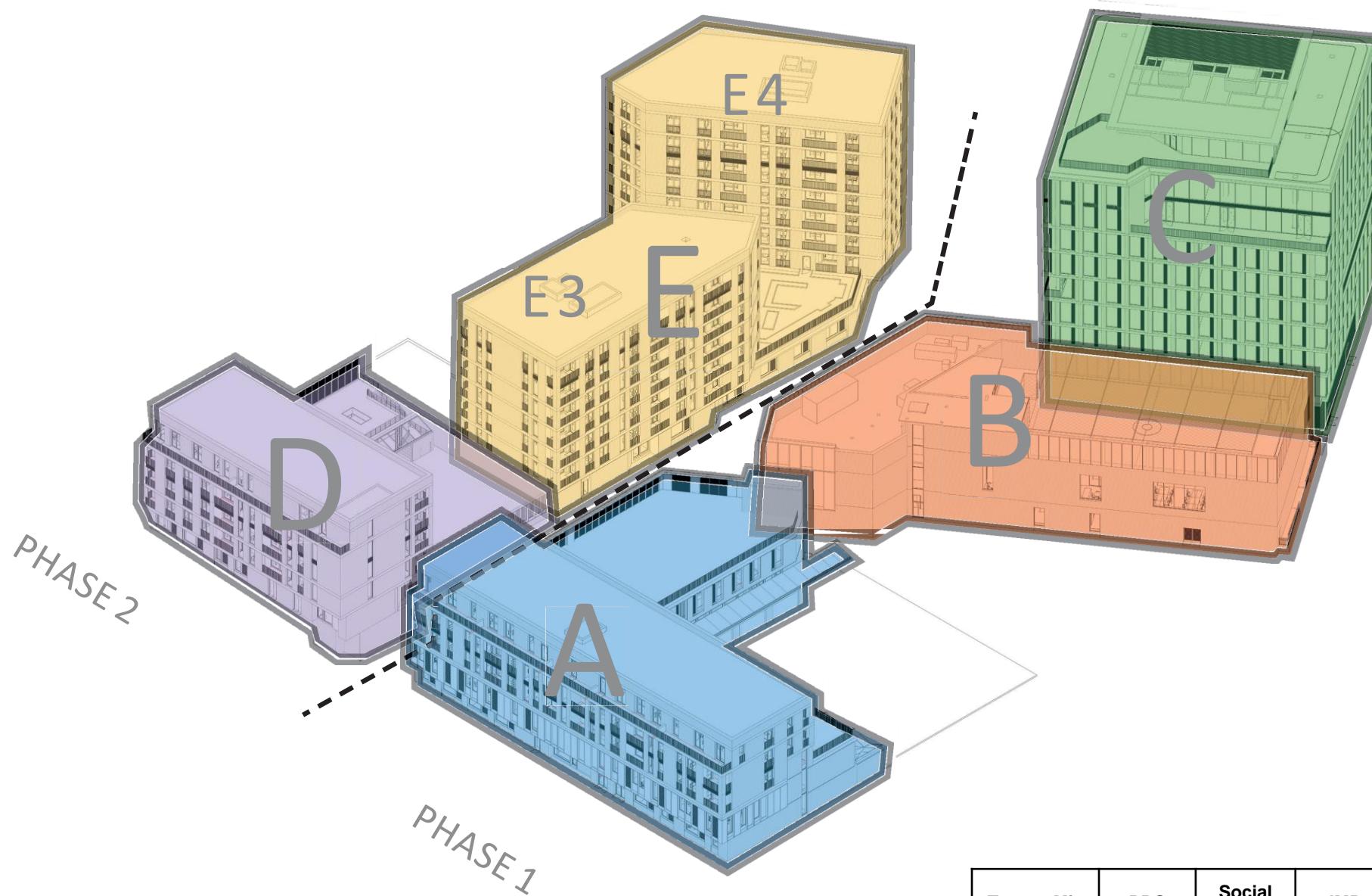
No.	Description of Background Papers	Name and contact details of responsible officer	Department/ Location
	None		

List of Appendices

- Appendix 1 – Confidential legal and financial comments
- Appendix 2 – Confidential Counsel's Opinion
- Appendix 3 – Confidential Bidwell's Valuation report
- Appendix 4 – Red Line Plan of Land for Appropriation
- Appendix 5 – Scheme layout plan

-  LBHF Borough Boundary
-  Mastermap Area
-  Building
-  General Feature - Multi-Surface
-  General Feature - Step
-  General Feature
-  Glasshouse
-  Inland Water
-  Slope
-  Cliff
-  Natural Environment
-  Path - Step
-  Path
-  Political or Admin Boundary
-  Road or Track
-  Roadside
-  Manmade Structure
-  Upper Level of Communication
-  Pylon
-  Tidal Water - Foreshore
-  Tidal Water
-  Unclassified
-  Mastermap Lines
-  Mastermap Points
 -  all other values
 -  Bench Mark
 -  Boundary Post Or Stone
 -  Culvert
 -  Positioned Coniferous Tree
 -  Positioned Nonconiferous Tree
 -  Site Of Heritage
 -  Spot Height
 -  Structure;
 -  Switch





Phase 1

Building A

- School (A1)
- Residential 1 (A2)

Building B

- Youth Zone (B1)

Building C

- Commercial Office Building (C1)

Phase 2

Building D

- Nursery (D1)
- Residential 2 (D2)


Building E

- Adult Education Centre (E1)
- Residential 3 (E3)
- Residential 4 (E4)

Resi Mix	Building	Residential	Social Rent	IMR	PRS	Total
Phase 1	Build A	RESI 1	24	0	0	24
Phase 2	Build D	RESI 2	9	15	0	24
	Build E	RESI 3	0	23	19	42
	Build E	RESI 4	0	0	42	42
Total Phse			33	38	61	132

Tenure Mix	PRS	Social Rent	IMR	Total
Studio			1	1
1	14	13	27	54
2	47	20	10	77
	61	33	38	132
	46%	25%	29%	

Agenda Item 8

<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>29 APRIL 2019</p>	
<p>HARTOPP AND LANNOY POINTS</p>	
<p>Report of the Cabinet Member for Housing - Councillor Lisa Homan</p>	
<p>Open with exempt appendix</p> <p>Appendix 4 of this report is exempt from disclosure on the grounds that it contains information which is likely to reveal the identity of an individual under paragraph 2 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>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: Munster Ward</p>	
<p>Accountable Director: Jo Rowlands, Strategic Director for the Economy</p>	
<p>Report Author: David McNulty, Assistant Director Operations, The Economy</p>	<p>Contact Details: Tel.: 07867 160527 Email: david.mcnulty@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 The Council has undertaken extensive structural surveys to look at the condition of Hartopp and Lannoy Points, which are two Housing blocks. These surveys identified serious structural defects giving rise to significant Health and Safety issues with the option to either refurbish or demolish Hartopp and Lannoy Point.
- 1.2 The Council has undertaken Fire Risk Assessments (FRA) which have identified serious issues of compartmentation between flats and within the

communal areas. These issues and existing issues of damp and water ingress of the buildings would need addressing as part of any refurbishment.

- 1.3 The overall costs of undertaking the refurbishment and structural work required to bring the properties to a decent standard is extremely high. Although these works would make the buildings safe in the medium term the Council would still be left with a defective asset requiring high on-going maintenance costs. That is why the Council consulted with residents on its preferred option of demolition.
- 1.4 This report presents the outcome of the consultation with remaining Hartopp and Lannoy residents. This was overwhelmingly supportive of the Council's preferred option to demolish, with 18 out of the 19 responses supportive. Noting the outcome of the consultation, this report seeks authority to proceed to demolish the blocks.
- 1.5 The report sets out how the council will support tenants and leaseholders in leaving the blocks and disposing of leaseholder property interests to obtain vacant possession and allow for the demolition to take place. It also sets out the procurement strategy for the various contracts that need to be awarded to progress the compulsory purchase and the demolition.

2. RECOMMENDATIONS

That Cabinet:

- 2.1 Considers the responses to the consultation as set out in exempt Appendix 4 and officers' comments in section 6 of this report.
- 2.2 Approves the demolition of Hartopp and Lannoy Points and authorises The Strategic Director for the Economy to serve a demolition notice on the secure tenants of Hartopp and Lannoy Points.
- 2.3 Approves a total capital budget allocation of £8,717,000 funded by internal or external borrowing as represented by an increase in the HRA capital financing requirement.
- 2.4 Approves the offer to secure tenants and leaseholders of Hartopp and Lannoy Points based on the offer package as set out in section 7 of the report.
- 2.5 Delegates authority to the Strategic Director for the Economy, in consultation with the Strategic Director for Finance and Governance, to acquire the leasehold properties required to secure vacant possession of the buildings. An additional £4,717,000 will be allocated for the purchase of leasehold properties.

