London Borough of Hammersmith & Fulham

Cabinet

hammersmith & fulham

Agenda

MONDAY
2 DECEMBER 2019
7.00 pm

MAIN HALL
FIRST FLOOR
3 SHORTLANDS
LONDON W6 8DA

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
Councillor Wesley Harcourt, Cabinet Member for the Environment
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services
Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Adam Connell, Cabinet Member for Public Services Reform
Councillor Sue Macmillan, Cabinet Member for Strategy

Date Issued
22 November 2019

If you require further information relating to this agenda please contact: Katia Neale, Committee Coordinator, tel: 07776 672 956 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 **6 and 7** 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

Shortlands

3 Shortlands,
Hammersmith,
London W6 8DA

Closest Underground Station
Hammersmith

Closest Bus Stop
Latymer Court (Stop G)

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on item numbers **4 to 7** 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 27 November 2019.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Tuesday 3 December 2019.** Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Friday 6 December 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 **Friday 6 December.**

London Borough of Hammersmith & Fulham

Cabinet
Agenda

2 December 2019

Item		Pages
1.	**MINUTES OF THE CABINET MEETING HELD ON 4 NOVEMBER 2019**	5 - 9
2.	**APOLOGIES FOR ABSENCE**	
2.1	**DECLARATION OF INTERESTS**	
3.	**DEPUTATIONS**	
4.	**CORPORATE REVENUE MONITOR 2019/20 MONTH 5 - 31 AUGUST 2019**	10 - 52
5.	**SAFER CYCLE PATHWAY ROUTE ALONG KING STREET & HAMMERSMITH ROAD AND A4 CYCLE HIGHWAY**	53 - 62
6.	**PROCUREMENT STRATEGY TO DEVELOP A DYNAMIC PURCHASING SYSTEM (UNDER THE LIGHT TOUCH REGIME) WITH THE WEST LONDON ALLIANCE FOR LOOKED AFTER CHILDREN AND CARE LEAVER PLACEMENTS**	63 - 70

This report has one 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.	**TOWN HALL CAMPUS CIVIC PROGRAMME: APPROVAL TO PURCHASE COMMERCIAL UNITS AND JOINT VENTURE UPDATE**	71 - 112

This report has one 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.

8. FORWARD PLAN OF KEY DECISIONS 113 - 125

9. ANY OTHER BUSINESS

LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION

<u>Proposed resolution:</u>

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.

London Borough of Hammersmith & Fulham

Cabinet

Minutes

Monday 4 November 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

65. MINUTES OF THE CABINET MEETING HELD ON 7 OCTOBER 2019

RESOLVED:

That the minutes of the meeting of the Cabinet held on 7 October 2019 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

66. APOLOGIES FOR ABSENCE

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

67. DECLARATION OF INTERESTS

There were no declarations of interest.

68. CORPORATE REVENUE MONITOR 2019/20 MONTH 4 31 JULY 2019

RESOLVED:

1. That Directors and Cabinet members continue to identify and deliver actions that offset the forecast General Fund overspend.

2. To note the Dedicated Schools Grant forecast overspend and cumulative overspend.

3. To note the HRA forecast overspend.

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.

69. TFL FUNDED TRANSPORT LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION 2020/21

RESOLVED:

1. That the LIP 3 spending plan with a total value of £1,598,200 report be submitted to TfL for approval.

2. That authority be delegated to the Chief Officer for Public Realm in consultation with the Cabinet Member for the Environment to approve the detailed design of, consultation on, and implementation of transport projects described in section 4 of this report, subject to favourable outcomes of public engagement and consultation.

Reason for decision:
As set out in the report.

Alternative options considered and rejected:
As outlined in the report.

Record of any conflict of interest:
None.

Note of dispensation in respect of any declared conflict of interest:
None.

70. APPROVAL TO WAIVE THE COUNCIL'S CONTRACT STANDING ORDERS AND TO DIRECTLY AWARD A CONTRACT TO ACTION ON DISABILITY FOR THE PROVISION OF AN INDEPENDENT LIVING DIRECT PAYMENT SUPPORT SERVICE FOR HAMMERSMITH & FULHAM RESIDENTS

RESOLVED:

It is recommended that Cabinet:

1. Approves the waiver of the Contract Standing Orders (CSOs) under CSO 3.1 in relation to the requirement to seek competitive bids under

CSO 10.2b, on the basis that it is in the Council's overall interest and that the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from these CSOs is justifiable;

2. Approves the direct award of a contract for a new Independent Living Direct Payment Support Service to Action on Disability from December 2019 for one year with the option to extend for up to two more at an annual cost of £150,000; and

3. Delegates the decision to exercise the option to extend for up to two years to the Strategic Director of Social Care in consultation with the Cabinet Member for Health and Adult Social Care.

Reason for decision:
As set out in the report.

Alternative options considered and rejected:
As outlined in the report.

Record of any conflict of interest:
None.

Note of dispensation in respect of any declared conflict of interest:
None.

71. PROCUREMENT STRATEGY FOR THE REPROCUREMENT OF MOSAIC

RESOLVED:

It is recommended that Cabinet:

1. Approves the use of the Crown Commercial Services ('CCS') Data and Application Solutions Framework ('DAS Framework') to procure Mosaic.

2. Approves the direct award of a call-off contract to Servelec Education Limited via the CCS DAS Framework under Lot 1b: Workflow and Case Management Solutions for a maximum total cost as set out in the exempt Appendix 3.

3. Delegates to the Strategic Director of Finance and Governance, in consultation with the Cabinet Members for Health and Adult Social Care, Children and Education, and Finance and Commercial Services, the decision to finalise contract arrangements in respect of the contract at paragraph 2.2 above, and the decision to terminate or vary the contract within the above thresholds.

Reason for decision:
As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:
None.

Note of dispensation in respect of any declared conflict of interest:
None.

72. MAJOR REFURBISHMENT OF SIX BLOCKS AT SULIVAN COURT SW6: 13-24 (BLOCK C); 25-44 (BLOCK D); 45-64 (BLOCK E); 65-84 (BLOCK F); 85-104 (BLOCK G); AND 372-443 (BLOCK L)

RESOLVED:

It is recommended that Cabinet:

1. Approves the appointment, subject to satisfactory conclusion of Section 20 consultation, of Mulalley and Company to undertake major refurbishment works to Sulivan Court (blocks C, D, E, F,G and L) as identified in this report for a sum of £3,667,503.00. The contract is expected to be awarded on the 28th November 2019 with a contract period of 32 weeks and is expected to start on site on the 6th January 2020 with a site completion date of 17th August 2020.

2. Approves the addition of a contingency sum of £180,000.00 to the overall budget, identified in 2.1.1. above.

3. Approves the virements totalling £1,342,503 from other HRA capital budget lines to the Sulivan Court Phase 1 works as set out in 9.4 to align the budget with the works proposed within this contract.

4. Notes that the formal award of contract will not be made until completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act 1985.

Reason for decision:
As set out in the report.

Alternative options considered and rejected:
As outlined in the report.

Record of any conflict of interest:
None.

Note of dispensation in respect of any declared conflict of interest:
None.

73. IMPROVING MENTAL HEALTH SERVICES FOR CHILDREN AND ADOLESCENTS IN HAMMERSMITH & FULHAM

RESOLVED:

It is recommended that Cabinet:

....

1. Notes and ratify the decision to directly award the following Child and Adolescent Mental Health Services (CAMHS) contracts:

- A contract for Looked after Children for a two-year period from 1st April 2018 with West London NHS Trust at a cost of £380,083 with provision for a one-year extension;

- A contract for Early Intervention Community Mental Health Services for a one-year period from 1st April 2019 with West London NHS Trust at a cost of £210,932 with provision for a one-year extension;

- A contract for the Meanwhile Parental Health Project for a two-year period from 1st April 2018 with Central North West London NHS Trust at a cost of £163,784 with provision for a one-year extension.

2. Delegates the decision to approve a one-year extension in respect of the two contracts with West London NHS Trust to the Director of Children's Services in consultation with the Cabinet Member for Children and Education.

Reason for decision:
As set out in the report.

Alternative options considered and rejected:
As outlined in the report.

Record of any conflict of interest:
None.

Note of dispensation in respect of any declared conflict of interest:
None.

74. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

75. ANY OTHER BUSINESS

None.

Meeting started: 7.00 pm
Meeting ended: 7.03 pm

Chair

Agenda Item 4

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 02/12/2019

Subject: **CORPORATE REVENUE MONITOR 2019/20 MONTH 5 - 31 AUGUST 2019**

Report of: **Cabinet Member for Finance and Commercial Services – Councillor Max Schmid**

Summary

This revenue budget monitoring report is produced as part of the Council's 2019/20 budgetary control cycle.

An overspend of **£11.130m** is forecast for the General Fund. Action plans of **£1.944m** are proposed as partial mitigation against the forecast overspend. If delivered the forecast overspend will reduce to **£9.186m**. The forecast overspend of £11.13m compares to £10.262m last month and £6.4m at this point last year. Work is underway by officers to close this overspend.

Financial pressures remain regarding the high needs block of services funded through Dedicated Schools Grant. The in-year overspend forecast is £5.8m and cumulative forecast deficit is £19.4m.

The Housing Revenue Account forecast is an overspend of **£3.816m.**

Recommendations

1.1. That Directors and Cabinet members urgently identify and deliver actions that offset the forecast General Fund overspend of £9.2m.

1.2. To note the HRA forecast overspend.

1.3. To approve the virement set out in Appendix 9.

Wards Affected: All

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
• Building shared prosperity	Good financial management is essential for building shared prosperity.
• Creating a compassionate Council	The creation of a compassionate Council requires good management of resources.
• Doing things with local residents, not to them	Monitoring services' financial performance enables the Council to check that it is meeting its goals of doing things with local residents, not too them.
• Being ruthlessly financially efficient	We need to always confirm that spend fits our Council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts.
• Taking pride in H&F	Taking actions to spend within budget is an element in taking pride in Hammersmith and Fulham.

Financial Impact

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

Legal Implications

1.5. There are no legal implications for this report.

Contact Officer(s):

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Name: Andy Lord
Position: Head of Strategic Planning and Monitoring
Telephone: 020 8753 2531
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Verified by Emily Hill, Assistant Director, Finance

Name: Rhian Davies
Position: Borough Solicitor
Telephone: 07827 663 794

Email: rhian.davies@lbhf.gov.uk

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

2. GENERAL FUND

2.1. The forecast month 5 overspend is **£11.130** with risks of £9.45m identified.

Table 1: 2019/20 General Fund gross forecast outturn variance

Department	Revised budget £m	Forecast outturn variance month 5 £m	Forecast outturn variance month 4 £m	Direction of travel
Children's Services	43.706	5.380	4.774	⬇
The Economy Department	8.419	0.352	0.355	⬌
The Environment Department	66.193	2.162	2.316	⬆
Controlled Parking Account	(27.938)	(1.069)	(1.240)	⬇
Finance & Governance*	1.383	1.740	1.469	⬇
Public Service Reform	10.691	3.547	3.665	⬆
Social Care	52.902	2.105	2.105	⬌
Centrally Managed Budgets	17.519	(0.535)	(0.630)	⬇
Total	**172.875**	**13.682**	**12.814**	⬇
Balance of unapplied unallocated contingency	0.000	(2.552)	(2.552)	⬌
TOTAL	**172.875**	**11.130**	**10.262**	⬇
* The overspend for Finance & Governance includes £1.627m regarding commercial and contract savings that transferred at the start of 2019/20				

2.2. Budget Managers and Directors are accountable for delivering services on budget including delivery of existing savings. To compensate for the overall overspend position alternative savings need to be delivered and any savings plans for 2020/21 should be brought forward.

3. HOUSING REVENUE ACCOUNT

3.1. The Housing Revenue Account is currently forecasting an overspend of **£3.816m** at month 5 (Appendix 8).

Table 3: Housing Revenue Account forecast outturn

Housing Revenue Account	**£m**
Balance as at 31 March 2019	**(11.890)**
Less: Budgeted contribution / (appropriation) from balances	4.369
Less: Forecast overspend	3.816
Projected balance as at 31st March 2020	**(3.705)**

4. DEDICATED SCHOOLS GRANT (DSG)

4.1. Dedicated schools grant (DSG) is paid in support of local authority schools' budgets, being the main source of income for the schools. In common with other London Boroughs, the High Needs Block element has come under increased pressure in supporting children with special educational needs and spend is significantly higher than the funding provided by central government. The cumulative total DSG deficit balance carried forward to 2019/20 was £13.6m with an additional £5.8m deficit now forecast in 2019/20.

4.2. The £19.4 million forecast cumulative deficit represents spending more money than grant available and will impact on future school and council resources.

4.3. The Education and Schools Funding Agency expect local authorities to prepare deficit recovery plans however given the scale of the challenge, the Council has set aside an earmarked reserve equivalent in value to the DSG deficit in 2018/19. The DSG deficit reserve is used to cover the potential overspend and based on the current in-year forecast may need to be increased during the year by £5.8m, this will be reviewed during the year.

4.4. A programme of work is underway to reduce the underlying overspend in this area, but it may be several years before the deficit stops increasing before it can be recovered. The latest forecast is that the cumulative deficit will be approaching £30m by the end of 2022/23.

Table 4: Dedicated Schools Grant

	£m
DSG deficit brought forward from prior years	**13.616**
In-year forecast deficit	5.790
Forecast deficit at end of 2019/20 financial year	**19.406**

5. GENERAL FUND RESERVES

5.1. An updated reserves position and strategy is due to be discussed at the next Finance PAC. The issues identified in this CRM report would result in a call on reserves of £14.976m if these cannot be mitigated. This level of drawdown from reserves is not sustainable over the medium term.