- 2.6 Approves portable equity share loan options to resident leaseholders to enable them to remain in home ownership within the area and delegates authority to the Strategic Director for the Economy to finalise such arrangements.
- 2.7 Approves the Business Case and Procurement Strategy set out in Appendix 3 for the proposed approach to procure a demolition contractor to demolish Hartopp and Lannoy Points and to delegate authority to the Strategic Director for the Economy the contract award decision, to be taken following consultation with the Cabinet Member for Housing.
- 2.8 Approves a waiver of the usual tendering requirements of Contract Standing Order (CSO) 10 in relation to the appointment of technical advisers in relation to the Compulsory Purchase Order process, based on the information in section 8 of the report, on the grounds that this is in the overall interests of the Council.
- 2.9 Approves the appointment, by way of direct award to Avison Young up to the value of £100,000 to provide project management, valuation services and technical advice in relation to the acquisition of leasehold properties and the Compulsory Purchase Order process where voluntary acquisition is unsuccessful.

3. REASONS FOR DECISION

- 3.1 Structural surveys have identified significant health and safety concerns which, although currently remain safe for residents to live, require a significant investment to address structural defects. The cost of this is prohibitively high. The Council has undertaken an extensive cost analysis, and this identified a cost of approximately £150k per flat or £16.5 million for refurbishment of the two blocks.
- 3.2 To undertake the refurbishment of the blocks, they would need to be vacated. It would not be possible for residents to remain during refurbishment. This would add significant costs to any refurbishment of the blocks. In addition to major structural works, new kitchens, bathrooms and windows, electrical rewiring and plumbing would be required.
- 3.3 Councils across the country are reviewing blocks that were built using the similar construction method with a number pursuing demolition due to health and safety and long-term sustainability concerns.

- 3.4 The Council has consulted the remaining tenants and leaseholders, which when the consultation started, numbered 58 in total in the blocks. Nineteen responses were received, of which 18 were supportive of the proposals to demolish Hartopp and Lannoy Points. The one respondent opposed to the demolition was also opposed to the option to refurbish the blocks on the basis that the need to do so had not been demonstrated through Arup's structural survey and report.

4. PROPOSAL AND ISSUES

- 4.1 Hartopp and Lannoy Points are nearly identical 14 storey Tower Blocks located in Munster Ward. They were built using a system called a large panel system. This was the same construction method used at Ronan Point, Newham when in 1968 a gas explosion caused the collapse of the building and resulted in 4 deaths.
- 4.2 The construction method was subject to extensive review by the Building Research Establishment. Before Hartopp and Lannoy Points were first occupied gas supply was never installed to the blocks and strengthening work was undertaken.

Structural surveys

- 4.3 The Council undertook a structural survey in August 2017, H&F Building Control identified the buildings were safe however further intrusive surveys were required. The Council's Building Control undertook intrusive surveys to 3 void properties and this survey was published on the Council's website in March 2018. It identified it is safe for residents to remain at Hartopp and Lannoy Points (providing safety measures were put in place set out in paragraph 4.15) but extensive strengthening work was required. The buildings failed when tested for resistance to disproportionate collapse in the event of an accidental explosion.
- 4.4 To validate these findings in March 2018 the Council appointed Arup to undertake further intrusive surveys at Hartopp and Lannoy Points. Arup undertook intrusive surveys to 9 flats across the two buildings. Their survey dated 13 February 2019 validated the Council's findings and confirmed the test results regarding disproportionate collapse. Arup's report is available on the Council's website. It recommends Hartopp and Lannoy Points are 'demolished or strengthened as soon as reasonably practical'. Arup have indicated that 'reasonably practicable' be interpreted as by the end of December 2020 at the latest.
- 4.5 A meeting was held on 25 February 2019 with residents to explain the implications for Hartopp and Lannoy and the Council's intention to undertake

consultation on the Council's preferred option to demolish. And the Council would set out in the consultation papers to residents how they would be supported to leave Hartopp and Lannoy and that this would be required under demolition or refurbishment.

Refurbishment costs

- 4.6 The structural assessment of Hartopp and Lannoy were used for the basis for calculating the costs of refurbishing the blocks, this would address:
- The structural defects of the buildings
 - Breaches of fire compartmentation
 - On-going problems of water ingress and damp
 - And bring the flats to a decent homes' standard.
- 4.7 Any refurbishment option would be extensive and highly intrusive. It would be impossible to undertake this work with residents remaining in the block. Residents would have to be rehoused for the duration of the works. As well as the disruption there would be a significant cost of refurbishing the blocks.
- 4.8 The costs of undertaking a refurbishment would be prohibitively high and impact on the rest of the HRA and the Council's ability to fund other required capital schemes and investment. The Council commissioned Ridge Partners to provide cost estimates for addressing the structural defects identified. The cost of addressing the structural elements is estimated at £7.3m. Further costs would be incurred to address pre-existing issues of damp and water ingress, this was previously estimated at £8m. The total refurbishment costs for the 112 flats would be over £16.5 million or over £150k per flat. These figures exclude rehousing costs, asbestos removal and professional fees which would add further costs.
- 4.9 Based on the cost estimates of: refurbishment, maintenance, rehousing costs and the ongoing health and safety risks the recommended option is to demolish Hartopp and Lannoy Points.

Fire Safety measures

- 4.10 To keep residents safe the Council has undertaken, an extensive programme of works over the last 12 months. These works have improved fire safety and addressed issues identified in the communal areas and residents' homes.
- 4.11 The Fire Safety measures in place at Hartopp and Lannoy, include:
- Simultaneous evacuation in the event of a fire instead of 'stay put'. All residents are aware of this and have been tested by way of a fire drill.
 - Since November 2017, Fire Wardens are on site 24/7 working to the National Fire Chief Councils national standard for 'Waking Watch'.

- The London Fire Brigade visit weekly.
- Installation of a communal fire alarm system with Inter-linked hard-wired detectors are installed into flats in every room
- A detailed Emergency Plan.
- A secure Premises Information Box
- Evacuation chairs.

These measures will remain in place until secure tenants are re-housed and leasehold properties purchased.

Other large Panel System Blocks

4.12 There were many Large Panel System blocks built across the country. Since their construction a significant number of blocks have been demolished. Of the remaining blocks councils are reviewing the viability of their continued use. Several authorities are in the process of arranging for the rehousing of residents and or demolition, including:

- **Haringey, Broadwater Farm:** has undertaken section 105 consultation on the proposed demolition of two blocks.
- **Lewisham, Heathside and Lethbridge Estate:** has demolished 6 blocks.
- **Leicester, Goscote House:** is in the process of demolishing a 23 storey Large Panel System block.
- **Portsmouth, Horatia House and Leamington House:** is rehousing residents from two 18 storey blocks, to demolish the blocks.
- **Rugby, Biart Place:** is rehousing families from the 152 flats while determining the future of the blocks.

Demolition Notices

- 4.13 If cabinet approves the demolition of the blocks it will be necessary to serve Initial Demolition Notices (IDNs) under Section 138A of the Housing Act 1985 on all secure tenants. The effect of the IDN is to inform the secure tenants that their right to buy is suspended, this will be followed by a Final Demolition Notice (FDN) under section 138B when a date has been set for the demolition to take place.
- 4.14 The effect of the FDN is to stop the right to buy. IDNs can last for a period of 7 years. It is proposed that both the IDN and FDN be served also on the leaseholders, so they are informed that the Council plans to demolish Hartopp and Lannoy Points.

5. OPTIONS

- 5.1 The Health and Safety of all residents is the Council's prime concern. Arup's report makes clear the structural issues identified in surveys must be addressed by way of either refurbishment or demolition. There are no alternative options open to the Council. In accordance with Arup's advice, the Council needs to address these issues by the winter of 2020.

5.2 As set out in paragraph at 4.8 the costs of refurbishment are significant at approximately £16.5 million. The Council therefore sought views on its preferred option of demolition. The response was overwhelmingly supportive of this option because of the high costs of refurbishing the blocks.

6. CONSULTATION

6.1 In line with the commitment to work with residents, the Council has supported the re-establishment of the Pellant Road Tenants and Residents Association and 5 meetings have taken place. These have updated and provided information about the work being undertaken and the outcome of the surveys. The Council has regularly written, on over 14 occasions over the last 12 months, to residents to inform them of work to make the blocks safe and structural assessments underway. The Council has also door knocked residents throughout this period to provide residents with information about what is happening at Hartopp and Lannoy Points.

6.2 The Council has undertaken consultation with all residents about the future of the blocks. There is a statutory obligation in Section 105 of the Housing Act 1985 on the Council to consult with all secure tenants on a proposal to demolish the blocks.

6.3 The statutory consultation was extended to ensure that all residents were consulted on the future of the blocks. The consultation explained to residents they would have to be rehoused whether the blocks were refurbished or demolished and explained the Council's preferred option to demolish the blocks because of:

- significant health and safety concerns which must be addressed,
- the costs of refurbishing the blocks to address the health and safety concerns would have a major impact on the Housing Revenue Account, and limit investment in other homes.
- the Council wants to be able to rehouse residents appropriately.