Table 5 – Potential impact of Corporate Revenue Monitor 5 on reserves

	£m
Increase in DSG deficit	5.790
Forecast net 2019/20 General Fund overspend	9.186
Reduction in reserves	**14.976**

6. VIREMENTS & WRITE OFF REQUESTS

6.1. A virement from the Corporate Demands and Pressures Reserve of £170,000 is requested to fund the overspend in Waste Management due to additional resources required to review and manage the Serco contract. This is a one-off use of reserves whilst the contract is renegotiated/ tendered and pending any restructure following the safe disaggregation from previous shared services with the Royal Borough of Kensington and Chelsea and establishment of a sovereign Environment department.

7. REASONS FOR DECISION

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

8. EQUALITIES IMPLICATIONS

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

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

8.3. Implications completed by Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

9. RISK MANAGEMENT IMPLICATIONS

9.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.

9.2. Revenue expenditure against budget is monitored by regular reports to the Strategic Leadership Team and Cabinet. These reports provide a snapshot of the revenue position for each Department and for the Council and provide details of any projected additional budget pressures and risks, or any significant under or overspends. As the Section 151 Officer, the Strategic Director of Finance and Governance is required to keep under review the financial position of the Authority. The monthly revenue monitoring is a key part of this review process. If required, measures will be put in place to address any risks identified through the monitoring process and to contain expenditure within approved budgets.

9.3. Effective monitoring assists in the provision of accurate and timely information to Members and officers and allows services to better manage their resources. Corporate Revenue Monitoring contributes to the delivery of all

Council Priorities but chiefly Being Ruthlessly Financially Efficient and sound risk management.

9.4. The effective use of financial resources underpins the Council's activities in support of its strategic priorities. Plans to take remedial action to manage a number of the significant issues highlighted in this report where they approach and exceed our financial risk appetite and risk tolerance have been prepared.

9.5. There are a number of general risks to the Council being able to match expenditure with resources this financial year and over the medium term:

- Austerity imposed by national government and its impact on Local Government.
- Achievement of resulting challenging savings targets.
- Brexit and the state of the UK economy.
- Commissioning and Procurement outcomes.
- Impact of the fall in the pound on inflation and pay.
- Demand-led Service Pressures E.g. Adult Social Care, Child Protection etc.
- Potential adjustments which may arise from the various Grant Claims.
- Movement in interest rates.

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

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

10. OTHER IMPLICATIONS

10.1. None.

11. CONSULTATION

11.1. None

List of Appendices:

Appendix	Title
Appendix 1	Children's Services
Appendix 1a	Dedicated Schools Grant
Appendix 2	The Economy Department
Appendix 3	The Environment Department
Appendix 3a	Controlled Parking Account
Appendix 4	Finance & Governance

Appendix	Title
Appendix 5	Public Service Reform (PSR)
Appendix 5a	PSR – Corporate Services
Appendix 6	Social Care
Appendix 7	Centrally Managed Budgets
Appendix 8	Housing Revenue Account
Appendix 9	Virement Requests

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

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Family Services	30,454	3,163	2,918
Special Educational Needs and Disabilities	8,420	2,310	1,941
Education	1,190	(54)	(63)
Assets, Operations & Planning	3,642	(39)	(22)
School Funding	0	0	0
TOTAL	**43,706**	**5,380**	**4,774**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Family Services		
Family Services Social Care Placements - The Family Services placement budgets received growth of £2.050m and the service identified savings of £1m in 2019-20. Since the growth bid there has been significant growth in numbers above previous trends. LAC numbers have increased by 8 to 250, up from 242 in November 2018. This has led to an overspend of £2.6m, £2.2m of which relates to the placements and £355,000 other associated costs such as travel and subsistence. Forecasted spend on placements is £1.13m higher than last year's outturn. The costs of under 18s in private or voluntary residential care are forecast to total £3.7m which is £737,000 higher than the last financial year and represents the largest increase despite the increase being just 3.7FTE. Under 18 Semi Independent costs have increased by £365,000 to £2m with FTEs up by 7.4. The placements forecast is £13.4m of which 28% (£3.8m) is attributable to just 20 of the c.567 cases. These are highly complex cases with 10 of the 20 expected to cost over £200,000 this financial year with weekly costs up to £6,400 per week. There has been an increase from last month of £235,000 which is due to £506,000 (11.5FTE) of new placements. This is partly offset by 4 step-downs (£162,000 reduction) and increases to income (£130,000).	2,209	2,018

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Secure remand spend is expected to be over £451,000 compared to £102,000 incurred in 2018-19. We have incurred costs for 10 individuals already this year compared to 9 in the whole of 2018-19. £87,000 of the forecast relates to contingency for secure remand. Total contingency including secure remand in the forecast position is £394,000. There is considerable risk around the sufficiency of this contingency given the current rate of increase in LAC placements.		
Client related non-placement costs Alongside the costs of a placement there are a number of additional costs including travel and subsistence and various statutory allowances. The forecasted client transport overspend is £342,000. There are 28 regular clients forecasted for the full financial year 2019/20. Regular review meetings between the transport team and services across continue to be held in 2019/20 to monitor spend and usage.	355	311
The special project to take additional children has been funded by Home Office grant and centrally funded (where costs exceed the grant) as it sits outside the usual remit of children's services. Growth was provided in the 2019-20 budget to fund the full net expenditure on Dubs. Since the growth bid a further 11 Dubs children have been placed in the borough. However, due to large reductions in the placement costs for two of the highest cost placements, the 2019-20 budget is expected to cover all costs including the 11 additional placements and the associated staffing costs. There are a total of 26 Dubs Children now placed in the borough.	0	0
Contact and Assessment There is a projected staffing overspend of £169,000 which primarily relates to the usage of 10 agency staff in the service. This includes cover for 3 social workers on maternity leave with the rest covering budgeted vacant posts whilst recruitment is taking place. Based on last year's maternity budget allocation we are only able to assume that 48% of the maternity costs will be funded corporately.	172	165

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Family Support and Child Protection (FSCP) Cabinet have approved a contract variation of £82,000, per annum, on the Multidisciplinary Family Assessment Service contract with the Tavistock and Portman NHS Foundation Trust. There are 2018/19 FSCP contract costs c.£90k which will be incurred in 2019/20 due to an error and is included in the forecast. The service are carefully monitoring its usage and costs of the Tavistock and Portman contract and to ensure that the assessments are covered under the block contract rather than spot purchasing. There is a projected staffing overspend of c. £97,000 primarily due to the temporary usage of agency staff. There are 3 postholders on maternity leave with agency staff covering. We assume that 48% of the maternity costs will be funded corporately. The service are currently going through a recruitment process to fill other vacant posts. The forecast assumes agency workers to the end of August 2019. There is a risk of not filling all posts. The service was unsuccessful in attracting applicants for previous Social Worker posts. The successful candidates will be Social Care Workers progressing towards a Social Worker role, and so may not hold full caseloads, with a continuing need for agency workers. The Service is exploring overseas recruitment. An under 3 years nursery placement forecast of c£50,000 which is unbudgeted. The projected outturn variance increased by £67,000 mainly due to £23,000 of 2018/19 Tavistock contract payment incurred in P5 and interpreter fees of £24,500 (which are offset against the Director's budget, shown under other minor variances, where they were previously forecasted).	400	333
Contact Centre The service is experiencing an increase in family supervision referrals both from within the directorate and from court orders. Based on the likely number of additional hours required, the service are employing 6 additional sessional workers. It is assumed that 2 of these workers will be required on a full-time basis with 4 workers being required for 20 hours a month. The forecast assumes that these 6 additional sessional workers will be fully utilised from September to the end of the financial year.	70	84
Other minor variances	(43)	7

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Minor variances are spread across services including staffing underspends in fostering and adoption and Safeguarding & Quality Assurance. An £82,000 pressure is caused by unbudgeted contracts relating to the Council's commitments as part of the West London Alliance. These are WLA Commercial and Procurement (NWOW) £15,000, Children's Commissioning Service £44,000 and Careplace £23,000.		
Total of Family Services	**3,163**	**2,918**
Special Educational Needs and Disabilities		
Travel Care and Support In 19/20 there has been a 12% increase in student numbers using SEN transport, compared to the same period last year. In addition, there has been a 20% increase in the destinations students are transported to. Journey times have increased with an increase in average cost per trip in taxi transport. The current forecast includes part delivery of £170,000 2019-20 savings initiatives totalling £260,000 but does not include additional demand growth over and above the current cohort of pupils using the service. Further opportunities to deliver savings are being explored to help mitigate the risk of under delivery of 2019-20 savings.	816	816
Education and Healthcare Planning (EHCP) casework There is a pressure of £357,000 due to the additional cost of 8 supernumerary agency staff required until the end of October 2019. The funding used to pay for the costs of transferring children with existing statements to EHC plans was exhausted in 2018/19 causing the overspend against the established staffing budget. There is a £193,000 increase from CRM 4 caused in part by delays to recruitment resulting in the extension of agency staff assignments from the previous expected end date in August to the end of October (£136,000). In addition, the completion of a full post level budgeting exercise and review of DSG funding regulations means this team is now fully general funded with the DSG no longer covering any of the overspend. A corresponding favourable movement on the DSG has been realised. A staffing reorganisation report has been prepared which outlines a staffing structure funded within the service area budget. This will ensure overspend is not continued into 2020/21.	357	164

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Children with Disability Placements (Short breaks and care packages) There are currently 9 residential placements which the local authority pays in full or part funds with health. The LA contribution is £874,000. There are 89 care packages that the local authority part or fully pays for which total £891,000 and 107 direct payments recipients totalling £536,000. Overall short breaks and placements budget totals £1.9m against a projected net expenditure of £2.5m making a total overspend of £0.6m. The £144,000 movement from CRM 4 is due to 1 new residential placement costing £123,000 for the remainder or the year. The forecast for spot purchased care packages has increased by £29,000 and includes 2 new packages agreed. £16,000 worth of direct payment changes including 6 new ones. Contingency for future growth is £208,000 which is a reduction been reduced by £25,000 which partly offsets these increases.	644	500
The Haven Centre and Stephen Wiltshire Centre The income generated by The Haven has reduced due to one RBKC child moving out. An additional LBHF service user is now placed at The Haven. The overall impact is a forecast overspend of £317,000 against budget. There are also 89 spot purchased care packages referred to above that are fully or part funded by the local authority. This is partly offset by an underspend of £128,000 on the Stephen Wiltshire Centre. A full post level budgeting exercise has concluded with budget set for the ongoing staffing structure which is underspent in this financial year due to part year vacancies.	190	204
SEND Staffing Pressures Staffing pressures exist within the service due to 'vacancy factor' budget which was required to manage the structure within funding available. However, holding vacancies is not currently possible given the demand and pressures within the service. A post level budgeting exercise has been completed and a longer-term strategy to address the shortfall is being developed alongside the requirement to reduce the structure by 2021/22 due to time limited growth coming to an end.	236	186
Other minor variances from across the service.	67	71

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Total of Special Educational Needs and Disabilities	**2,310**	**1,941**
Education Service		
Underspend partly due the Head of School Effectiveness post being covered by a part time consultant.	(54)	(63)
Total of Education	**(54)**	**(63)**
Assets, Operations & Planning		
Minor variances	(39)	(22)
Total of Assets, Operations & Planning	**(39)**	**(22)**
TOTAL VARIANCE	**5,380**	**4,774**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Tower Hamlets Judgement - the likely liability should all connected carers be paid carers fees for prior years possibly back to 2011 is estimated to be in the region of £2.1m. Three families (6 children) have brought claims prior to 2018/19 via the same solicitors totalling £141,000. In addition, in 2018/19, two families (3 children) brought claims with costs of approximately £60,000.	2,100	2,100
Placements - Placement savings through LAC and Family Assist must be monitored to ensure that delivery of savings is on track. The continuing high cost placements forecast puts pressure on this activity being delivered. The number of young people in residential care remains small, however they are often complex and highly expensive cases meaning that LAC Assist have to work with the young person for some time before they can be considered for step-down or non-residential placement. In addition to the contingency for net placement increases in year, there is a risk of further exceptional demand growth, particularly from high cost residential placements This risk will decrease each month as new placements are built into the forecast. There is £394,000 contingency for net placement growth built into the forecast. Risk is with respect to growth exceeding contingency allowance. Growth in the last two reporting periods has exceeded £0.5m per month. Contingency and risk allows for net £50,000 growth per month in each case respectively.	450	450

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Risk of additional expenditure required to address The Haven improvement plan.	150	0
Children with Disability Placements - the current forecast contains £208,000 of contingency for demand led growth. Any net increase in demand above this level will increase the overspend on the service. 1 residential placement could cost up to £150,000 per year (after a possible 50% CCG contribution).	100	100
Children with Disability Placements - the current forecast includes £731,000 of income from the Clinical Commissioning Group (CCG) based on agreements to part fund a number of care packages. £150,000 is not yet guaranteed so there is a risk around receiving the full amount projected.	150	150
SEN transport - It is expected that there will be further significant movement during the Summer 2019 mobilisation as students leave education, transfer to new destinations and new students join transport. It is expected that this impact will be clear at P6/P7 but it is currently estimated to be around £175,000. There is a clear upward trend of growth across the service which continues to pose a significant risk to the budget during 2019/20.	175	175
A recent review of the finance regulations that informs DSG budget allocations has meant central spend previously funded by DSG now has to be funded by either traded income, additional fees or general fund. Charging an admin fee to other LAs who place pupils in LBHF maintained schools, was previously put forward as mitigation towards the forecast overspend on the HNB. However, this has since been applied against the general fund SEND budget in order to ensure central services are fully funded as part of the regularisation of the use of DSG. There is a risk to the general fund if this income is not achieved.	198	198
Maternity costs - there are currently 12 Children's Services staff on maternity leave. The corporate budget which is provided to departments at year end is only expected to cover 45% of the direct maternity leave costs. Where the department has to backfill with agency staff the costs will often be higher than the budget for the post causing further pressure for the department. This pressure is estimated at £200,000 and is built into the forecasts. Any additional maternity arrangements will mean that the corporate budget is stretched further leading to a further increase. The additional costs of agency cover above the budget for the post will be on top of this.	50	50

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
TOTAL RISKS	**3,373**	**3,223**

Supplementary Monitoring Information

Travel Care and Support

Education and Healthcare Plans (EHCPs) have increased by 40% since 2017/18. The increase in children with a plan has meant more children qualifying for a travel care plan.