6.4 The consultation started on 04 March 2019 and closed on 08 April. The length of consultation is appropriate due to the advice of Arup that the health and safety issues must be dealt with and the low number of flats occupied.

6.5 The consultation questionnaire was distributed to all remaining Hartopp and Lannoy Residents. Each consultation included a free-post return envelope, as well as information on replying via email. Each address was door knocked and all absentee landlords contacted in writing.

- 6.6 As well as consulting on the preferred option of demolition views were sought on the suggested offers for rehousing tenants and leaseholder purchases.
- 6.7 Nineteen consultation responses were provided during the consultation period. Of the consultation responses 18 were supportive of the proposal to demolish Hartopp and Lannoy Points. A full table summary of the responses provided during the consultation can be found at appendix 1.
- 6.8 Since the start of the consultation the Council has been scheduling appointments with all remaining secure tenants to undertake a needs assessment. This is to establish how the Council can best work to rehouse secure tenants.
- 6.9 The consultation undertaken with residents was overwhelmingly in favour of the Council's proposal to demolish Hartopp and Lannoy Points. Nineteen responses were received during the consultation, of which 18 responses supported the proposed demolition. In terms of the feedback provided on the offer to secure tenants this was in relation to:

Help to tenants with the costs of fixtures, fittings and decoration of their new homes.

The financial offer being proposed to tenants is in line with best practice. The proposed offer if agreed will also be higher than that previously offered to tenants on who have already moved voluntarily. For residents who downsize as part of the move they would also benefit from a downsizing payment. In addition the quality of accommodation is in line with the Council's letting standards and where required adaptations and changes to the properties made in order to meet tenants identified needs.

Support to elderly or disabled tenants.

Through organising individual assessments with each tenant the Council will identify tenants specific needs and ensure that not only are offers of accommodation suitable but that during moving support is provided to any tenant which has a recognised need. Moves are being sought as close as possible to Hartopp and Lannoy so that the disruption to families is reduced.

Support to leaseholders

The proposed offer to resident and non-resident leaseholders is in line with best practice. Support will be provided to leaseholders to enable the purchase of properties to proceed as quickly as is possible and this is the intention of the proposed appointment of Avison Young.

The one response which was opposed disagreed that Arup's survey demonstrated the need for either a demolition or refurbishment of Hartopp

and Lannoy is required. The Council has published Arup's structural calculations which demonstrate that strengthening is required to address the issue of disproportionate collapse which must be addressed.

7. OFFER TO HARTOPP AND LANNOY RESIDENTS

7.1 Since the fire evacuation advice for the blocks changed from 'stay put' to full and immediate evacuation in November 2017, the Council has offered voluntary moves to Hartopp and Lannoy residents and to purchase leasehold properties.

7.2 There are 112 flats in the blocks and as at 16 April 2019 there are 56 void properties. There were 3 void properties in November 2017, 2 leasehold properties have been bought back and 51 tenants have since moved.

Tenants

7.3 The Council recognises the impact rehousing and proposed demolition would have on tenants and consulted with residents as to how it could best support them in the event of demolishing Hartopp and Lannoy Points.

7.4 A case management approach has started with Housing Management undertaking appointments with each remaining tenant to provide information to all secure tenants about the rehousing support on offer and complete a needs assessment. This enables officers to understand each individual tenants housing preferences and establish the size of the property needed. Every attempt is being made to minimise the impact of moves households with children attending school and elderly residents.

7.5 The basis of the offer to tenants will be:

- Home loss payment
- A disturbance allowance of £500, plus £100 for every bedroom
- Financial assistance for the costs of moving home
- Band 1 prioritised move.
- 1 to 1 housing needs assessment.
- A retained right to return

This offer will apply retrospectively to all tenants to 13 February 2019, the date which the Council received Arup's structural report and advice on the need to demolish or refurbish.

7.6 The Council will work with each tenant to help them move, but it may be necessary to serve a Notice of Seeking Possession on secure tenants and then issue possession proceedings. We will rely on Ground 10 of Schedule 2 of the Housing Act 1985 to seek possession. This allows the Court to make a possession order if satisfied that the landlord intends to demolish a property and that suitable alternative accommodation is available to the secure tenant.

- 7.7 This offer applies only to council tenants and not to private tenants of Non-resident leaseholders. If their landlord is not able to help with alternative accommodation, the Council's Housing Solutions team will provide advice and support.

Leaseholders

- 7.8 There were 21 leasehold properties at Hartopp and Lannoy Points and the Council has offered a voluntary purchase option to all leaseholders based on open market valuation. To date, the Council has purchased two leasehold properties, leaving 19 leasehold properties.
- 7.9 The proposed demolition of Hartopp and Lannoy Points requires the Council to buy remaining leasehold properties. The Council's preference is to continue with a voluntary purchase approach, however given the short timescale it may be necessary to instigate Compulsory Purchase proceedings. This would be done in line with statutory requirements governing the use of CPOs and government best practice requirements.
- 7.10 To manage this in the most effective means possible, the Council will engage the services of an agent to negotiate the buyback of leasehold properties and pursue CPO proceedings as necessary.

Resident leaseholders

- 7.11 For the purposes of this offer a resident leaseholder is defined as residing in either Hartopp and Lannoy as their permanent or main homes as at 13 February 2019 and the offer will be:
- Full market value of current property.
 - A further payment equal to a home loss payment, 10% of market value with appropriate maximum and minimum value limits.
 - A disturbance payment to cover reasonable costs of moving.

This offer will be applied retrospectively to 13 February 2019, the date which the Council received Arup's structural report and advice on the need to demolish or refurbish.

- 7.12 The Council will make available portable equity share loan options, the final arrangements of which will be delegated to the Strategic Director for the Economy, to allow resident leaseholders to remain in home ownership within the area.
- 7.13 If resident leaseholders are unable to identify alternative accommodation the Council may make offers of temporary accommodation. The Council may pay the costs of the temporary accommodation or a social tenancy.

Absentee leaseholders

- 7.14 Non-resident leaseholders will be offered full market valuation for their current property plus the Basic Loss payment of 7.5%. This offer will be applied retrospectively to 13 February 2019, the date which the Council received Arup's structural report and advice on the need to demolish or refurbish.

8. PROCUREMENT

- 8.1 The Council has engaged Wentworth House Partnership to scope the demolition. Wentworth House Partnership will provide a technical specification on which the Council will tender for a demolition contractor to undertake the works to demolish Hartopp and Lannoy.
- 8.2 The report is proposing the appointment of a second consultant in order to provide project management, valuation services and technical advice in relation to the acquisition of leasehold properties and the Compulsory Purchase Order process where voluntary acquisition is unsuccessful. A direct appointment is proposed because of the urgency which the Council has to act in addressing the health and safety concerns identified by Arup's structural survey. The identified company for a direct award are Avison Young and they specialise in providing technical advice with regards to acquisition of leasehold properties and CPO processes.
- 8.3 In relation to the demolition contract, a contract value for the capital works has been produced by the consultants Wentworth. On this basis it is estimated to be under the OJEU threshold for works so the procurement opportunity will be advertised via the Council's procurement portal capitalesourcing. Evaluation of the bids will be based on a 50% cost 50% quality consideration.
- 8.3 Arrangements for the award of contract will be delegated to the Strategic Director for the Economy Department in consultation with the Cabinet member for Housing. The procurement strategy is appended at Appendix 3.

9. SITE FEASIBILITY

- 9.1 The main concern of the Council is to make sure that residents are safe. In addition to preparing to demolish Hartopp and Lannoy Points the Council will now consider options for the future through site feasibility.
- 9.2 The consideration for the future of the site will be based on the Council's established policy objectives of:
- Maximising the amount of genuinely affordable housing
 - Defending the availability of council housing in Hammersmith and Fulham
 - Housing Compliance asset management strategy (December 2018).

10. EQUALITY IMPLICATIONS

- 10.1 The decant of the remaining 56 households may have a proportionally greater negative impact on older people, people with disabilities and residents with school age children, as acknowledged in the Equality Impact Assessment (EqIA). The ongoing needs assessment, with Housing Management undertaking appointments with tenants, will assess the housing preferences

and support needs of each remaining tenant and seek to implement mitigating actions to alleviate any negative impacts identified.

- 10.2 The EqIA sets out the mitigating actions being proposed for the 13 older tenants, the 12 tenants with mobility issues and the tenants with school age children. These actions will be tailored to best meet the needs of those residents as the needs assessment is progressed.