Year	2014	2015	2016	2017	2018	2019
Numbers of Statements / EHCs	647	725	783	776	906	1,113
Percentage change		12%	8%	-1%	17%	23%

The budget for transport has increased at a much lower rate and reduced due to savings for 2019/20.

Hammersmith and Fulham - SEN Trai	2017/18	2018/19	% increase	2019/20	% increase
EHCP's	776	906	17%	1113	23%
Number of students receiving transport*	175	247	41%	275	11%
Budget**	£2.490m	£2.761m	11%	£2.603m	-6%
Outturn	£2.591m	£3.176m	23%	£3.472m	9%
Difference from budget to outturn	£0.101m	£0.415m	15%	£0.869m	33%

Also driving up the costs are the number of single occupancy destinations which have increased by 19% since last year.

	May-18	May-19	Var
SEN students	247	279	12%
Destinations	56	67	20%
Single Occupancy destinations	31	37	19%

Family Services Placements

Table showing movement from 2018-19 outturn to the 2019-20 forecast. Under 18 Private and voluntary residential spend is set to increase by £737k and 3.7 FTEs. Secure Remand spend is expected to increase by £348k.

Supplementary Monitoring Information

Service Category	2018-19 outturn	2019-20 Forecast	Change between years	FTE for 2018-19	FTE for 2019-20	Change in FTE between years
P&V Residential U18	£2,971,906	£3,709,401	737,495	14.40	18.14	3.74
Semi Independent U18's	£1,740,577	£2,105,385	364,807	30.25	37.66	7.41
Secure Remand	£102,454	£450,877	348,423	1.27	2.89	1.62
P&V Fostering (Agency) U18's	£2,267,050	£2,612,058	345,009	44.72	49.79	5.08
Staying Put Grant	-£117,722		117,722			
Semi Independent Non Funded Asylum Seekers		£100,000	100,000			
Semi Independent (Block Contract)	£1,011,115	£1,079,956	68,841	73.00	82.00	9.00
Mother & Baby Residential	£215,859	£253,761	37,902	1.46	1.90	0.44
Special Guardianship	£1,285,774	£1,305,201	19,426	124.74	119.23	-5.50
Secure Welfare	£0	£0	0			
SIL (Block) - Centrepoint	£0		0	0.00		0.00
Youth Justice Board	-£112,372	-£112,372	0			
Residence Orders	£67,210	£63,026	-4,185	6.70	6.62	-0.08
Staying Put	£347,317	£328,663	-18,653	16.78	15.55	-1.23
Health	-£180,618	-£201,263	-20,645			
Kinship	£329,742	£292,127	-37,615	27.30	30.48	3.18
Adoption	£381,190	£334,335	-46,855	30.42	30.89	0.47
SEN	-£243,544	-£295,704	-52,160			
Semi Independent 18+	£1,450,702	£1,354,486	-96,217	32.05	33.85	1.80
Staying Put Grant & New Burdens		-£117,722	-117,722			
In-House Fostering (0-18)	£1,938,084	£1,785,596	-152,489	74.16	71.37	-2.79
Leaving Care Legacy & National Rate	-£160,029	-£352,514	-192,486			
UASC Legacy & National Rate	-£1,031,506	-£1,299,700	-268,194			
Total	**£12,263,191**	**£13,395,596**	**1,132,405**	**477.24**	**500.37**	**23.12**

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

Table 1 - Variance by Departmental Division			
Dedicated Schools Grant - Paid in support of the Local Authority's School Budget	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
High Needs Block Expenditure	21,269	5,851	5,129
Early Years Block Expenditure	15,716	0	0
Schools Block Expenditure	37,927	0	0
Central School Services Block Expenditure	4,065	(61)	(11)
DSG Income	(78,977)	0	0
TOTAL	**0**	**5,790**	**5,118**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
High Needs Block *(High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision)*		
The forecast represents an improvement of £1m on the 2018-19 outturn position of £6.86m but has increased by £722,000in month 5, as a result of various factors. The ESFA have adjusted the provisional allocation received in March 2019 down by £799,000 in July 2019 and is being queried with the ESFA. £1.740m of the current forecast accounts for SEN service teams and services provided centrally by the LA. This forecast has seen a favourable movement of £119,000 from Month 4.	5,851	5,129
	5,851	**5,129**
Early Years Block *(Funding for Early Years including Two-Year-Old funding and Early Years Pupil Premium)*		
No variance is reported at this stage	0	0
Total of Early Years Block	**0**	**0**
Schools Block *(This budget of the DSG forms the core funding for mainstream maintained schools)*		
Nil variance forecast. The budget has been set for 2019/20 on available activity data.	0	0
Total of Schools Block	**0**	**0**
Central School Services Block *(Funding for the Local*		

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Authorities ongoing responsibilities)		
A favourable variance is expected at this stage.	(61)	(1)
Total of Central School Services Block	**(61)**	**(1)**
TOTAL VARIANCE	**5,790**	**5,128**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
A comparison of census data at January 2018 and January 2019 suggests that the cohort of LBHF pupils placed in LBHF schools has increased by 7.5%. The total spend in 2018/19 was £8.5m, which would suggest that the growth risk in year is in the region of £640,000, before any mitigating action. Spend in 2018/19 on LBHF pupils placed out of borough was £6.5m, however it is not clear whether this cohort will be increasing in 2019/20 because the relevant datasets are not available. If, however, a similar assumption is made, the growth risk is approximately £485,000, taking the overall risk of increased placement costs in 2019/20 to £1.12m. Work is underway to review the SEN cohort, including the impact of phased transfers in year. This growth risk can be reduced by £354,000 from Month 4 as this is now included in the forecast.	771	1,125
The current H&F Learning Support Assistant (LSA) hourly rate to meet the needs of children with Education Health Care Plans (EHCP) were last reviewed over 5 years ago. A review and consequent increase in the LSA hourly rate is likely to increase the spend on EHCP provision. Pending review, it is difficult to quantify the financial impact. If for example rates were to increase by 5%, this would increase spend on EHCPs by £350,000 based on actual TA hours used in 2018/19	350	350
2018/19 RISKS	**771**	**1,125**

	£m
DSG deficit brought forward from prior years	**13.616**
In-year forecast deficit	5.790
Forecasted deficit at end of 2018/19 financial year	**19.406**

APPENDIX 2: THE ECONOMY DEPARTMENT
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Housing Solutions	6,826	350	351
Growth	52	14	17
Economic Development, Skills Service	558	0	0
Planning	794	(12)	(13)
Operations	94	0	0
Property Services & Compliance	90	0	0
Direct Delivery	5	0	0
TOTAL	**8,419**	**352**	**355**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Housing Solutions		
There is a forecast increase in average client numbers (from a budget of 968 units to a forecast of 974 compared to 961 in CRM3 and 985 in CRM2) in Private Sector Leased (PSL) temporary accommodation schemes. This has increased the forecast for rent payments to landlords by £113,000 compared to CRM 4. The forecast bad debt provision has reduced by (£114,000) (from budget of 8.5% to a forecast of 7.5%) to reflect an improvement in the collection rate over the last few months.	30	31
There is a forecast reduction in average client numbers (from a budget of 133 clients to a forecast of 71, compared to 75 in CRM2) in Bed and Breakfast (B&B) temporary accommodation.	(257)	(257)
Cost avoidance payments of £600,000 to Private Sector Leasing and Direct Letting landlords are expected to be made this year in order to enable the Council to secure temporary accommodation properties. A further £450,000 is expected to be incurred this year under a Cabinet approved plan to invest up to £900,000 from the Temporary Accommodation reserve to secure 300 additional private rented sector properties to prevent homelessness or enabling households to exit temporary accommodation.	600	600
Flexible Homelessness Support Grant is provided by Government to cushion the impact of the removal of the management fee for Temporary Accommodation (after allocating £2,589,400 to PSL and deducting an assumed £100,000 which we expect Registered Providers to claim). Government have stated the aim is to ‘empower LAs with the freedom to support the full range of homelessness services	(116)	(116)

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
they deliver' and plan their provisions with more certainty. It should be noted that this is only guaranteed to 2020/21 so there is a risk of significant budget pressure thereafter.		
It is expected that there will be a number of other minor variances mainly on repairs and legal costs.	93	93
TOTAL of Housing Solutions	**350**	**351**
Growth		
Rent and Other Properties overspend is made up of a shortfall on rental income of £15,000 and previous years' rental income generation targets not fully realised (£98.000).	113	114
Valuation Services underspends in the Asset Management section on contractors and legal charges (£39,000) and recharges income of (£60,000).	(99)	(97)
TOTAL of Growth	**14**	**17**
Economic Development & Skills Service		
	0	0
TOTAL of Economic Development & Skills Service	**0**	**0**
Planning		
Development Management - an overspend of £204,000 relates to exceptional costs for counsel, legal and other specialist advice on a number of specific planning applications. This is mostly offset by a favourable staffing variance of (£71,000) as a result of an ongoing recruitment process following the restructure of the service.	133	99
Spatial Planning - this relates to staffing vacancies as a result of an ongoing recruitment process following the restructure of the service.	(163)	(130)
Planning Management - this relates to a review of the apportionment of staffing costs between Planning and other divisions.	18	18
TOTAL of Planning	**(12)**	**(13)**
Operations		
	0	0
TOTAL of Operations	**0**	**0**
Property Services & Compliance		
	0	0
TOTAL of Property Services & Compliance	**0**	**0**
Development & Regeneration		
	0	0
TOTAL of Development & Regeneration	**0**	**0**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
TOTAL VARIANCE	**352**	**355**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Month 5 £000**	**Month 4 £000**
Overall Benefit Cap	58	67
Direct Payments (Universal Credit)	20	23
There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 100 households this year above the current forecast	351	401
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	152	173
There is a risk of large families being accommodated in B&B	106	121
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	275	314
Economic Development - service is undergoing a full review and there is a risk of overspend during this period of transition as the service is restructured to better align function and outcomes with the Council's industrial strategy	60	60
Planning - in recent years, the cost of judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document has been met from earmarked reserves, but these funds are now exhausted and therefore, there is an ongoing risk of an overspend against the budget	300	300
Building & Property Management: 277 Goldhawk Road (Ladybird Nursery) lease renewal is due to be completed in August. The new rent is due to commence after completion. Backdated rent of £42,000 is currently being held in the Holding account.	38	38
Planning Fees – the latest income figures suggest that planning fees may be approximately 20% lower than budgeted; officers are carrying out further analysis and the forecast will be updated for CRM 6.	750	0
TOTAL RISKS MANAGED	**2,109**	**1,497**

Supplementary Monitoring Information
Long Term Trends:

Supplementary Monitoring Information
The Temporary Accommodation service faces a long-term trend of: • rising rents, • constraints on income collection because of Welfare Reform • increases in demand from homeless families. The number of households in Temporary Accommodation has been increasing annually (1,214 at April 2016; 1,324 at April 2017; 1,444 at April 2018; with a slight reduction to 1,292 at April 2019). The current number of households in Temporary Accommodation is 1,242 (at 1 September 2019) and this represents a rise of over 2.3% since April 2016 at a time when the London average has increased by 5%. TA numbers are projected to increase to 1,275 at April 2020 and 1,325 at April 2021 and 1,375 at April 2022. The number of enquiries and subsequent homeless applications is very much consistent with the same period in 2019/20, indicating that the changes brought about with the Homelessness Reduction Act are now settled and embedded. The total number of enquiries for the year to date to August 2019 was 1,168, compared with 1,117 for 2018/19; a monthly average of 234 and 223 respectively. In August 2019 alone there were 235 enquiries, compared with 254 in August 2018. The number of homeless applications in August 2019 was 70, and for the year to date was 418 (an average of 84pcm). In August 2018, the number was 116, with a year to date figure of 406 (at an average of 81pcm). It's notable that the same peak experienced over the summer holidays in 2018/19 has not been repeated in 2019/20. Instead enquiries and applications have been consistent over the course of the year.
Planning income in recent years has fluctuated between £3.1m (2017/18), £3.6m (2018/19) and is currently forecast to reach £3.7m in 2019/20. The forecast is being closely monitored and any variance from the income target will be reported here. The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including: • Changes to the statutory charging schedule • Economic factors such as the impact on planning activity of Brexit • Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation • Changes to pre-application charging fees and Planning Performance Agreement templates • Local and wider market conditions • Availability of development sites in the borough • Developers by-passing the pre-application process as it is not compulsory • Reduced developer funding of Planning Performance Agreements • Government schemes to encourage house building, including grant schemes • Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market) • Adverse weather conditions

APPENDIX 3: THE ENVIRONMENT DEPARTMENT
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
Public Realm	32,388	474	637
Community Safety and Regulatory Services	4,154	499	489
Leisure, Sport and Culture	5,936	488	492
Resident Services	23,095	701	679
Executive and Support	621	0	0
TOTAL	**66,193**	**2,162**	**2,297**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Public Realm		
Electric Vehicle Charging income 2018/19 and 2019/20 was not budgeted and no income accrual in 2018/19	(335)	(335)
Network Management income shortfall in line with previous years	44	77
Metro Wireless WIFI income shortfall in line with previous years	126	126
Temporary Traffic Orders net income	(58)	(57)
Savings target for sponsorship of information boards on public highways not met	50	50
General Maintenance planned underspend	(100)	(100)
Streetlighting energy underspend due to LED lighting	(52)	0
Waste disposal underspend assuming tonnages broadly in line with last year	(94)	(66)
Unfunded waste contract inflation	425	425
Existing saving on waste contract not expected to be fully realised	159	159
Savings target for removal of clear all service	83	83
Staffing pressures in Waste Management due to unbudgeted posts	177	177
Net underachievement of income in Commercial Waste	47	89
Other smaller net variances	2	9
Total Public Realm	**474**	**637**
Community Safety and Regulatory Services		
Building Control income shortfall assuming income in line with 2018/19. Service to be reviewed to assess potential for growing income	302	290
CCTV overspend, due mostly to additional costs of backfilling vacant shifts on the 24/7 rota (vacancies and sickness absence cover)	55	55
Commercial income target for deployable CCTV cameras not met	100	100

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Emergency Planning Salary overspend due to permanent recruitment of unbudgeted staff	40	40
Emergency Planning - decision to maintain existing emergency response rota cover, meaning prior year saving not fully realised (£34,000) and additional annual contribution to the London Resilience Fund (£15,000)	49	49
Community Safety Reserve funding for Silver Rota/London Resilience costs	(49)	(49)
Other smaller net variances	2	4
Total Community Safety and Regulatory Services	**499**	**489**
Leisure, Sport and Culture		
Loss of Lettings income as a result of decanting from Hammersmith Town Hall	160	160
Transfer from the Civic Campus Reserve for Lettings income losses, resulting from the decant from Hammersmith Town Hall	(160)	(160)
Decline in Hammersmith Town Hall Lettings income over the past four years (not relating to Hammersmith Town Hall decant)	47	52
Events in parks income shortfall, due mostly to member preference to restrict the number of large events in parks (mostly funfairs and circuses)	43	53
Filming income shortfall - prior year saving (£50,000) not fully realised and lost income opportunity when Fulham Town Hall closed (£45,000)	97	95
Commercial income target for Parks and Markets events not met	100	100
Savings target for Libraries Trust model not met	150	150
Libraries staff savings, assuming disaggregation occurs from July and no additional recruitment	(75)	(75)
Libraries savings shortfall - delayed implementation of Smart Open (£100,000) and shortfall against new income generating opportunities (£105,000)	205	205
Increased income from Leisure Contract, assuming the Council funds the capital investment required to deliver this increased income (decision on funding source not yet confirmed)	(187)	(187)
Savings target for better procurement in parks not met	50	50
Other smaller net variances	58	49
Total Leisure, Sport and Culture	**488**	**492**
Resident Services		
Existing restructure saving not expected to be realised. Restructure proposals being considered with a view to delivering this saving in the medium term	481	481

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Collection fund income	99	88
Local support payment less than budget	(150)	(150)
Savings target for delayed Channel Shift project (new proposals now being developed)	150	150
Unfunded staffing costs relating to complaints function	110	110
Other smaller net variances	11	0
Total Resident Services	**701**	**679**
Executive Directorate and Support		
No expected issues	0	0
Total Executive Directorate and Support	**0**	**0**
TOTAL VARIANCE	**2,162**	**2,297**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Potential pressure on staffing costs from interim sovereign structures, following Bi-Borough disaggregation of services	400	400
Risk that s.106 funding not confirmed for CCTV	120	120
Funding for Climate Change programme not yet identified	200	TBC
TOTAL RISKS MANAGED	**720**	**520**

Supplementary Monitoring Information
A number of historic savings which are difficult to deliver are included in the base budget for the Environment Department. Some of these were dealt with through a realignment of budgets within the Department in CRM3, although several still remain as set out above. The Department will agree and implement a number of spend control measures with the aim of bringing the budget back in line for 2019/20. Beyond this year, the Department will continue to progress and implement plans to tackle the remaining budget pressures. Alternative budget reductions will be agreed and implemented where there are no opportunities for mitigating action.

APPENDIX 3A: CONTROLLED PARKING ACCOUNT
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Controlled parking income	(38,994)	(834)	(927)
Controlled parking expenditure	11,056	(235)	(313)
TOTAL	**(27,938)**	**(1,069)**	**(1,240)**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Parking Control		
Controlled Parking Income		
Parking PCN Income	322	362
Suspensions Income	440	440
Pay & Display	(1,551)	(1,551)
Residents Parking	(38)	(155)
Removals & Storage	(7)	(23)
Controlled Parking Expenditure		
Under spend on supplies services due primarily to the completion of rollout of the cashless parking resulting in reduction of cashless and maintenance contract	(113)	(142)
Salary underspend	(122)	(171)
TOTAL VARIANCE	**(1,069)**	**(1,240)**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
There is a risk that the new CCTV room in Beavor Lane will not be ready for the team to move into as part of the decant from the town hall. Options are being explored to reduce this risk with the projects team. The risk is based on the possibility that here could be a six-week disruption to the service going forward.	750	750
TOTAL RISKS MANAGED	**750**	**750**

Supplementary Monitoring Information
None to report

APPENDIX 4: FINANCE & GOVERNANCE
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Properties and Facilities Management	7,603	55	55
Legal and Democratic Services	1,218	59	58
IT Services	13,134	0	0
Finance	3,758	0	0
Audit, Fraud and Insurance	1,026	0	0
SUB-TOTAL	**26,738**	**114**	**113**
Contracts and Commercial Services (transferred to FG as at 01/04/19)	(3,535)	1,627	1,356
Departmental non-controllable budgets	***(21,820)***	***0***	***0***
TOTAL	**1,383**	**1,740**	**1,469**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Properties and Facilities Management		
Civic Accommodation: unfavourable variance in income from renting space.	55	55
TOTAL PROPERTIES AND FACILITIES MANAGEMENT	**55**	**55**
IT SERVICES		
The service is expecting to underspend on staffing costs and contract costs although this is offset by difficult to achieve income from the expected resale of licenses to external customers.	0	0
TOTAL IT SERVICES	**0**	**0**
LEGAL AND DEMOCRATIC SERVICES		
Elections: The service has received a 58% reduction in Central Govt grant for Individual Electoral Registrations since 2015/16, whilst the costs of statutory services relating to contacting residents have increased due to the growth in the borough profile. This remains an ongoing budget pressure for the service.	53	52
Coroners and Mortuary: The overspend is due to increased activity which has resulted in additional costs for staffing, coroners' expenses and supplies and services. This budget pressure is likely to remain for the foreseeable future. It should be noted this is after agreed increased recharges to partner boroughs. The coroners' services is forecast to overspend by £62,000 against a net budget of £126,000. Mortuaries are forecast to underspend by £56,000 as a result of a revised recharging method agreed and increased	6	6

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
income forecast for second post mortems.		
TOTAL LEGAL AND DEMOCRATIC SERVICES	**59**	**58**
TOTAL FINANCE	**0**	**0**
TOTAL AUDIT, FRAUD AND INSURANCE	**0**	**0**
Contract Management Savings - potential of not realising the budgeted savings target for savings. There have been difficulties in recruiting a head of service to support delivery however non care contracts are being considered at as part of the Zero-Based Budgeting programme. The service transferred to Finance & Governance from May 2019.	1,250	1,000
Advertising Hoardings: Variance to budget from existing and new sites. Work underway to address and close this shortfall.	377	356
TOTAL COMMERCIAL & PROCUREMENT	**1,627**	**1,356**
TOTAL VARIANCE	**1,740**	**1,469**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Potential challenges of additional TUPE and Facilities Management Service set up costs.	500	500
Contract management savings – risk that delays to the activity plan does not meet the savings target. The service transferred to Finance and Governance from May 2019	1,500	1,500
TOTAL RISKS MANAGED	**2,000**	**2,000**

Supplementary Monitoring Information
The majority of budgets within the department relate to staffing costs, with the notable exceptions of IT Services and Property & Properties and Facilities Management where there a number of key contract budgets with suppliers. The Tech-tonic programme is on track to deliver in year savings of £1.2m as a result of new contract arrangements with suppliers, with high deployment rates of mobile devices across the Council enabling the programme to remain on target. The facilities management service has now TUPE'd back to the Council, and officers continue to work through the implications of this including any risks and pressures that may arise throughout the year.

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

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Zero Based Budgeting	514	0	0
Research and Innovation	522	489	395
Communications	274	168	168
People and Talent	2,180	391	460
Assurance and Programmes	1,029	(248)	(201)
Strategy and Community Engagement	435	254	214
Executive Services	276	(80)	(80)
Sub-Total	**5,229**	**974**	**956**
Divisions transferred to Children's and Social Care as of 1 April 2019:			
Adults and Children's Commissioning	**7,264**	1,173	1,309
Family Support	**2,485**	1,400	1,400
Sub-Total	**9,749**	**2,573**	**2,709**
Departmental non-controllable budgets	(4,288)	0	0
TOTAL	**10,691**	**3,547**	**3,665**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Public Services Reform		
People and Talent - The service continues to report an overspend position on budgeted savings. Additional resource needed to support an income generation plan would negate the benefit of additional income from data maximisation or an enhanced trading model.	391	460
Communications - Overspend as a result of underachievement of traded income within the print service and difficult to achieve savings. It is forecast that activity will be in line with that incurred in 2018/19.	168	168
Research and Innovation - forecast pressure on staffing costs mainly due to unfunded posts and additional resource brought in to address critical roles required to meet organisational demand, which includes the delivery of several key statutory reports. The BI team continues to deliver financial benefits across the Council in excess of total service cost.	489	395
Assurance and Programmes - forecast underspends on staffing budgets.	(248)	(201)
Executive Services - forecast underspends on staffing	(80)	(80)

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
budgets.		
Strategy and Community Engagement - Overspends on staffing budgets to support co-production.	254	214
Commissioning Staffing - Improvement in forecast position due to hold on vacancies and review of posts. There is a baseline budget pressure of £550,000 across adults and children's commissioning teams which includes a forecast pressure on the Travel Care and Support service of £350,000. In addition, £450,000 budget was transferred in 2018/19 to support the setup of the Programme Management Office.	730	730
Family Support - £1m of this overspend relates to budgeted savings. The forecast is calculated assuming no contracts novate to the Family Support this year and working capital payments of £310,000 each month. While there is the potential for the delivery of these savings to be passed over to Family Support it is highly unlikely that they will be able to deliver these savings.	1,400	1,400
Supporting People contracts - Mitigating actions have been identified by strategic leads to bring the overspend down from £250,000 to its current position. Work is ongoing to reduce this overspend through 2019/20.	100	100
Adults Third Sector Commissioning - Overspend in commitments to fund third sector organisations.	371	557
Minor variances - small forecast underspends on contract costs.	(28)	(78)
TOTAL VARIANCE	**3,547**	**3,665**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
TOTAL RISKS MANAGED	**0**	**0**

Supplementary Monitoring Information
Whilst care commissioning services are now embedded within Children's, Social Care and Public Health services, the budgets for these are reported within PSR pending the approval of budget virements. Although work is ongoing to reduce agency expenditure across the Council, budgets for agency expenditure sit within departmental staffing budgets and not centrally, therefore any reduction in spend will not result in any savings for People and Talent. Much of the commissioning expenditure relates to contract payments or regular payments to third sector providers. Information used to forecast includes a schedule of commitments, contract documentation and any changes in demands for services.

APPENDIX 6: SOCIAL CARE
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Operation	25,081	661	548
Learning Disability, Mental Health and In-House Services	21,200	1,444	1,557
Commissioning	(188)	0	0
Resources	6,283	0	0
Social Care Directorate	526	0	0
Total	**52,902**	**2,105**	**2,105**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Operations		
The department has balanced its budget for the last two years. However, as the savings for 2019/20 have been taken out of the budget at the beginning of the financial year, we are projecting an overspend. The financial pressures result from the policy of discharging people as early as possible from hospital and preventing people from unnecessary admission into hospital. This leads to an increase in home care costs for the Council. This is a demand pressure which continues until a decision/policy is reached nationally about how to fund adult social care. The recent spending review announcement has confirmed social care grant funding for a further financial year until March 2021. The main reasons for the overspend are due to the full year effect of 40 re-started care packages and Direct Payments overspend, which started at the end of last year and the further increase in the London Living wage. The full year effect of home care packages are projected to overspend of £937,000, this is partly offset by a projected underspend of (£337,000) in placements. There is also a staffing cost overspend of £61,000 due to agency costs which are being reviewed. Robust mitigation plans are in place to address this overspend.	661	548
Total of Operations	**661**	**548**
Learning Disability, Mental Health and In-House Services		
Learning Disabilities - the projected overspend comprises of Home Care packages £481,000, Direct Payment £339,000	1,444	1,557

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
and residential and nursing care £26,000. This also includes (£121,000) underspend in Individual Services Fund due to improved contracting. There is a projected staffing overspend in LD services of £74,000 due to additional transitions work. Mental Health - a projected overspend of £242,000 in Home care and Direct Payments and £103,000 in residential and nursing care Placements. There is a projected overspend of £300,000 on staffing and rental costs - as staff are based in the Claybrook hospital. Residential Placements costs are on average increasing by 3.7% and the budgetary provision agreed is 2.58% which accounts for part for the overspend. Robust mitigation plans and very tight budgetary control are in place to address this overspend.		
Total of Learning Disability, Mental Health and In-House Services	**1,444**	**1,557**
Social Care Directorate		
	0	0
Total of Social Care Directorate	**0**	**0**
Total Variance	**2,105**	**2,105**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Estimated costs relating to Disabled Children (15) transitioning from Children Services to Adult Social Care.	250	250
Home Care contract providers were awarded an inflationary increase of 1 to 2.1% depending upon their CQC (Care Quality Commission) rating. One of the block homecare providers who received a 2.1% increase are requesting a higher inflation increase	300	300
Total Risks Managed	**550**	**550**

Supplementary Monitoring Information
The Department continues to experience significant budget pressures. The Department is projecting an overspend of £2,105,000. In addition to the above, this is mainly as a result of the full year implications of new and resultant price increases due to market pressures.