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

11. LEGAL IMPLICATIONS

- 11.1 This report sets out the results of the consultation with Hartopp and Lannoy Point residents on the proposal to demolish the blocks. As set out in the report there is a statutory obligation to consult with secure tenants and Section 105 of the Housing Act 1985 requires the Council to consider any representations made in response to the consultation before making any decision on the matter. In making its decision Cabinet must conscientiously take into account the responses to the consultation.
- 11.5 Cabinet must also be satisfied that its decision is compatible with tenants' and leaseholders' human rights under the European Convention. Before demolition of the blocks it will be necessary to end all secure tenancies and leaseholders' leases (subject to the possible need for compulsory purchase). This will impact upon the following Convention rights in particular: Article 8 (right to respect for private and family life); Article 1 Protocol 1 (protection of property).
- 11.6 These Convention Rights are qualified; that is, there is a balance to be struck between the Convention Right and other interests and rights. Any restriction on the exercise of the right must be in accordance with the law, and in the public interest. The public interests to be considered in relation to Article 8 rights include, in particular, public safety. The public interests relevant to Article 1 Protocol 1 rights include in particular, the right of to control the use of property in accordance with the general interest
- 11.7 Section 149 of the Equalities Act 2010 requires the decision maker meaning the Council acting through its Cabinet, to have due regard to the goals in the Act as set out in section 149. An EqIA has been undertaken on the potential impact of the decision on resident with protected characteristics. This will be reviewed and updated as more information becomes available.

Implications completed by Janette Mullins Acting Chief Solicitor (Litigation and Social Care), tel. 020 8753 2744

- 11.8 The comments in paragraph 11.8 – 11.10 relate to the procurement issues only. This report is making recommendations in relation to two procurements.

- 11.9 The first appointment is proposed to proceed by way of a direct award and associated waiver. Section 8 of the report sets out the circumstances for making these two recommendations. Contract Standing Order 3 sets out the process for a decision-maker to approve a waiver of Contract Standing Orders and one of the permitted grounds for approving a waiver is that this is in the Council's overall interests. The decision-maker also needs to be satisfied that the proposed appointment of Avison Young is in relation to a company that can meet the Council's requirements. Legal advice should be sought about the appropriate contract terms for this appointment.
- 11.10 The second appointment is for a demolition contractor. As required by Contract Standing Order 9, all procurements in excess of £100,000 require a Cabinet-approved Business Case and Procurement Strategy for all contracts in excess of £100,000. One of the standard forms of construction contract is recommended for use, with bespoke amendments around the hazardous nature of the activities.

Legal comment on the procurement aspects of the report provided by Deborah Down, senior associate with Sharpe Pritchard Solicitors, on secondment to the Council. ddown@sharpepritchard.co.uk

12. FINANCIAL IMPLICATIONS

Capital budget

- 12.1 The recommendations in this report require an additional capital budget allocation of £8,717,000 to meet the costs of purchasing leasehold properties, compensation payments and CPO advice to achieve vacant possession and demolition costs.
- 12.2 Existing approvals already exist for the buy-back of leasehold properties and an additional capital budget is required in addition to this. As a result of using these approvals, there will be no approved budgets for buy back of other leaseholder properties for high rise buildings except in relation to Earls Court.

- 12.3 The total estimated capital budgets required including existing approvals are set out below:

Estimated budget requirement	£000s
Purchasing leasehold properties (including purchases to date)	10,068
Demolition contract	3,500
Tenant compensation and move costs (including contingency)	400
CPO advice	100
Total	14,068
Existing approvals	£000s
Purchasing Affordable Homes (Cabinet 9 October 2017)	451
Better Solutions for Council Leaseholders in High Rises (Cabinet 5 November 2018)	4,900
Additional budget required	8,717

- 12.4 The additional capital budget requirement of £8.7m will be funded from an increase in borrowing, as measured by the HRA Capital Funding Requirement (CFR). The Capital Financing Requirement is the non-funded element of capital spend which is in respect of borrowing or credit arrangements used to finance capital expenditure on assets. This is not restricted to external borrowing as the council may elect to internally borrow against cash balances.
- 12.5 The total estimated cost is £14,068,000 which is less than the estimated cost of refurbishing the two blocks. However, this is still a significant capital investment for the HRA and will affect funding available for other capital investment priorities such as the health and safety works and affordable housing provision (although there are options to deliver this outside of the HRA).
- 12.6 Use of the budget will be subject to the following approvals:
- Leaseholder property acquisitions: Each purchase will require signed delegated approval from the Strategic Directors of the Economy Department and Finance and Governance.
 - Demolition contract award: An Officer decision would be required from the Strategic Director for the Economy in consultation with the Strategic Director for Finance and Governance.
- 12.7 On 27 February 2019, Full Council approved the Capital Programme with an additional budget envelope of £50m to provide operational flexibility, for taking forward the major projects set out in Capital Strategy. Major projects included in the Capital Strategy included Health and Safety works. The proposed demolition works are required urgently on the grounds of Health and Safety and therefore in order to act quickly, the recommendations in this report propose the approval of a capital budget of £8,717,000 under this additional

budget envelope. This will leave £41,283,000 available for operational flexibility on other major projects.

Revenue budget

- 12.8 The capital funding requirement will require the council to either forego interest earned on existing cash balances or pay interest on external loans depending the treasury management decision taken on how to finance the capital spend. The annual revenue impact on current rates would be up to £227,000 if additional borrowing is taken out (the 50-year Public Works Loan Board rate was 2.6% on 17 April 2019) but less if cash balances were used. This would be an additional charge to the HRA until the associated CFR increased is funded via a capital receipt or revenue contribution.
- 12.9 The demolition of the council owned properties at the two blocks will reduce net rental income to the HRA, although the council will also avoid ongoing repairs and maintenance costs. Based on the HRA 2019/20 rental budget and the estimated average repairs cost within the current interim repairs delivery model budget this is estimated to be £310,000 of lost income to the HRA per annum.

Financial stability and financial strength of the contracting party

- 12.10 This report seeks approval of the Business Case and Procurement Strategy to procure a demolition contractor to demolish Hartopp and Lannoy Points. For the instructions to tenderer document (ITT) required for the procurement and appointment of a demolition contractor, finance officers will need to input on the financial qualification and checks specification.
- 12.11 This report seeks to appoint Avison Young to provide project management, valuation services and technical advice in relation to the acquisition of leasehold properties and the Compulsory Purchase Order. As the council is already a client of Avison Young for other services and this contract is less than £100,000 and will be paid in arrears a credit check has not been considered necessary and has not been carried out.

Financial context

- 12.12 This decision is expected to increase the level of debt in the HRA as measured by the HRA Capital Financing Requirement (CFR), as the Capital Programme Monitor & Budget Variations, 2018/19 (Third Quarter) report that went to Cabinet on 4 February 2019 sets out that the CFR is forecast to be within prudential borrowing limits. The proposal in this report will increase the CFR by £8,717,000 but this can be accommodated by the HRA Business Plan approved on 4 February 2019.
- 12.13 The Council is preparing its Housing Revenue Account Asset Management Strategy to prioritise capital investment in its current housing stock. Alongside this, the Council is developing an assets and growth strategy to meet the Council's priority of delivering new affordable homes. This strategy will provide

an overview and framework for Council capital investment priorities. Any future decision on capital investment by the HRA will need to be made in the context of potentially competing demands for capital investment and the affordability of the revenue implications of these within available resources and may influence the potential options through which new schemes can be delivered.

- 12.14 The Council will need to develop its plans for the future of this site which will be the subject of a future decision, the financial implications of which will be reported in full.

Implications completed by: Firas Al-Sheikh, Head of Housing Financial Investment and Strategy, Tel: 020 8753 4790.

Implications verified by: Emily Hill, Assistant Director, Corporate Finance, telephone 020 8753 3145.

13. IMPLICATIONS FOR BUSINESS

- 13.1 As an open procedure through Contracts Finder (Capital ESourcing) will be followed this will provide an opportunity for local firms who may choose to bid for the opportunity.

Implications completed by: David Burns, AD Growth.

14. COMMERCIAL IMPLICATIONS

- 14.1 The value of the contract for Avison Young is under the statutory threshold for services. As a result, the full PCR 2015 do not apply. In this case, a waiver from the usual tendering requirements set in the Council's Contracts Standing Orders (CSOs) may be approved by the Cabinet Member if they are satisfied that a waiver is justified under section 3 of the CSOs.

- 14.2 The value of the contract for a demolition contractor is under the statutory threshold for works. As a result, the full PCR 2015 do not apply. The recommendation is in line with the Council's CSOs. The tender will be advertised in Contracts Finder and the Council's e-tendering platform.

Procurement implications provided by Andra Ulianov, Head of Contracts and Procurement, tel. 020 8753 2284.

15. IT IMPLICATIONS

- 15.1 No IT implications are considered to arise from this report as it notes the outcome of the statutory section 105 consultation to demolish Hartopp and Lannoy Points, and requests approval for the necessary steps to proceed with

demolishing these sites and support tenants throughout this process. Should this not be the case, for example, by requiring new systems to be procured or existing systems to be modified, IT Services should be consulted.