Supplementary Monitoring Information
In setting the 2019/20 budget, £1.5 million was identified as a risk to the budget forecasts for these main factors. The projection assumes the delivery of the 2019/20 savings of £2,855,000 of which currently *67%* are rated as medium in terms of delivery risk. Historically, the Department’s budget has had underlying budget pressures, which have been mitigated in the last two years by using a combination of management actions to control the budget, one off reserves and the Improved Better Care Funding.

APPENDIX 7: CENTRALLY MANAGED BUDGETS
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Forecast Variance Month 5**	**Forecast Variance Month 4**
	£000	**£000**	**£000**
Corporate & Democratic Core	1,721	114	(21)
Housing Benefits	(328)	0	0
Levies	1,545	(22)	(22)
Net Cost of Borrowing	485	0	0
Other Corp Items	4,855	(440)	(400)
Pensions & redundancy	9,241	(187)	(187)
TOTAL	**17,519**	**(535)**	**(630)**
Balance of unapplied unallocated contingency		(2,252)	(2,252)
Revised Variance	**17,519**	**(2,787)**	**(2,882)**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Corporate & Democratic Core		
Overspend on shared accommodation costs due to delayed decant form RBKC properties. It is possible that these costs may be funded through the Civic Campus project.	135	0
Underspend on audit fees	(21)	(21)
Corporate & Democratic Core Total	**114**	**(21)**
Housing Benefits		
	0	0
Housing Benefits Total	**0**	**0**
Levies		
Underspend on levies	(22)	(22)
Levies Total	**(22)**	**(22)**
Net Cost of Borrowing		
	0	0
Net Cost of Borrowing Total	**0**	**0**
Other Corporate Items		
Forecast underspend on Business Rates on Civic Properties	(400)	(400)

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Apprenticeship levy under budget due to identification of HRA share of costs.	(40)	0
Other Corporate Items Total	**(440)**	**(400)**
Pensions & redundancy		
Forecast underspend on the unfunded pension costs arising from historical redundancy decisions.	(187)	(187)
Pensions & redundancy Total	**(187)**	**(187)**
TOTAL VARIANCE	**(535)**	**(630)**

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

Supplementary Monitoring Information
None to report

APPENDIX 8: HOUSING REVENUE ACCOUNT
BUDGET REVENUE MONITORING REPORT MONTH 5

Table 1 - Variance by Departmental Division			
Departmental Division	**Revised Budget**	**Variance Month 5**	**Variance Month 4**
	£000	**£000**	**£000**
Housing Income	(77,001)	789	734
Finance & Resources	8,088	42	42
Housing Management	6,033	56	56
Property & Compliance	8,783	3,567	3,567
Void & Repairs	11,450	(1,367)	(1,367)
Adult Social Care	48	0	0
Safer Neighbourhoods	664	0	0
Place	9,649	920	983
Growth	325	0	0
Operations	3,470	(47)	0
Direct Delivery	1,491	0	0
Capital Charges	24,902	(144)	(360)
SLA	6,466	0	0
(Contribution to) / Appropriation From HRA General Reserve	**4,369**	**3,816**	**3,655**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Housing Income		
There will be an under recovery of rent and service charges on the Council's homes of £616,000 due mainly to the ongoing decanting of Hartopp and Lannoy (£372,000 relates to the decanting, and a further £244,000 relates to general voids), resulting in an increase in the forecast number of void properties (280 voids vs. a budgeted level of 162 voids). In addition, a £53,000 adverse variance is due to under recovery of tenants' service charge income. A further adverse variance on garage rents of £58,000 is expected and this is due to ongoing refurbishment work and also to the decanting of Hartopp Point and Lannoy Point. There are a number of other minor adverse variances of £62,000 in total relating to HRA commercial properties, Pay & Park income and commission on water charges collection.	789	734
Total: Housing Income	**789**	**734**
Finance & Resources		
Finance & Resources overspend £42,000 is primarily due to	42	42

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
ongoing costs of agency staff covering vacant posts.		
Total: Finance & Resources	**42**	**42**
Housing Management		
The adverse variance of £56,000 is due to lower than expected tenant numbers in Temporary on Licence properties resulting in a shortfall of income.	56	56
Total: Housing Management	**56**	**56**
Property & Compliance		
To ensure the safety of our residents, it is necessary to station fire wardens at a number of the Council's high-risk tower blocks. The initial estimated full year cost for providing fire wardens at our high-risk blocks was £3m, however, after further review and acting on advice from industry experts' recommendations, the revised estimated full year cost is expected to reduce to £1.9m.	1,914	1,914
In light of the Council's decision to terminate their partnership arrangement with MITIE repairs and maintenance and the implementation of an interim repairs and maintenance service, additional resourcing needs have become apparent. As a result, the full year cost of meeting the resourcing needs is expected to be £1.6m.	1,653	1,653
Total: Property & Compliance	**3,567**	**3,567**
Void & Repairs		
As part of the implementation of the interim repairs and maintenance service following the termination of the Council's contract with MITIE, a Direct Labour Organisation (H&F Maintenance) has been established to deliver repairs and maintenance services to the communal areas of HRA owned land and properties. A recruitment plan is currently in place to fill all positions but as the team is not yet fully established, an underspend is expected for 2019/20.	(1,144)	(1,144)
An underspend is expected on general repairs contractors due to the timing of the contracts commencement date (17th April 2019).	(223)	(223)
Total: Void & Repairs	**(1,367)**	**(1,367)**
Adult Social Care		
Total: Adult Social Care	**0**	**0**
Safer Neighbourhoods		
Total: Safer Neighbourhoods	**0**	**0**

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Place		
An extended pilot of the concierge service at Edward Woods Estate due to a delayed consultation process is forecast to cost £255,000. This is expected to be offset by staffing underspend and other minor underspends within the division of (£135,000).	120	120
As part of the implementation of the interim repairs and maintenance service following the termination of the Council's contract with MITIE, a customer service centre has been established to handle residents' calls relating to the reporting of repairs and maintenance issues. Since then, the remit of the team has expanded to include complaints and resolution handling. As a result of the additional resourcing required to deliver the complaints and resolution function, an overspend is expected.	800	863
Total: Place	**920**	**983**
Growth		
No forecast variance is reported	0	0
Total: Growth	**0**	**0**
Operations		
Delays in recruiting to vacant posts.	(47)	0
Total: Operations	**(47)**	**0**
Direct Delivery		
	0	0
Total: Direct Delivery	**0**	**0**
Capital Charges	**0**	**0**
As the actual depreciation charge following the completion of the stock valuation as at 31st March 2019 is (£518,000) lower than the budgeted depreciation, this means that the planned funding of the Decent Neighbourhoods programme from the Major Repairs reserve is reduced by the same amount. It is now planned to make a revenue contribution to the capital programme for this same amount of £518,000 in order to meet capital financing requirements. Any slippage on the capital programme will be offset by reduced internal borrowing. The interest earned on HRA balances is forecast to be (£144,000) better than budgeted mainly due to an increase in the expected interest rate achievable on short term investments (from a budgeted figure of 0.45% to a forecast of 0.85%). The movement from last month is primarily due to a revision to the interest payable figure following a review by the Council's Treasury team.	(144)	(360)

Table 2 - Variance Analysis		
Departmental Division	**Month 5 £000**	**Month 4 £000**
Total: Capital Charges	**(144)**	**(360)**
SLA Recharges		
Total: SLA Recharge	**0**	**0**
TOTAL VARIANCE	**3,816**	**3,655**

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
Additional Fire Safety Costs - following the fire at the Grenfell housing tower block in Kensington and Chelsea, the Council has put in place the Fire Safety Plus programme to make fire safety improvements to the housing stock above and beyond the current legal minimum standards. Although the vast majority of improvement works will be capital in nature, there is a significant risk of an unbudgeted impact on the HRA due to unanticipated revenue related expenditure relating to fire wardens.	unknown	unknown
MITIE repairs & maintenance - The Council submitted its final accounts statement on 17th June as per the Term Partnering Contract obligations. Currently, the Council is in discussions with MITIE over the final accounts statements to understand their view. As negotiations progress, more detail will be made available.	TBC	TBC
Capitalisation of staffing costs - staff working on major capital projects complete weekly timesheets and these are used to identify the proportion of their time that can be charged to capital. It is likely that there will be slippage in the capital programme this year, and this means there is a risk that staff capitalisation will be lower than budgeted, resulting in unbudgeted charges to revenue. Officers are monitoring this, and should the risk crystallise, it will be shown as a variance in the coming months.	TBC	TBC
Interim Repairs Delivery Model: On 4th March 2019, Cabinet approved a one-off annual revenue budget of £22.2m for the interim repairs model, which required an increase in the existing budgets within the Housing Revenue Account for 2019/20 of £4.1m. This is being funded as a one-off appropriation from the Housing Revenue Account General Reserve. Given the added	unknown	unknown

Table 3 - Key Risks - Detail Items Over £250,000		
Risk Description	**Risk At Month 5 £000**	**Risk At Month 4 £000**
complexities arising from this project, associated client-side costs and the need to deliver a high functioning call centre, there remains a risk that further costs could potentially need to be incurred which may result in a further call on the Housing Revenue Account General Reserve.		
A number of divisional reorganisations will be implemented this year in order to ensure The Economy Department better delivers for residents. There is a risk that this may result in unbudgeted growth to the Housing Revenue Account. This may result in an increase in the HRA share of corporate recharges and SLAs (which may increase this year anyway, due to the decant costs associated with the Civic Campus project).	unknown	unknown
TOTAL RISKS MANAGED	**Not Quantified**	**Not Quantified**

Supplementary Monitoring Information
None to report

Appendix 9
Virement Requests

Details of Virement	**Amount (£000)**	**Department**
GENERAL FUND:		
Transfer from reserves to cover one off additional staffing costs within waste management required to review and manage Serco contract.	170 (170)	ENV CMB Reserves
Total of General Fund Virements (Debits)	**170**	
HRA:		
	0	
Total of HRA Virements (Debits)	**0**	

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 02/12/2019

Subject: **SAFER CYCLE PATHWAY ROUTE ALONG KING STREET & HAMMERSMITH ROAD AND A4 CYCLE HIGHWAY**

Report of: **Cabinet Member for the Environment – Councillor Wesley Harcourt**

Summary

This report seeks cabinet approval for the delivery of the Safer Cycle Pathway route (SCP) along King Street & Hammersmith Road, the delivery of public realm improvements using Healthy Streets principles and directing fast cycling traffic to use the A4 Cycle Highway.

The proposal delivers on the Council's 2018-22 Business Plan commitment within its priority of 'taking pride in Hammersmith & Fulham', and objective of being the greenest borough. It also meets the recommendations of H&F's Air Quality Commission to increase infrastructure for cycling in partnership with Transport for London (TfL).

Consultation on the route has shown that 73% of respondents supported changes to the Gyratory section, and 64% supported the delivery of the route along King Street and Hammersmith Road.

In addition, the Council lobbied the Mayor of London and successfully secured additional funding, circa £300k, for the initial development of an additional Cycle Highway along the A4.

The estimated costs of work within the borough is in the region of £20m. However, as these works will be fully funded by TfL via a Section 278 agreement there will be no financial impact for the Council.

A fully segregated Safer Cycle Pathway will ensure that our infrastructure is suitable for our own growth in population, and our aspiration of getting 8% of our residents travelling by cycle each day. Improvements to walking and cycling infrastructure supports a long-term vision to make our streets healthier, safer and more welcoming

Recommendations

1.1 Approve the principle of a proposed Safer Cycle Pathway route along Hammersmith Road & King Street from Olympia to Goldhawk Road and the proposed Cycle Highway route along the A4 from British Grove to Warwick Road.

1.2. Delegate authority to the Chief Officer for Public Realm to progress to detailed design and carry out any remaining statutory consultation on the scheme proposals.

1.3. Delegate authority to the Chief Officer for Public Realm to incorporate into the final design, where possible, feedback from the Residents Commission made up of local residents, business and disabled groups.

1.4. Delegate authority to the Chief Officer to commit the capital expenditure for the highway improvements works. The main construction works are to be carried out by the Council's Principal Highways Contractor, F.M Conway Limited, under the existing Term Contract and the scheme will be fully funded by Transport for London (TfL).

1.5. Authorise the Chief Officer for Public Realm to enter into a Section 278 agreement under the Highways Act 1980, with Transport for London for the highway works.

1.6. Authorise the Chief Officer for Public Realm to enter into a section 8 agreement under the Highways Act 1980, with neighbouring highway authorities for the highway works as required, with the Council as the highway authority, carrying out the works.

1.7. Note that the Cabinet Member for the Environment will be kept updated via regular briefing notes during the scheme development.

Wards Affected: All.

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
• Building shared prosperity	Increase opportunities for residents to access businesses along the route
• Creating a compassionate council	Resident Commission to be set up to listen to needs of all groups
• Doing things with local residents, not to them	Engaging with all resident, business and disability groups to finalise detailed designs that work for them
• Being ruthlessly financially efficient	To develop the route along with other infrastructure repairs at the same time

• Taking pride in H&F	Create a route that will offer all our residents and businesses places that they want to visit

Financial Impact

1.8. The estimated cost of works in the borough is in the region of £20m. However, as these works will be fully funded by TFL via a S278 agreement there will be no financial impact for the Council.

1.9. Implications completed by: Giles Batchelor, Finance Manager (Public Realm), tel: 020 8753 2407

1.10. Implications verified by: Kellie Gooch, Head of Finance (Public Realm), tel: 020 8753 2203 and Emily Hill, Assistant Director, Finance telephone 020 8753 3145.

Legal Implications

1.11. The council has general powers to carry out works of improvement to the highway under Part V of the Highways Act 1980

1.12. Under Section 278 of the Highways Act 1980, a Local Highway Authority may, if they are satisfied it will be for the public benefit, enter into an agreement with any person for the execution of the works on the public highway on the terms that the person pays for the costs of the works.

1.13. Under Section 8 of the Highways Act 1980, a Local Highway Authority may enter into an agreement with a strategic Highway Authority for or in relation to the construction, reconstruction, alteration, improvement or maintenance of a highway for which any party to the agreement are the highway authority.

1.14. Implications verified/completed by: Emmanuel Amponsah Solicitor, tel: 077 8841 8743.

Contact Officer(s):

Name: Richard Duffill
Position: Borough Cycling officer
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Telephone: 07894 269016
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BACKGROUND PAPERS USED IN PREPARING THIS REPORT
None

DETAILED ANALYSIS

Proposals and Analysis of Options

1.1. Analysis of the scheme options has been undertaken by Officers and TfL during the development of the scheme proposals and following the public consultations. We have engaged with local stakeholders to address their key concerns and amended the scheme proposals where appropriate. Please refer to TfL's "Responses to issued raised" report issued January 2019 via their web site: https://consultations.tfl.gov.uk

1.2. In February 2016 TfL, in partnership with the Council, consulted on proposals to improve provisions for cyclists across the northern section of Hammersmith Gyratory, as part of the Better Junctions scheme portfolio. TfL received 780 responses to the consultation with 73% per cent either supporting or partially supporting the proposals.

1.3. In January 2017, following a lengthy design development and engagement process with key stakeholders, TfL published their Consultation Report in response to issues raised during the consultation.

1.4. In September 2017 TfL consulted on proposals for a cycle route from Kensington Olympia to Brentford town centre. The consultation asked for feedback on the proposals from residents, businesses, employers, transport users and other relevant stakeholders.

1.5. Safer Cycle Pathway and the Cycle Highway along the A4 is designed to help meet the target set out in the Mayor's Transport Strategy of changing the way people choose to travel so that 80 per cent of all London trips are made by foot, bicycle or public transport by 2041, up from 64 per cent today.

1.6. Improving safety for people who want to walk and cycle would provide a clearer and safer route for cycling in Hammersmith and Fulham, largely separated from other vehicles. This cycle route alignment provides direct access in the heart of town centres within west London, with good connectivity to other local roads.

1.7. Encouraging modal shift from polluting vehicles to low or zero-emissions forms of transport will be a pivotal component of H&F's route to net zero emissions in the borough by 2030, and its emerging Climate Emergency strategy and programme. According to the most recent estimates transport accounts for 22.5% of emissions in the borough.

The Council's Position

1.8. In January 2019, H&F Council agreed with Transport for London (TfL) to build a fully segregated cycle route running across the borough from Chiswick, along King Street and Hammersmith Road to Kensington.

1.9. The council also negotiated with TfL to fund a complementary scheme of improvements along the A4 to make it ideal for faster and experienced commuting riders.

1.10 The council will set up a residents commission to work with all groups along the route and enable them to input to the overall scheme.

Proposals

1.11 The proposed scheme has been split into three Sections with timescales that align to the current stage of design development, consultation and engagement undertaken to date. This part of the report sets out general proposals for Section of the Safer Cycle Pathway along King Street and Hammersmith Road, and the Cycle Highway along the A4.

Safer Cycle Pathway

1.12 The proposed alignment of Safer Cycle Pathway provides a direct route in the heart of Hammersmith town centre in west London, with good connectivity to other local roads. Roads on the alignment are currently dominated by motor traffic and can be intimidating and unpleasant places to walk and cycle.

The local Safer Cycle Pathway would provide a continuous, largely-segregated route with separate cyclist and motor vehicle movements at junctions between Kensington Olympia and Goldhawk Road. The proposals include:

- A two-way segregated cycle track on Hammersmith Road, King Street and Hammersmith Road
- New signal-controlled pedestrian crossings and upgrades to existing pedestrian crossings
- Stepped cycle tracks (at a lower height than the footway)
- Changes to bus stop locations and layouts, including new bus stop bypasses for cyclists
- Changes to parking and loading bays and hours of operation
- De-clutter pavements by rationalising locations of street furniture

The Healthy Streets for London document set's out how TfL will put people and their health at the centre of our decision making, helping everyone to use cars less and to walk, cycle and use public transport more. As part of stakeholder and community engagement strategy we'll works with residents via a Residents Commission to develop the design and include;

- New mature trees
- Seating areas including 'parklets' similar to those on Brackenbury Road and Hammersmith Grove
- Sustainable drainage areas to take surface water run-off, alleviating demand on the borough's combined sewer system
- Water fountains to discourage the excessive use of plastic bottles

- Green Planters
- New cycle parking areas

Cycle Highway along the A4 is in the early stages of design development and will extend from the borough boundaries near British Grove and Warwick Road. Officers propose to consult with stakeholders, businesses, and residents in early 2020. Subject to positive feedback the proposals could be implemented alongside the proposed Safer Cycle Pathway scheme.

CONSULTATION

1.13 Transport for London (TfL) consulted between 21st September and 31st October 2017 on proposals for a cycle route between Kensington Olympia and Goldhawk road in the Borough.

1.14 The TfL consultation was extensively targeted to local residents, businesses and community groups along the route to enable stakeholders to share their views.

1.15 Hammersmith and Fulham Council agreed at Cabinet on the 10th November 2017 to extend the consultation for all our residents and businesses so that they could send the council their comments.

1.16 The council submitted to TfL initial technical comments on the proposed route and continues to collect the views of its residents and business owners along the route.

1.17 Previous consultations on measures to improve some of these streets have already taken place. In January 2017, TfL approved proposals to create dedicated space for cyclists on the northern side of Hammersmith gyratory with the support of Hammersmith & Fulham Council. More information on the Hammersmith gyratory consultation that took place in spring 2016 is available via the following weblink https://consultations.tfl.gov.uk/roads/hammersmith-gyratory/

Consultation outcome results

1.18 TfL publicised the consultation using leaflets distributed across a wide area, targeted email campaigns and via news stories in regional and local media.

TfL received a total of 5,388 direct responses to the consultation, of which 59 per cent supported or strongly supported the proposals, 2 per cent neither supported nor opposed the proposals, and 39 per cent opposed or strongly opposed the proposals for the whole length of the route.

Within the Hammersmith and Fulham borough support for the scheme was 64 per cent.

2. REASONS FOR DECISION

2.1. This is a key component of the Council's Climate Emergency programme and its route to net zero emissions in the borough by 2030. Transport produced an estimated 153.3 kilotons of CO_2 in the borough in 2017 (the most recent data available), representing 22.5% of H&F's total emissions. Encouraging modal shift from polluting vehicles to cleaner forms of travel, of which cycling and walking are among the cleanest, is therefore critical to success.

2.2. One of the Council's five priorities is 'taking pride in Hammersmith & Fulham', and a core objective within this is to be the greenest borough in the country. This work delivers no. 34 of the Council's 2018-22 Business Plan commitments within this priority and objective in that we will lobby the Mayor to run a Cycle Highway along the A4 in addition to the Safer Cycle Pathway along King Street and Hammersmith Road.

2.3. Additionally, this proposal meets the recommendations of H&F's Air Quality Commission to increase infrastructure for cycling and walking in partnership with Transport for London (TfL).

2.4. We want to make it easier for people in West London to use sustainable travel and lead active lifestyles. We also want to make the streets on the cycle route alignments healthier, safer and more welcoming places for everyone. The proposals form part of the Mayor of London's plan for Healthy Streets a long-term vision to encourage more Londoners to walk and cycle by making London's streets healthier, safer and more welcoming.

2.5. Currently, only 34% of Londoners take 20 minutes of physical activity on any given day. The new cycle facilities would help to encourage people to use active modes of transport, which could achieve significant health benefits. The proposals aim to encourage people who would like to cycle, but currently feel unable to do so.

2.6. A network of cycle routes exists in north, south and east London, but none in west London. Our proposals would bring a high-quality cycle facility to West London, linking town centres in Hammersmith, Chiswick and Brentford.

2.7. The proposed scheme will constitute a significant investment circa £20m in the strategic transport infrastructure within the borough and will be fully funded by Transport for London, subject to funding approval by their Surface Board, due in November 2019, therefore a Cabinet decision is required to approve the expenditure.

2.8. The Council is the highway authority for all highways within the borough ("Highway Authority"). The Highway Authority has various statutory duties under various acts of parliament such as the Highways Act 1980 and Traffic Management Act 2004. Duties include but are not limited to maintain and carry out improvement works to the public highway.

2.9. The formulation, management, and maintenance of a Local Implementation Plan (“LIP”) is a statutory duty for all London boroughs under the 1999 Greater London Authority Act. The LIP sets out how the borough will deliver the Mayor’s Transport Strategy including the improvement of highway roads.

2.10. The proposals are linked to council priorities to respond to the climate emergency, improve health & well-being of residents and deliver a cleaner, greener borough. It will directly contribute towards targets to increase the number of people travelling by more stainable modes, either on foot, by bike or using public transport as set out in the Council’s transport strategy.

3. EQUALITY IMPLICATIONS

3.1 The Council has had regard to its Public Sector Equality Duty contained in Section 149 of the Equality Act 2010. There is no anticipated negative impact on groups with protected characteristics by the approval of these proposals.

3.2 Consultation has also been considered with key local organisations representing groups with protected characteristics.

Implications verified by: Fawad Bhatti, Strategy & communities team, tel. 0750 010 3617.

4. RISK MANAGEMENT IMPLICATIONS

4.1 Specific risks have been identified and managed on the Project Risk Register. Subject to TfL funding approval there are no significant risks affecting delivery of the proposed programme of works over the next two financial years 2020/2021 and 2021/2022. The Council in undertaking these works benefit from the environmental improvements that the scheme will deliver and also in that works are undertaken in accordance with the Council’s “Being ruthlessly financially efficient” priority.

Risk	Mitigation measure(s)
Cost increase/budget reduction	Designs are developed to be flexible to allow amendments to reflect budget reduction whilst still maintaining principle of the project objectives
Lack of stakeholder support	Designs are developed to meet the project objectives and Council's LIP objectives which can justified with support from the stakeholders.
Policy compatibility	To develop bespoke policy compliance tool that all potential proposals will be assessed against

Lack of resources to deliver	Maintain working relationships with framework consultants and contractors to ensure resources are in place to deliver the project

4.2 This report proposes physical improvements to the public highway and programmes of work designed to reduce congestion, manage traffic, and promote road safety, which fall within the Council's statutory duties under a variety of Acts of Parliament including the Traffic Management Act 2004.

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

Other Implications

5. IMPLICATIONS FOR LOCAL BUSINESS

5.1 In planning the route TfL carried out a door to door survey of all businesses along King Street and Hammersmith road with the purpose of listening to existing business needs around their customers and deliveries. This information was used to inform the initial design to ensure that existing business was unaffected by any proposed route.

5.2 The outcome of the consultation with businesses was captured in the TfL Consultation outcome report issued in January 2019. Further details of this report can be viewed via TfL's web site: https://consultations.tfl.gov.uk

5.3 This report (page 100) documents the responses received from businesses along the route. Concerns for businesses include the provision of sufficient loading bays, parking arrangements, removal of trees, safety of pedestrians and direct other impact on certain businesses.

5.4 Given the concerns raised during the consultation and the negative implications for certain businesses, there needs to be consideration given to how best to engage with these businesses and alleviate any negative impact.

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

6. COMMERCIAL IMPLICATIONS

6.1 There are no direct procurement implications arising from this report. The orders are to be placed under the existing measured term contracts: the main construction work is to be carried out by the Highways Principal Framework Contractor (F.M Conway).

Implications verified by Joanna Angelides, Procurement Consultant, tel. 020 8753 2586.

7. IT IMPLICATIONS

7.1 IT Implications: There are no IT implications resulting from the proposal in this report.

IM Implications: If not already covered by an existing Privacy Impact Assessment (PIA), a PIA should be completed to ensure all potential data protection risks

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 02/12/2019

Subject: **PROCUREMENT STRATEGY TO DEVELOP A DYNAMIC PURCHASING SYSTEM (UNDER THE LIGHT TOUCH REGIME) WITH THE WEST LONDON ALLIANCE FOR LOOKED AFTER CHILDREN AND CARE LEAVER PLACEMENTS**

Report of: **Cabinet Member for Children and Education – Councillor Larry Culhane**

SUMMARY

This Procurement Strategy report is seeking permission to act as the lead authority on behalf of the West London Alliance ("WLA") and its membership, in the development of an adapted Dynamic Purchasing System for semi-independent living placement provision for Hammersmith & Fulham's ("H&F") Looked after Children aged 16 and 17 and Care Leavers aged 18 onwards.

The adapted dynamic purchasing system shall be procured under the Light Touch Regime (as further explained in Appendix A) and shall be referred to as a Dynamic Purchasing Vehicle ("DPV"). The DPV shall be open to all Local Authorities in England and Wales by way of an Access Agreement and fee payable to the West London Alliance. H&F's current Semi-Independent Living Framework ("SIL Framework") established by H&F in 2016 expires in April 2020 and as such an alternative commissioning solution is required for this placement category offering greater value for money.