- 15.2 IM implications: prior to the consultation the service was advised to ensure that a Privacy Impact Assessment (PIA) was carried out to ensure that all the potential data protection risks (e.g. in consulting with Residents) around demolishing Hartopp and Lannoy Points were properly assessed with mitigating actions agreed and implemented.
- 15.3 Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018. Any suppliers will be expected to have a GDPR policy in place and all staff will be expected to have received GDPR training.

Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, IT Services, tel. 0208 753 5748.

16. RISK MANAGEMENT

- 16.1 The Council has consulted with and been informed by experts whose opinion has led to the conclusion that demolition is necessary. The Council must address the structural issues identified either via demolition or refurbishment. The costs of refurbishing the blocks are significant hence the recommendation is to propose solutions for residents first following the consultation exercise and then to proceed to procure a contractor to undertake a controlled and safe demolition once the buildings are vacated of residents. The proposals are consistent with our Council Priorities, specifically decisions being made with our residents foremost in our consideration.
- 16.2 A tendering exercise is being conducted in accordance with our Being Ruthlessly Financially Efficient Objective to seek the best financial solution for our local taxpayers and most economically advantageous tender.
- 16.3 Safeguards will be required to ensure that there are sufficient measures in place to manage asbestos risk and associated environmental risk. Officers should also ensure that they have sought advice from the Council's Insurance Team in preparing the invitation to tender to ensure that the insurance requirements for the contract are appropriately specified and secured through the tender process.

Implications verified by: David Hughes, Director Audit, Fraud, Risk and Insurance tel: 020 7361 2389.

17. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

LIST OF APPENDICES:

- 1 Section 105 consultation response summary
- 2 Equalities impact assessment
- 3 Procurement Business Case
- 4 Full responses to consultation (exempt)

**Hartopp and Lannoy
Section 105: Consultation Response
04 March to 08 April**

Consultation to all secure tenants and both resident and absent leaseholders started on 4 March 2019. The Council's consultation document was sent to 62 properties which at the start of the consultation period were habited. There were:

- 44 tenanted properties
- 18 Leasehold properties (absent leaseholders received via at contact address.)

Consultation was anonymous.

19 replies received 31% response rate.

- 18 **In favour of demolition**
- 1 **Opposed the demolition and refurbishment**

Summary of responses:

Q1 Reasons for support of demolition:

- Cost – to both council and leaseholders
- Safety
- Future maintenance
- Chance to build new and better

Q1 Reasons for not wanting refurbishment:

- Cost
- Inconvenience of moving twice
- Inconvenience to residents living nearby
- Future maintenance costs
- Fire safety concerns

Q3 Additional support to tenants

- Help with refurbishment of new home
- Additional support for elderly or disabled residents
- Cost of fixtures and fittings including decoration and built in wardrobes.
- Allow to stay in same area.

Q4 Additional support for resident leaseholders

- Cost of replacement property plus legal and professional fees
- Increased offer – valuations are too low.

Q5 Additional support for absent leaseholders

- Time scale for process
- Fair market value – transparent process
- Assistance to deliver vacant possession
- Same package for sub tenants as secure tenants
- Legal and professional fees

APPENDIX 2- Equality Impact Analysis Tool

Conducting an Equality Impact Analysis

An EqIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative or unlikely to have a significant impact on each of the protected characteristic groups.

Page 91 The tool has been updated to reflect the new public sector equality duty (PSED). The Duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

- 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;**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against the three tenets of the Equality Duty.

General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Equality Officer for support.
6. Further advice and guidance can be accessed from the separate guidance document (link), as well as from your service or borough leads:

LBHF
Opportunities Manager:
PEIA@lbhf.gov.uk or ext 3430

Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2020 /Quarter 1
Name and details of project.	<p>Lannoy & Hartopp Point</p> <p>Project summary:</p> <p>The Council has undertaken and commissioned extensive structural surveys to look at the condition of Hartopp and Lannoy Points. These surveys are now complete and have found significant Health and Safety issues at Hartopp and Lannoy Points.</p> <p>We have also completed comprehensive Fire Risk Assessments (FRA) which have identified issues of compartmentation between flats and within the communal areas. These issues and existing issues of damp and water ingress of the buildings would need addressing as part of any refurbishment of the blocks.</p> <p>The two options available to adequately address the issues, are to refurbish Hartopp and Lannoy Points or demolish the blocks. Both options require all the 56 remaining households to move to new homes; the extent of refurbishment and repair required, and the disruption to daily living does not make it feasible with residents in-situ.</p> <p>Having identified the issues of compartmentation H&F acted immediately, to offer residents with mobility and medical issues a voluntary transfer. This was later extended to all residents.</p> <p>The Economy Department has successfully moved 56 households under this offer and is working with the 56 remaining households to achieve vacation of the two blocks, with minimum negative impact for residents.</p>

Our offer to residents:**Council Tenants –for council tenants the offer is:**

- A lifetime tenancy of a new home in their area of choice within borough.
- An offer based on current housing need- over crowded households will move to larger properties.
- Home loss payment
- Financial assistance for the costs of moving home
- Band 1 prioritised move.
- 1 to 1 housing needs assessment.
- A retained right to return
- If downsizing, a downsizing incentivisation payment

Resident leaseholders: for resident leaseholders the offer is:

- Full market value of current property.
- A further payment equal to a home loss payment, 10 per cent of market value.
- A disturbance payment to cover reasonable costs of moving.
- The council will make available portable equity share loans.

Subject to a council decision, this offer will be applied retrospectively to leaseholders to 13 February 2019 and apply from then onwards.

Non-resident leaseholders: for Non-resident leaseholders the offer is:

- Full market valuation for their current property
- A basic loss payment of 7.5 per cent.

Subject to further council approval, this offer will be applied retrospectively to leaseholders.

The Council will work with all affected residents individually, paying particular care to those who are vulnerable.

Our decant manager is working with the 38 H&F households holding a secure tenancy, to complete individual household needs assessments, to ensure we take all their concerns and requirements into account and involve them in identifying suitable new homes to move to.

Our Partnership & Strategy Manager is working with the remaining 18 leaseholders to communicate our offer to them and agree terms.

This project forms part of H&F's wider commitment to residents to provide safe and secure homes.

Lead Officer

LBHF

Name: David McNulty
 Position: Assistant Director Operations
 Email: david.mcnulty@lbhf.gov.uk
 Telephone No:07867 160527

Lead Borough

David McNulty

Date of completion of final EIA

TBI

Section 02	Scoping of Full EIA						
Plan for completion	Timing: Immediate Resources: Maureen James – Decant Manager						
Analyse the impact of the project.	Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral or negative impact on equality, giving due regard to relevance and proportionality.						
	Protected characteristic	Borough Analysis					Impact: Positive, Negative, Neutral
	Age	Tenancies	Tenancy households:	% Hartopp Point & Lannoy Point Tenants	Leasehold properties	Compared with % all H&F Tenants	Negative
		Tenant aged 18-54	23 tenancies	60.6%	No information held	50.1%	
		Tenant aged 55+	15 tenancies	39.4%	No information held	49.9%	
Grand Total		38 tenancies	100.0%	18 properties	100.0%		
	Household breakdown- 56 properties.	38 Tenancies: Number of residents		18 Leaseholds:			

Under 18	21 residents	No info. held
18 +	57 residents	No info. held
Total	78 residents	No info. held

- Comparison to borough wide profile shows a lower percentage of older tenants are resident in the blocks. but still a significant number.
- 21 children live in the blocks which is in line with borough profile.

Negative impacts identified:

- Older residents will be more settled and need additional support when moving
- Disturbance of people who live on their own with health conditions and care packages in place can negatively affect their health and well-being.
- Disruption to school travel or child care arrangements can have negative educational and emotional impacts.

Mitigation:

- Carry out needs assessment to identify housing and social needs
- Arrange relevant OT/ Social Services assessment for residents where identified, to ensure care packages adjusted where appropriate.
- Ensure reasonable adaptations are carried out within the new home in line with OT assessments.
- Commission handyman service to support additional fixtures and fittings
- Support older leaseholder to access the right options.
- Provide financial and resettlement support.
- Provide undertaking to move within the immediate locality to minimise increase in travel distances or care arrangements.