It is anticipated that the introduction of this system will increase competition in the market place, reduce the need for high cost spot purchasing and ensure the most competitive placement rates are achieved. The system will also allow greater flexibility in the marketplace as providers can join at any point, subject to due diligence checks and assessment processes.

RECOMMENDATIONS

Appendix 1-3 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Is it recommended that the Cabinet:

1. Approves the procurement strategy found at Appendix 1 of this report which recommends the development of a Dynamic Purchasing Vehicle for semi-independent living arrangements for Looked After Children and Care Leavers for a period of eight (8) years on a 5+1+1+1 structure with a six (6) month break clause at any point during this term;

2. Approves Hammersmith & Fulham Council becoming the lead borough, on behalf of the West London Alliance ("WLA") and its core partner boroughs, for the development of the Dynamic Purchasing Vehicle, as detailed within this report.

Wards Affected: All

H&F Priorities

Please state how the outcome will contribute to our priorities – delete those priorities which are not appropriate

Our Priorities	Summary of how this report aligns to the H&F Priorities
• Building shared prosperity	Development and implementation of the DPV will result in positive benefits for local suppliers and organisations as all will have the option to join the system subject to satisfying minimum standards and criteria.
• Creating a compassionate council	These measures will ensure that some of the most vulnerable in society are cared for in accordance with the priority of creating a compassionate council.
• Being ruthlessly financially efficient	Purchasing via the DPV creates the opportunity to make use of the combined purchasing power of multiple local authorities and an established marketplace which facilitates participation from both existing and new providers throughout the duration of the DPV. This provides greater diversity of placement provision and demonstrates significantly better value for money through cost management and unit cost reduction compared to existing spot purchase arrangements or alternatives that require both greater investment and ongoing management as a single authority

1. FINANCIAL IMPACT

1.1 In 2018/19 £3.007m was spent on semi-independent spot purchased placements through the existing framework and £3.46m is forecast to be spent in 2019/20.

1.2 As at period 6, the overall placements budget of £12.562m is forecast to be overspent in 2019/20 by £2.689m.

1.3 Purchasing via the DPV creates the opportunity to make use of the combined purchasing power of multiple local authorities and an established marketplace which facilitates participation from both existing and new providers throughout the duration of the DPV. This provides greater diversity of placement provision and demonstrates significantly better value for money through cost management and unit cost reduction compared to existing spot purchase arrangements or alternatives that require both greater investment and ongoing management as a single authority.

1.4 Cost reductions possible through the DPV are not known at this time. However, for the reasons above, lower rates should be possible. For illustrative purposes, if cost reductions of 2% could be realised this could amount to spend reductions of £70,000 per annum which would contribute to a reduction in the placements overspend.

1.5 In addition to potential lower rates there are potential savings resulting from the recovery of housing benefit. The current Framework stipulates that where an individual is eligible for housing benefit this must be claimed and deducted from the rent payments. This is not always happening and an estimated £100,000 per annum of housing benefit is being covered by the local authority. Stronger enforcement of housing benefit rules through the WLA DPV should ensure this is deducted from rent payments going forwards giving a maximum potential £100,000 per annum reduction in expenditure.

1.6 The fee payable to WLA specifically for access to and use of the DPV per Borough for 2019/20 will be £8,055 and £16,111 per annum from 2020/21 which will fund the WLA to appoint a Contract Management Officer to oversee these contracts, for a funding breakdown by membership borough please see Appendix 3. This should be offset by the savings the DPV delivers and therefore will be funded through the placements budget. The funding contribution payable for each of the borough's has been calculated based on the number of resident young people in care.

Implications completed by Alex Pygram, Finance Manager, Financial Planning & Analysis. Implications verified by Emily Hill, Assistant Director, Finance, Tel. 020 8753 3145.

2. LEGAL IMPLICATIONS

2.1 This report has been reviewed in accordance with the Public Contract Regulations 2015 ("PCR 2015") and the Council's Contract Standing Orders ("CSOs").

2.2 This report requests the approval for the procurement strategy to create a dynamic purchasing system under the Light Touch Regime (referred to as a Dynamic Purchasing Vehicle ("DPV") throughout this report) for Semi-independent living placements for young people. The proposed period for the DPV is up to 8 years with an estimated value of £5,000,000,000.00 GBP (an indicative figure and will not be guaranteed). This estimate is reflective of the seven member boroughs of the West London Alliance calling off the DPV and calculated in accordance with CSO 28.5.

2.3 Usually a DPS is subject to the full procurement rules, however the services being tendered are categorised as Schedule 3 services under the PCR 2015, which falls under the Light Touch Regime ("LTR") processes, allowing significant flexibility as to how the DPV can be set up. Appendix 1 of this report provides further detail as to how the DPV will be procured, called off and managed in compliance with LTR and PCR 2015.

2.4 Officers shall ensure that the use of the "accreditation scheme" referred to in Paragraph 4.4 meets the requirements of the Treaty Principles, namely equal treatment of the providers accepted on to the DPV. The call-off process which ensures equal treatment of providers shall be clearly stated within the procurement documents upon publication of the OJEU notice.

2.5 CSO 18.1 requires the approval of the Procurement Strategy for the DPV to be approved by the Cabinet. The DPV award shall be approved by Cabinet Member decision in accordance with CSO 21.1. Approval for call-off contracts from the DPV will be dependent on the call-off value and will be awarded in accordance with the CSO requirements (CSO 28.6).

2.6 Paragraph 1.6 of this report confirms that additional local authorities may join the DPV throughout the term by entering into an Access Agreement upon payment of a fee, as permitted under CSO 28.4 and CSO 28.7.

2.7 Paragraph 4.1 refers to extensions of existing contracts by way of a separate decision report as a contingency measure if required. In accordance with clause 2.4 of the template call-off contracts, LBHF may extend the call-off contracts indefinitely provided it gives 6 months' each time (or less if agreed by both parties). CSO 24 should be followed when approving modifications to contracts.

Implications verified/completed by: Radhika Devesher Associate at Sharpe Pritchard LLP, on secondment to the Council. rdevesher@sharpepritchard.co.uk

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Contact Officer(s):

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Verified by: Emily Hill, Assistant Director, Finance

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

3. PROPOSALS AND ANALYSIS OF OPTIONS

3.1 An alternative option to leading the development of the DPV with the WLA could be to progress the procurement of this independently. However, it is anticipated that a large volume of suppliers will seek to join which would create significant pressure on internal resources. In addition to this, the purchasing power for one authority is significantly smaller than the purchasing power of multiple authorities and progressing this independently may therefore, not lead to the most competitive rates. For these reasons, coupled with the experience of the WLA in undertaking development of similar models, progressing on a sovereign basis is not recommended.

3.2 H&F could also seek to progress a Framework Agreement, either on a sovereign basis or collaboratively with other boroughs. Framework Agreements can offer many benefits but can be inflexible as they do not allow for new providers to join and 'enter the market' during their typical 4-year duration. As one of the key issues for H&F relates to securing a sufficient and diverse supply of placements with market rates driven by competition, this is not considered to be the best approach for the future purchasing of SIL placements. Therefore, it is likely that a single borough solution at this time would be more costly and offer less value for money in the longer term.

3.3 There is also the option of undertaking no further procurement activity for semi-independent living placements, relying on spot purchase arrangements or extending existing framework contracts to their maximum term. However, it is widely recognised that closed framework can be inflexible, and that spot purchasing does not offer value for money and creates additional administrative tasks to coordinate. For these reasons this option is not recommended.

4. REASONS FOR DECISION

4.1 It is acknowledged there would be insufficient placement capacity locally if in-borough supported accommodation was the only placement option for Looked after Children and Care Leavers. There are also circumstances in which it is either unsafe or inappropriate to place young people within the borough and for these reasons an alternative sourcing solution is necessary. The current Semi-Independent Living Framework ("SIL Framework") established by H&F in 2016 is made up of a collection of 16 call-off contracts which expire in April 2020. The recommendation of this report seeks to develop and then move to the DPV in 2020 which offers a range of benefits over traditional frameworks. In the event of unforeseen circumstances which may cause delays in the development and implementation of the new Dynamic Purchasing Vehicle, a separate Cabinet Member Report will be prepared which will seeks agreement to extend the call-off contracts for the existing provider organisations on the current Semi-Independent Living Framework.

4.2 Framework arrangements have a relatively short and restricted time period for providers to join which limits the supplier market. For the semi-independent living category this is recognised as an unsuitable sourcing solution for a market in which competition and provider diversity are key. The WLA[1] offer a solution to this through the introduction of the DPV and have successfully established these across a range of

[1] The West London Alliance (WLA) is a partnership between seven West London local authorities of Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow. With over 17 years' experience in partnership working, the WLA is committed to an enduring programme of collaboration and innovation to improve outcomes for West London

other categories including Children's residential homes, fostering and special educational needs placements. A significant benefit of the DPV is that it allows a rolling entry point throughout its lifecycle where providers can enter onto and leave at any point, subject to due diligence, assessments and quality assurance checks.

4.3 Additional services will be included as part of the service specification including floating support, accommodation with support (supported housing) and supported lodgings. H&F, and other boroughs accessing the DPV, will have the option to commission a range of other housing and support services throughout the lifecycle of the DPV.

4.4 There is currently no requirement or regulation for providers offering services in this market. The WLA suggest a mitigation in this area by offering an accreditation scheme for providers and this currently forms a separate, independent registration and evaluation process managed by the WLA. Officers are considering if and how this scheme, or elements of it, could be used in the development of the DPV whilst ensuring compliance with Procurement and Public Contract Regulations.

4.5 The Children's Brokerage Team remains a shared service that maintain referrals and access to the current SIL Framework with occasional spot purchasing, at the date of this report 90 young people had been placed through these arrangements. The overall annual budgeted Framework spend has increased annually since commencement in 2016 as detailed in the table below and it is envisaged that the establishment of the DPV will both drive competition in the market whilst simultaneously reducing the need for higher cost spot purchasing.

	2015/16	**2016/17**	**2017/18**	**2018/19**
Budget	£2,108,718	£1,844,718	£2,020,118	£1,965,600
SIL Block outturn[2]	£793,584	£987,733	£1,011,134	£1,054,403
SIL Spot outturn	£1,121,732	£989,178	£2,050,769	£3,007,559
TOTAL	**£1,915,316**	**£1,976,911**	**£3,061,903**	£4,061,961
Variance (overspend)	£193,402	(£132,193)	(£1,041,785)	(£2,096,361)

5. EQUALITY IMPLICATIONS

5.1 There are no direct negative equality implications for protected groups at this stage by the approval of the procurement strategy and related proposals, as set out in the Recommendations, under the Equality Act 2010.

5.2 The proposals offer a form of service continuity that aims to provide vital support to vulnerable children.

Implications completed by: Fawad Bhatti, Strategy & Communities team, tel 07500 103617.

6. RISK MANAGEMENT IMPLICATIONS

6.1 Officers are proposing to extend existing contracts or have delegated authority to do so if the new DPV arrangements are not established before the current framework

[2] The SIL block outturn row relates to one large standalone contract with a Centrepoint which forms a key part of the current care leaver pathway.

expires. These measures will ensure that some of the most vulnerable in society are cared for in accordance with the priority of creating a compassionate council.

6.2 In addition, the Council must also give due regards to Being ruthlessly financially efficient by establishing need and providing the most efficient and effective arrangements to ensure that services are maintained within budget constraints. Performance management of current providers should be maintained to ensure required outcomes are being delivered.

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

7. PROCUREMENT IMPLICATIONS

7.1 The Dynamic Purchasing System is set up by the Council on behalf of the West London Alliance (WLA). As the leading authority, LBHF will carry the risk a procurement exercise may carry. The procurement team are working closely with WLA to ensure compliance in the process with internal procedures and minimum standards, as well as with national and EU Regulations.

Implications completed by Andra Ulianov, Head of Contracts and Procurement

8. CONSULTATION

8.1 Feedback sessions and questionnaires have taken place with young people placed in local supported housing services and the semi-independent living care leaver pathway contract. Further engagement will take place with young people as part of a service review to inform recommissioning proposals for these contracts.

8.2 A provider information session is also planned once procurement documents are finalised to engage providers in the DPV procurement process and seek final comments on the service specification.

9. IT IMPLICATIONS

9.1 IT Implications: No IT implications are considered to arise from the proposal in this report.

9.2 IM Implications: A Privacy Impact Assessment will need to be completed to ensure all potential data protection risks resulting from this proposal and the DPV are properly assessed with mitigating actions agreed and implemented.

9.3 The contracts with new suppliers should include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR).

Implications completed by: Karen Barry, Strategic Relationship Manager, tel 020 8753 3481.

List of exempt appendices:

Appendix 1 – Procurement Strategy Business Case
Appendix 2 – Table detailing providers on the current SIL Framework Agreement with annual contract values.
Appendix 3 – WLA subscription fees by borough for use of DPV.

Agenda Item 7

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 02/12/2019

Subject: **TOWN HALL CAMPUS CIVIC PROGRAMME: APPROVAL TO PURCHASE COMMERCIAL UNITS AND JOINT VENTURE UPDATE**

Report of: **Cabinet Member for the Economy - Councillor Andrew Jones**

Summary

1.1. This report seeks approval for the acquisition of commercial units that will be constructed by the King Street Joint Venture as part of the Civic Campus Programme. For each of the buildings, the Council will then secure lesees paying rent to the Council, covering the cost of the acquisition over 45 years. Negotiations have already begun and discussion are well advanced with potential occupiers.