		<ul style="list-style-type: none"> • Give over-crowded families opportunity to move to larger properties to resolve this, and increase educational performance environment. • Give families opportunity to move to properties with outside space for play. 																					
	Disability	<table border="1" data-bbox="757 794 1789 1098"> <thead> <tr> <th>Disability /long term illness</th> <th>Hartopp Point & Lannoy Point Tenants</th> <th>% Hartopp Point & Lannoy Point Tenants</th> <th>% Borough Wide</th> <th>Hartopp Point & Lannoy Point Leaseholders</th> </tr> </thead> <tbody> <tr> <td>N</td> <td>13</td> <td>34.2</td> <td>90.4%</td> <td>No information held</td> </tr> <tr> <td>Y</td> <td>25</td> <td>65.8</td> <td>9.6%</td> <td>No information held</td> </tr> <tr> <td>Grand Total</td> <td>38 tenancies</td> <td>100.0%</td> <td>100%</td> <td>18 leaseholds</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Disproportionately high number of residents presenting with a disability or medical condition. • Disproportionately high percentage of residents presenting with a mobility condition. <p>The Household Needs survey highlighted that a significant number (65.8%) of</p>	Disability /long term illness	Hartopp Point & Lannoy Point Tenants	% Hartopp Point & Lannoy Point Tenants	% Borough Wide	Hartopp Point & Lannoy Point Leaseholders	N	13	34.2	90.4%	No information held	Y	25	65.8	9.6%	No information held	Grand Total	38 tenancies	100.0%	100%	18 leaseholds	Negative
Disability /long term illness	Hartopp Point & Lannoy Point Tenants	% Hartopp Point & Lannoy Point Tenants	% Borough Wide	Hartopp Point & Lannoy Point Leaseholders																			
N	13	34.2	90.4%	No information held																			
Y	25	65.8	9.6%	No information held																			
Grand Total	38 tenancies	100.0%	100%	18 leaseholds																			

		<p>Lannoy and Hartopp residents reported they or a member of their household have a disability or medical conditions that is affected by the size, location or design of the home they live in.</p> <p><u>Negative Impacts identified:</u></p> <ul style="list-style-type: none"> • Residents with a learning difficulty may need a separate form of communication and engagement to help their understanding of the reality of their situation. • Residents who have had their property adapted would be affected by having to move to another property. • Residents with mobility issues need to be near existing network, and level access accommodation, assistance with move. <p>Mitigation:</p> <ul style="list-style-type: none"> • Arrange relevant OT/ Social Services assessment for residents where identified – we have an O/T attached to the project to expedite assessments. • Make sure reasonable adaptations are carried out within the new home in line with OT assessments. • Commission handyman service to support additional fixtures and fittings. • Moving residents within the local area to level access properties. • Full support and removals package in place to carry out removals, including packing assistance where needed, and disconnection and re-connection of household appliances. 	
	Gender reassignment		Neutral

		<p>Although we hold very limited data there is no disproportionate impact identified.</p> <p>Mitigation:</p> <ul style="list-style-type: none"> • All transferring tenants have been offered a move to the area of the borough of their choice, so local networks and support systems can be maintained. • Proximity to Charing Cross Hospital's leading gender re-assignment department can be maintained where requested, as we have prioritised residents for moves within the immediate locality. • Equality and Human Rights Commission guidance on this protected characteristic is to collect data where relevant. Gender re-assignment is not relevant to the majority of housing services, with the exception of tackling harassment. 	
	Marriage and Civil Partnership	<p>No disproportionate impact identified.</p> <p>Mitigation:</p> <ul style="list-style-type: none"> • The Council recognises gay relationships and civil partnerships with respect to household composition. 	Neutral
	Pregnancy and maternity	<p>No disproportionate impact identified however we recognise disruption during the decant process may have a negative impact on pregnant mothers or families with new born children.</p> <p>Mitigation:</p>	Neutral

	<ul style="list-style-type: none"> • Full support package provided for packing, removals, disconnections and reconnections. • Residents have the option to move to low rise and street properties, removing the impact that tower block living can have on day to day activities for this group. 	
Race	<p>No disproportionate impact identified.</p> <ul style="list-style-type: none"> • The diversity of the estate is significant and shows a broad spread across the different race and ethnicity classifications. Review of the race profile of block residents shows little variance when compared with the borough wide profile. • The largest variance between Hartopp & Lannoy Point residents and the borough profile is a 6% increase in White English residents living in the blocks, but this is still low. • The Council's Scheme of Allocations does not discriminate as it's based on housing needs which delivers a consistent, fair assessment, and is not influenced by someone's race. <p>Mitigation:</p> <ul style="list-style-type: none"> • Translation or offer of translation for all residents who do not speak English as their main language in their home. • Make translation and interpretation provision available when specific tenant engagement and leaseholder negotiation is being undertaken. 	Neutral
Religion/belief (including non-belief)	<p>No disproportionate impact identified but very little data held</p> <ul style="list-style-type: none"> • Very few residents have chosen to share their religious belief details, less than 10% across the blocks. This is mirrored in the data held by H&F across its stock which is also less than 10% 	Neutral

	<ul style="list-style-type: none"> No aspects of the project that prevents residents from practicing their religion or faith. <p>Mitigation:</p> <ul style="list-style-type: none"> Residents are asked for their area preferences to minimise disruption and maintain connection to places of worship where needed. 	
Sex	<p>No disproportionate impact identified</p> <p>High proportion of female secure tenants make up three quarter of all tenancies. This mirrors the borough profile.</p>	Neutral
Sexual Orientation	<p>No identified negative impacts.</p> <p>Although very limited data is available there is no disproportionate impact identified.</p> <p>Equality and Human Rights Commission guidance on this protected characteristic is to collect data where relevant. Sexuality is not relevant to most of housing services, with the exception of tackling harassment.</p>	Neutral

Human Rights or Children's Rights

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

Section 03

Analysis of relevant data

Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.

Documents and data reviewed	<p>LBHF:</p> <ul style="list-style-type: none"> • Northgate Housing Management Database. • Individual Needs Assessments completed with residents.
New research	Not required

Section 04	Consultation
	Complete this section if you have decided to supplement existing data by carrying out additional consultation.
Consultation in LBHF	Needs Assessment Completed
Analysis of consultation outcomes for each borough	N/A

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Section 05	Analysis of impact and outcomes
Analysis	<p>What has your consultation (if undertaken) and analysis of data shown? You will need to make an informed assessment about the actual or likely impact that the policy, proposal or service will have on each of the protected characteristic groups by using the information you have gathered. The weight given to each protected characteristic should be proportionate to the relevant policy (see guidance).</p> <p>LBHF:</p> <p>Negative impact identified</p> <ul style="list-style-type: none"> • Older people may be more settled and require more support when moving.

- Disruption to school life and home study may occur during the move and possible loss of informal child care arrangements.
- Disturbance of people, if on their own, frail and vulnerable, may affect their health and well-being.
- Residents who do not speak or read English may be negatively impacted as they may not understand the process fully.
- Cost impact on retired residents.
- Cost impact for those with low disposable incomes.

Mitigation

- Needs Assessments have been carried out and dedicated rehousing support will be provided by the Council
- Need to ensure the availability of translation and interpretation services for residents and leaseholders when specific tenant engagement and leaseholder negotiation is being undertaken.
- OT care assessment may be needed.
- Designated OT linked to the project.
- Financial help will be needed for moving cost and setting up new home, especially those with less disposable income than others.
- Focus on residents who do not speak English as their main language to help understand the financial package available.
- Band 1 Housing awarded to residents to ensure housing priority.
- Focus on home modifications for people with disabilities.
- The CPO process forces leaseholders to have to sell but they have the options to purchase an alternative property or enter shared ownership arrangements.
- Dedicated rehousing support to be provided.
- Decant Policy to be agreed and implemented.
- Compensation to be provided to tenants and homeowners through Home Loss and disturbance payments.
- Options for all Council tenants to return when site is redeveloped.
- Rehousing Project team to understand equalities issues for individual households (access to place of worship, schools, nurseries, day centres, support groups, health etc.), so that as far as possible these can be supported through the move process.
- Bespoke support to be developed to particularly vulnerable and less engaged individuals and households.
- Communication with residents will seek to reduce stress and provide as much certainty as possible about the decant.
- Critical that decant programme is consistent, fair and not influenced by someone's race.

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Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	Include any specific actions you have identified that will remove or mitigate the risk of adverse impacts and / or unlawful discrimination. This should provide the outcome for each borough, and the overall outcome.

Section 07	Action Plan					
Action Plan	Note: You will only need to use this section if you have identified actions as a result of your analysis					
	It will only be possible to analyse the actual impact on different groups once the decant programme is underway and residents are rehoused. This can be achieved by sending a survey to residents rehoused. This will help to review the service and look at how further improvements can be made.					
	Issue identified	Action (s) to be taken	When	Lead officer and borough	Expected outcome	Date added to business/service plan

Section 08	Agreement, publication and monitoring	
Chief Officers' sign-off	LBHF Name: Jo Rowlands Position: Strategic Director for the Economy Email: jo.rowlands@lbhf.gov.uk Telephone No:	

Key Decision Report (if relevant)	LBHF Date of report to Cabinet 29/04/2019 Key equalities issues have been included: Yes
Lead Equality Manager (where involved)	LBHF Name: Peter Smith Position: Head of Policy and Strategy Date advice / guidance given: 16/04/19 Email: peter.smith@lbhf.gov.uk Telephone No:

**REPORT RELATING TO
BUSINESS CASE;
PROCUREMENT STRATEGY; and
PROJECT MANAGEMENT AND GOVERNANCE
FOR Demolition of Hartopp and Lannoy Points**

BUSINESS CASE

1. BUSINESS CASE – WHY THE PROCUREMENT IS NEEDED

A supplier is required to provide works for the demolition of Hartopp and Lannoy Points. Hartopp and Lannoy Points are two large panel system blocks. These have been subjected to extensive structural surveys by the Council's building control department and Arup. These surveys have identified the need to either refurbish or demolish the blocks. Demolition is the recommended option.

2. FINANCIAL INFORMATION

The forecast cost of the demolition is estimated to be up to £3.5 million. This will be funded by Housing Revenue Account and will be capital funding as it will be a contract for works.

3. OPTIONS APPRAISAL AND RISK ASSESSMENT

The Council must address the structural issues identified either via demolition or refurbishment. The costs of refurbishing the blocks are significant at approximately £16.5 million or £150k per flat. These works exclude rehousing costs and professional fees. It is also assumed the properties would require a higher on-going maintenance costs which would have to be factored into the HRA business plan.

The Council undertook section 105 consultation with residents on the basis that its preferred option was to demolish Hartopp and Lannoy Points. The response to the consultation was in favour of demolition with 18 of the nineteen responses supporting demolition.

Subject to Cabinet approval the Council will therefore demolish Hartopp and Lannoy Points and as such requires a contractor to undertake the demolition once the buildings are vacated of residents.

The value of the contract has been estimated by the Council's consultants at £3.5m.

4. THE MARKET

Due to the Large Panel System construction method used at Hartopp and Lannoy Points the demolition is anticipated as being more complex and will

take longer than the demolition of more conventional buildings. There is also a significant amount of asbestos contained within the buildings which will have to be safely removed prior to the main demolition taking place.

Owing to the technical nature of the demolition a limited number of known suppliers have the technical capabilities which will be required. The proposed approach to procurement is open procedure through Contracts Finder (Capital ESourcing). It is anticipated that a small number of contractors would bid and be capable to undertake such work therefore price will be weighted equally with quality in the evaluation so that value for money can be maximised.

PROCUREMENT STRATEGY

5. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

A single supplier will be sought to secure and demolish Hartopp and Lannoy Points and any associated ancillary building.

The contractor will be needed once the blocks are vacant and the contract is to cover the delivery of the works required, which are expected to last for up to 12 months.

The technical specification is currently being drawn up by technical consultants, Wentworth.

6. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS

The Council has to move to quickly address the health and safety issues identified at Hartopp and Lannoy Points. Subject to Cabinet approval demolition with therefore need to take place as soon as is reasonably practical.

The proposed contract is a one-off contract for works and is not proposed as a long term partnership. The specification for the contract will be highly technical. Therefore owing to both the speed and nature of the contract this will limit the opportunities to maximise social value. However, tenderers will be asked as part of the technical evaluation to offer ways to mitigate the negative impact of the works on neighbours and the local community.

An open procedure through Contracts Finder (Capital ESourcing) will be followed and as such local firms may choose to bid for the opportunity.

7. OTHER STRATEGIC POLICY OBJECTIVES

In December 2018 Cabinet approved the Council's Asset Management Strategy for Council housing. This made clear the Council's commitment to prioritise health and safety matters above all else. Demolition of Hartopp and

Lannoy Points will address the serious issues identified through a number of Structural Surveys and Fire Risk Assessments Undertaken by the Council at Hartopp and Lannoy Points.

8. STAKEHOLDER CONSULTATION

The Council has undertaken section 105 consultation with regards the proposed demolition of Hartopp and Lannoy Points.

9. PROCUREMENT PROCEDURE

The Council will follow an open procedure (single stage) through Contracts Finder (Capital ESourcing) to procure the contractor. Works are estimated below OJEU procurement values for works.

Should this approach not prove successful then the Council will revert to the use of a framework (if one is available for demolition contractors) and in order to achieve the outcome of, subject to cabinet approval, ensuring the demolition of Hartopp and Lannoy Points by Winter 2020.

10. CONTRACT AWARD CRITERIA

The contract will be awarded based on the most economically advantageous tender using a 50/50 price quality split. This is rather than the usual 60 quality 40 price split as the technical elements of the contract are highly specialised and a high element of compliance is required to be able to undertake the contract. The 50:50 split allows the Council to be able to better test value offered against the rigorous specification.

Evaluation will be carried out in the first stage against a 'pass/fail' set of criteria, including financial health, insurance levels, company history in health and safety and employment compliance, and other statutory requirements, followed by a technical and commercial evaluation process. Only companies that pass this initial stage will move to the next evaluation stage of price and quality assessment.

Technical evaluation, comprising 50% of the final score, will be consider tenderers' responses to the following areas and weightings:

Technical ability – 25%
Capacity and resources – 15%
Health and Safety – 20%
Behaviours – 10%
Service based method statements – 30%

Commercial evaluation, comprising 50% of the final score, will consider tenderers' response to a pricing schedule that will be based on different elements of the required processes, resulting in a comparable total score. The lowest price submitted will receive 100%, with the other tenderers scoring in relation to the difference between their price and the lowest price submitted.

The winning bid will that which scores the highest amount when both the technical and commercial scores are added together.

As this is such a high risk and high-profile area of activity that it is intended to appoint a main contractor and a reserve contractor.

PROJECT MANAGEMENT AND GOVERNANCE

11. PROJECT MANAGEMENT

The service review team will include:

- David McNulty – Assistant Director Operations
- Graham Coupar – Asset Management Technical Consultant
- Jacqueline Alexander – Head of Capital Delivery
- Rebecca Shaw – Procurement Advisor (The Economy Department)
- Matt Rumble – Head of Area Regeneration

12. INDICATIVE TIMETABLE

- Technical specification: May 2019
- Invitation to tender: June to July 2019
- Evaluation: August 2019
- Contract award: October 2019
- Contractor mobilisation (assuming vacant possession has been achieved by December 2019): January 2020.

13. CONTRACT MANAGEMENT

Graham Coupar will be the lead technical consultant managing the contractor.

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 IN APRIL 2019 AND AT FUTURE CABINET MEETINGS UNTIL SEPTEMBER 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. 78 (published 1 April 2019)

KEY DECISIONS LIST - CABINET IN APRIL 2019

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>
1 April 2019				
Cabinet	1 Apr 2019	<p>Corporate Revenue Monitor 2018-19 Month 9 - Dec 2018</p> <p>forecast of spend v budget</p>	Cabinet Member for Finance and Commercial Services	<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.</p>
	Reason: Affects 2 or more wards		Ward(s): All Wards	
		Contact officer: Emily Hill emily.hill@lbhf.gov.uk		
Cabinet	1 Apr 2019	<p>Drug and Alcohol Wellbeing service contract extension and variation; and The Alcohol Service Contract Extension</p> <p>Proposal to vary the current Drug and Alcohol Wellbeing Service contract to add elements of groupwork and primary care support.</p> <p>PART OPEN</p> <p>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</p>	Cabinet Member for Health and Adult Social Care	<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.</p>
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
		Contact officer: Nicola Ashton, Julia Woodman Tel: 020 8753 5359, Nicola.Ashton@lbhf.gov.uk, Julia.Woodman@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>)
		outweighs the public interest in disclosing the information.		
Cabinet	1 Apr 2019 Reason: Expenditure more than £100,000	Agreement for direct award of contracts for the provision of day services for older people To direct award contracts to ensure continuity of day service provision for older people who have been assessed as eligible for support from Adult Social Care.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Lisa Henry Tel: 07584522952 Lisa.Henry@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	1 Apr 2019 Reason: Expenditure more than £100,000	LAND ADJACENT to No. 245 BECHTEL HOUSE, HAMMERSMITH ROAD, W6 – SECTION 278 HIGHWAY IMPROVEMENT WORKS & SECTION 38 HIGHWAY WORKS Section 278 highway improvement works outside no. 245 Bechtel House, Hammersmith Road.	Cabinet Member for the Environment Ward(s): Hammersmith Broadway Contact officer: Solomon Castillo solomon.castillo@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.
29 April 2019				
Cabinet	29 Apr 2019 Reason: Income more than £100,000	Geographical Information Systems (GIS) Software Renewal The reprocurement and implementation of the GIS software solution across the three boroughs. There is currently a joint Enterprise Licence Agreement (ELA) in place with ESRI UK Limited that finishes at the end of September 2019.	Councillor Max Schmid Ward(s): All Wards Contact officer: Geoff Hay Tel: 0208 753 4223 geoff.hay@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 (other relevant documents may be submitted)
Cabinet	29 Apr 2019	<p>Adoption of a free-floating car sharing service and approval to tender and procure operator(s) in LBHF</p> <p>The report proposes to tender and procure Concessionaire service for a free-floating car sharing service in which cars can be hired on a pay as you drive basis and picked up from any shared use bay in the borough.</p>	Cabinet Member for the Environment	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: Income more than £100,000		Ward(s): All Wards	
Cabinet	29 Apr 2019	<p>Family Assessment Service - Contract Variation</p> <p>Hammersmith & Fulham's Family Assessment Service (FAS) is currently provided via a block contract with Tavistock and Portman NHS Foundation Trust from 1st January 2016 to 31st December 2020 at an annual contract cost of £549,992. LBHF and WCC currently pay 50% each of that annual value, at £274,996 p.a.</p> <p>However LBHF's ongoing activity levels for this service have proven to be higher, at 70% usage for H&F vs 30% usage for WCC over the initial three years of the contract. This report therefore seeks Cabinet approval for variation of the contract to allow LBHF to assume responsibility for funding 65% of the remaining two years of the provision.</p> <p>If approved the current annual contract cost of £549,992 would be varied by £82,499 p.a., to a contribution of £357,495 for LBHF and £192,497 for WCC, at a total contract cost to LBHF of £714,990 for the remaining two years of the contract, if the full contract period is utilised.</p>	Cabinet Member for Children and Education	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	

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)
Cabinet Full Council	29 Apr 2019	<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</p> <p>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>	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): Wormholt and White City	
3 June 2019				
Cabinet	3 Jun 2019	<p>White City Estate Sustainable Urban Drainage & Streetscape Improvement Scheme On The Public Highway</p> <p>The Council's is looking to retrofit sustainable urban drainage in the White City Estate. This report seeks approval for the public highway element of the project.</p> <p>The project is led by Highways and will build on existing successful Sustainable urban Drainage Systems and urban greening schemes within the borough, to retrofit green infrastructure into the highway to create replicable residential streets for the future.</p> <p>The scheme has multiple small projects, but with recurring elements, such as permeable parking bays, allowing water to</p>	Cabinet Member for the Environment	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): Wormholt and White City	

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>)
		soak into the ground rather than to the sewer (reducing the risk of sewer flooding further down the catchment).		
Cabinet	3 Jun 2019 Reason: Expenditure more than £100,000	Corporate Property Services Framework The report outlines revised LOTS to ensure external advice can be secured on a wide range of property advice to ensure the administrations outcomes on assets are delivered	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: David Burns, Nigel Brown Tel: 020 8753 2835 David.Burns@lbhf.gov.uk, Nigel.Brown@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 Jun 2019 Reason: Expenditure more than £100,000	CARNWATH ROAD / THAMES PATH IMPROVEMENT SCHEME This report seeks cabinet approval to implement the Thames Path Improvement Scheme on Carnwath Road from Broomhouse Dock, to Whiffin Wharf, and approval to spend the estimated cost of the works. Two separate agreements fund the cost of the works. Tideway through a Sec106 and a sec278 agreement. This is in line with the council's commitment to being ruthlessly financially efficient due to the cost being footed by a developer rather than the council's purse.	Cabinet Member for the Environment Ward(s): Sands End Contact officer: Michael Masella michael.masell@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 Jun 2019 Reason: Expenditure more than £100,000	Counters Creek Flood Alleviation Scheme This report seeks cabinet approval to implement the Counters Creek Flood Alleviation Scheme on various roads in the Borough, and approval to spend the estimated cost of the works. An funding agreement with Thames Water will be signed to fund the full cost of the works. This	Cabinet Member for the Environment Ward(s): All Wards Contact officer: Michael Masella michael.masell@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>)
		is in line with the council's commitment to being ruthlessly financially efficient due to the cost being footed by a developer rather than the council's purse.		
Cabinet	3 Jun 2019 Reason: Expenditure more than £100,000	Highway Maintenance Work Programme 2019/20 Reports seeks approval for the planned highway maintenance work programme for 2019/20.	Cabinet Member for the Environment Ward(s): All Wards Contact officer: Arif Mahmud Tel: 020 7341 5237 arif.mahmud@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 Jun 2019 Reason: Expenditure more than £100,000	Ultra-Low Emission Vehicle Last-Mile Freight Hub Provision of a 'Freight Hub' facility to serve Council departments and businesses and help to reduce traffic and congestion in Hammersmith.	Cabinet Member for the Environment Ward(s): Hammersmith Broadway Contact officer: Hinesh Mehta Hinesh.Mehta@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 Jun 2019 Reason: Affects 2 or more wards	School Organisation Strategy 2019 School Organisation Strategy 2019 submitted for approval	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Christine Edwards Tel: 020 8753 5179 christine.edwards@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	3 Jun 2019 Reason: Expenditure more than £100,000	<p>White City Estate Area - proposed development plans</p> <p>This report sets out the council's ambitions to:</p> <ul style="list-style-type: none"> - consult with local residents around the proposed redevelopment of the White City Area (non-residential land) - procure and appoint a design team - commence legal due diligence to CPO a site on the estate <p>PART OPEN</p> <p>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 the Economy and the Arts</p> <hr/> <p>Ward(s): Wormholt and White City</p> <hr/> <p>Contact officer: Ayesha Ovaisi Tel: 020 8753 5584 Ayesha.Ovaisi@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 Jun 2019 Reason: Expenditure more than £100,000	<p>Signing a Contract Capital Letters</p> <p>Decision to Approve to sign legal agreements and contracts with Capital Letters. A London Councils Sponsored Company to Centralise the Procurement of Temporary and Private Sector Accommodation from Private Landlords.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nicky Pooni Tel: 020 8753 2495/1241 Nicky.Pooni@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 Jun 2019 Reason: Expenditure more than	<p>Offsite Records Storage Service</p> <p>Offsite Records Storage Service, for the secure storage of documents and records in a physical format including paper,</p>	<p>Cabinet Member for Finance and Commercial Services</p> <hr/> <p>Ward(s): All Wards</p>	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 (other relevant documents may be submitted)
	£100,000	<p>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.</p> <p>PART OPEN</p> <p>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>Contact officer: Edward Crow, Anthea Ferguson Tel: 02087536641 Edward.Crow@lbhf.gov.uk, Anthea.Ferguson@lbhf.gov.uk</p>	<p>will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>3 Jun 2019</p> <p>Reason: Affects 2 or more wards</p>	<p>Planning Obligations Draw Down Report</p> <p>The report sets out the recommended use of funds received through Section 106 agreements and received as a result of the CIL schedules in force in the borough and seeks authority for the spend for the financial year 2018/9.</p>	<p>Cabinet Member for the Economy and the Arts</p> <p>Ward(s): All Wards</p> <p>Contact officer: Matt Butler Tel: 020 8753 matt.butler@lbhf.gov.uk</p>	<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.</p>
Cabinet	<p>3 Jun 2019</p> <p>Reason: Expenditure more than £100,000</p>	<p>Nourish Refurbishment Works</p> <p>Procurement of contractor for refurbishment works</p>	<p>Cabinet Member for the Economy and the Arts</p> <p>Ward(s): Shepherds Bush Green</p> <p>Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk</p>	<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.</p>

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Cabinet	3 Jun 2019 Reason: Income more than £100,000	FUNDING AGREEMENTS WITH GLA Entering into funding agreements with GLA to facilitate delivery of affordable housing in the borough.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@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 Jun 2019 Reason: Affects 2 or more wards	REGULATION OF INVESTIGATORY POWERS (RIPA) This report concerns the working arrangements of Hammersmith & Fulham Council for the exercise of functions under the Regulation of Investigatory Powers Act 2000 (RIPA).	Deputy Leader Ward(s): All Wards Contact officer: Claire Rai Tel: 020 8753 3154 claire.rai@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.
1 July 2019				
Cabinet	3 Jun 2019 Reason: Expenditure more than £100,000	Grove Neighbourhood Council - 7 Bradmore Park Road W6 0DT Grove Neighbourhood Council has approached the Council to acquire the Freehold of the property which they currently occupy under a 99 year lease from 20th January 1983 on a full repairing and insuring basis at a "peppercorn rent". 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	Cabinet Member for Finance and Commercial Services Ward(s): Ravenscourt Park Contact officer: Ade Sule, Nigel Brown Tel: 0208 753 2850, Tel: 020 8753 2835 ade.sule@lbhf.gov.uk, Nigel.Brown@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>)
		maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	1 Jul 2019 Reason: Expenditure more than £100,000	Healthy Lifestyles Service Procurement Strategy Report containing the procurement strategy and business case for a new Healthy Lifestyles Service.	Cabinet Member for Health and Adult Social Care Ward(s): All Wards Contact officer: Nicola Ashton Tel: 020 8753 5359 Nicola.Ashton@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.
2 September 2019				
Cabinet	2 Sep 2019 Reason: Expenditure more than £100,000	Rough Sleeper Supported Accommodation Procurement Strategy Various supported housing contracts are expiring in 2020; a procurement strategy is required to ensure new services deliver better outcomes for residents and better value for money. 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: Julia Copeland Tel: 0208 753 1203 julia.copeland@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.