1.2. The report explains the rationale for investing in the units, the budgets required and the approvals needed at this stage from Cabinet and Council in order to progress with the investment. In order for the Council to proceed it will need to be satisfied that it offers value for money and is affordable within the Council's overall budget.

1.3. The report recommends that the Council proceeds to acquire the commercial units from the joint venture. This is on the basis that doing so will allow the Council to:

- To retain control of the campus as a whole, maintaining the appropriate long term stewardship role for the Council in the regenerated campus
- Benefit from the regeneration uplift the scheme will deliver
- Ensure the buildings' occupiers help to achieve the Council's Industrial Strategy
- Benefit from the long term income streams and potential future capital receipts available from the investment.

1.4. The viability modelling and sensitivity testing that the Council has completed shows that the acquisition is financially viable, generates a surplus in the long term, and has a positive NPV. The Council will continue to monitor, and review the market and finance environment before the completion of any

acquisition, and will be supported by external advice and valuation, to ensure that the proposition continues to be financially viable.

1.5. The report also provides an update on the joint venture and the equalisation of equity by the Council in the Joint Venture company.

Recommendations

Appendix A is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

That Cabinet approves

1.6. Subject to receiving a satisfactory external valuation advice, that the Council enter into a conditional sale agreement, and any other legal agreements which are required, with the King Street Joint Venture for the purchase of:

- 6,011sqm NIA of B1 office space.
- 523sqm NIA for office start-up units.
- 649sqm NIA commercial uses in A1–A3 use class.
- A new four-screen cinema totalling 1,283sqm NIA and 335sqm NIA restaurant.

1.7. Delegated authority to the Strategic Director for the Economy, in consultation with the Cabinet Member for the Economy, to finalise and complete negotiations with the Joint Venture company and enter into all necessary legal agreement/s in order to give effect to the decision in 1.6 above.

1.8. Delegated authority to the Strategic Director for the Economy, in consultation with the Borough Solicitor and the Cabinet Member for the Economy, to agree onward pre-sales and lettings to appropriate occupiers for each of the buildings following external property advice on commercial terms and values.

That Cabinet recommends to Full Council

1.9. To approve a capital budget of £64m for the purchase of the office space, start up units, commercial units, restaurant and cinema as set out in this report and the associated professional fees and Stamp Duty Land Tax (SDLT). The total budget will be funded by general fund borrowing, represented by an increase in the Council's capital financing requirement, supplemented by capital receipts, or developer contributions when available, with final confirmation of funding delegated to the Strategic Director, Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.

1.10. To approve an additional capital budget of £25m to purchase a 50% stake in the joint venture limited liability partnership with A2 Dominion at the point at which the new town hall extension is handed over to the Council, funded by general fund borrowing, represented by an increase in the Council's capital financing requirement.

Wards Affected: Hammersmith Broadway

H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
• Building shared prosperity	Investment in the commercial units will allow the Council to manage and control the affordable workspace elements, meaning it can direct their use for shared prosperity
• Being ruthlessly financially efficient	The investment in the commercial units will allow the Council to generate a long term income and the potential for capital receipts in the future
• Taking pride in H&F	Investment in the commercial units allows the Council to take a long term stewardship approach to the Civic Campus, maintaining quality for the long term benefit of residents

Financial Impact

1.11. The full financial implications for the Civic Campus Programme were set out in the Full Council report in January 2019. This report seeks approval for two items not included at that time, being:

i. an additional capital budget of **£64m** to purchase the commercial elements of the scheme (commercial property investment). The final acquisition price will be subject to satisfactory valuation advice that meets best value requirements.

ii. a capital investment of **£25m** as a temporary re-investment of equity following the Council's occupation of the new town hall extension and prior to the distribution of JV profits (the equalisation mechanism).

Commercial property investment

1.12. The expected purchase price of the commercial units and the capital budget required is £64m. It is expected this will be funded from external borrowing, with a potential contribution from S106. Alternative funding such as capital receipts, could be applied should they become available, and approval is sought for the final decision on funding to be delegated to the Strategic Director of Finance and Governance, in consultation with the Cabinet Member for Finance and Commercial Services.

1.13. If funded fully by borrowing, the Council will incur additional annual revenue costs of interest and Minimum Revenue Provision (MRP) (2.81% and 2.22% respectively) of the purchase price over the life of the borrowing/ asset amounting to £3.2m. There may be opportunities to amend the profile MRP through a revised policy for property investments resulting in lower costs in earlier years, increasing when the investment properties are established and inflation increases expected rental income.

1.14. The Council expects to generate an income stream from leasing units on a commercial basis to cover these costs. The leases will need to be managed with commercial terms to enable the investment to be self-financing. Income is reduced by costs of: management, marketing, rent free periods and voids, fees (eg legal, lettings, rent reviews), rates and service charges and other capital expenditure.

1.15. The expected rents and costs, and the profile of these, have been provided by Colliers and have been reviewed by the Council's advisers, BNP Paribas, to ensure that the assumptions on which the model is based are reasonable.

1.16. In relation to tax, legal advice will need to be obtained in relation to potential tax leakage and inefficiency in relation to SDLT.

Equalisation mechanism

1.17. To ensure that the Council and A2Dominion share equally both risks and rewards, it is proposed that the Council provide a cash injection of £25.3m as equity into the joint venture (JV) when the new Town Hall extension is occupied. This will be funded by general fund borrowing, represented by an increase in the Council's capital financing requirement. This has a cost to the Council, above that reported in January 2019, as the Council will either lose the opportunity cost of forgone investment income, or need to borrow and incur interest costs. Provided the development is financially viable this equity will be returned to the Council before any distribution of profits.

1.18. The additional costs of interest (or opportunity cost) will be reduced by increased profit distribution from the joint venture, due to reduced financing costs of the JV. This is because the Council's opportunity costis significantly lower than the JV's borrowing costs.

1.19. There remain risks, as set out in the January 2019 report, that should the JV not generate sufficient sales revenues or incur additional costs to those set out in the development appraisal model, that the Council will not have its equity of up to £25m returned to it.

Other financial risks and opportunities

1.20. The expected income and costs of the scheme, and therefore whether the scheme is self-financing, depends on a number of assumptions. If these assumptions differ from the base case, these could result in additional income or additional costs of the investment. These assumptions, in addition to those set out in 1.14, include the external borrowing interest rate, inflation on costs and rental, the market and occupancy of the properties, capital value on exit.

Legal Implications

- The Council has the power to acquire a lease of the land by virtue of Section 120 of the Local Government Act 1972. Were the Council to proceed without such an acquisition (where it is more efficient for SDLT reasons to retain ownership) and then grant a lease of the relevant space to a tenant, its power to do so arises under section 123 Local Governent Act 1972 provided it secures 'best consideration'. The Coucil will secure best consideration advice prior to granting a lease.

- Further support for the transaction is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.

- The Council's power to invest arising under Section 12, Local Government Act 2003 is relevant and can be exercised for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. In exercising this power, the Council would rely on the second limb, namely that the proposals aid prudent financial management and should have regard to relevant statutory guidance. The financial implications should consider how the proposals assist the prudent management of the Council finances.

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Background Papers Used in Preparing This Report

Not applicable

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2. REASONS FOR DECISIONS

2.1. The decisions establish the strategic rationale for investing in the commercial units as part of the Civic Campus programme. The decisions allow the Council to enter into sale contracts with the joint venture, which will enable the development as a whole to proceed. They will also enable the identification and approval of budget for the investments and the onward leasing of any acquired units to third party occupiers.

2.2. Full Council has already granted approval to enter into a joint venture with A2 Dominion. Approval is now needed for the mechanism by which the Council will invest its equity ensuring that it is an equal partner in the joint venture.

3. PROPOSALS AND ISSUES

Strategic Overview

3.1. The Council's Cabinet on 3rd December 2018 approved the strategic business case and delivery strategy for the Civic Campus Programme and Full Council on 23rd January 2019 approved entering into a joint venture with A2 Dominion for the delivery of the scheme, a conditional land sale agreement from the Council to the JV, and the associated funding for the Civic Campus.

3.2. The strategic rationale for the Civic Campus Programme was set out in the reports, in summary, as:

i. The urgent need to intervene in the failing existing Town Hall office buildings, whilst creating an opportunity for improved ways of working in order to be ruthlessly financially efficient and address the financial challenges faced by the Council;

ii. Contributing to the borough's housing ambitions by increasing the supply of good quality, genuinely affordable housing for local residents to meet local housing need;

iii. Creating pride in H&F by transforming King Street into a new civic and cultural destination; improving the public realm and Grade II listed Town Hall, providing new local amenities for residents, including a new four screen cinema, café/restaurant, retail and public event spaces; and

iv. Promoting economic growth in line with the H&F Industrial Strategy, Economic Growth for Everyone, through the creation of new retail and commercial space, including affordable space for start-up businesses to combat High Street decline.

3.3. This report is concerned with the Council's role in delivering items iii and iv, and how investment in these units can allow the Council to benefit from the regeneration opportunity that they present.

3.4. For the development to proceed the Council and A2 Dominion will enter into a 50:50 joint venture. The Council will dispose of the land surrounding the Town Hall to the JV, under a conditional land sale agreement (CLSA). The consideration for the sale of this land is the delivery by the joint venture of the new town hall extension.

3.5. To protect the Council through this process, there have been a number of conditions placed on the sale of land to the joint venture. This will ensure that a number of crucial aspects of the deal are set in place before development can proceed, giving the Council security that the scheme will proceed as planned and the extension to the Town Hall will be built, protecting the Council's interests.

3.6. A key condition is that either a letting or purchaser has been secured for all the commercial elements. This means end-users or owners for all commercial elements of the scheme must be in place before the land can be formally disposed to the joint venture.

3.7. Under the terms of the CLSA the Council has the right to purchase the units.

The Council's Investment and Regeneration Opportunity

3.8. The Civic Campus masterplan has the following commercial units that the JV will be required to sell or enter into conditional sale agreements in order for the scheme to proceed:

- 6,011sqm NIA of B1 office space.
- 523sqm NIA for office start-up units.
- 649sqm NIA commercial uses in A1–A3 use class.
- A new four-screen cinema totalling 1,283sqm NIA.
- A restaurant at 335sqm NIA.

3.9. The development will create a new civic and community campus, including new fit-for-purpose, inclusively designed office accommodation for the

Council and act as a catalyst for change, with the inclusion of open public realm and shared spaces within the Town Hall used by the neighbourhood as well as the greater community.

3.10. With its new population of residents and workers, civic and leisure destinations, the scheme will be able to attract a more diverse set of retailers to this location and improve its offer to workers, residents and visitors alike. Not only will the new square provide much needed open space for local residents, it will be able to be used for programmed events to attract more visitors.

3.11. The development will deliver a regeneration uplift, increasing the value of homes, commercial spaces and businesses in the area thanks to the improved quality of the environment and the increased demand in the area (from additional staff and residents).

3.12. There are four key reasons for the Council to invest in the commercial units:

- To retain control of the campus as a whole, maintaining the appropriate long term stewardship role for the Council in the regenerated campus
- Benefit from the regeneration uplift the scheme will deliver
- Ensure the buildings' occupiers help to achieve the Council's Industrial Strategy
- Benefit from the long term income streams and potential future capital receipts available from the investment.

The development will contribute to the delivery of the Industrial Strategy for H&F in the following ways:

- A Great Place in London: improving H&F town centres and commercial hubs to transform what they offer and enhance their reputation in Europe and around the world.
    - Deliver a new Civic Heart in Hammersmith
    - Deliver 10,000 new homes – 50 per cent of these genuinely affordable – over 20 years
- Encouraging Enterprise: making H&F the best borough in Europe for business to start-up, survive and grow:
    - Address under-utilised Council land or assets
    - Use planning mechanisms to create new workspaces
    - Support investment in new office space.

Options considered

3.13. The Council has assessed two options for investment in the commercial units being delivered at the Civic Campus

- **Option 1** - the base case or *do nothing* scenario, which is to retain the status quo and do not purchase the units but allow the JV to sell the units to the open market.

- **Option 2** – the Council to purchase the units on the open market either through:

    - a traditional borrowing structure sourced from either the Public Works Loan Board or on the open market, or alternatively

    - a commercial loan structured as a sale and leaseback with a large commercial dealer.

Analysis of options – this analysis is based upon the Council's property investment strategy outlined below.

Investment property strategy

3.14. From a civic and operational point of view, the acquisition of the commercial units would allow the Council to select proposed commercial tenants and occupiers that complement the new civic campus.

3.15. From an investment point of view, there are a number of key criteria for a property investment acquisition that needs to be considered.

3.16. The investment value is determined by the rent income flow and its sustainability, attractiveness of the space for commercial/business occupiers. The investment value of a commercial asset depends on the total anticipated rental flow but also the anticipated growth in income from a particular property sector. The yield from commercial property is different for retail, offices, restaurant and cinema use. There have been a number of acquisitions of freehold offices within the Borough and specifically within W6 which help guide the value of the brand new offices being constructed as part of the campus.

3.17. The majority of the capital value of the investment is the office block (Block B) within the development. The Council appointed external property agents at the time of its decant office search who have very recent property intelligence of office lettings and office disposals. The external property consultant also undertook best consideration advice as part of the Town and Country Act 1990. There have been few office transactions in the last three months as the market has slowed down, waiting for a resolution of Brexit and its effect on the economy and property investment market. It is important to note, the office block will not be finished and let out until mid-2022. Property sector experts are forecasting that increases in commercial office rents will re-stabalise by that point. The BNP Paribas have been appointed to validate and review assumptions in the financial model.

3.18. The property market for retail premises is changing as customers change their purchase avenues with less footfall in many High Streets and town centres. King Street, Hammersmith, has adapted to the changing needs of the retail world and the Civic Campus masterplan reflects these changes. It will have smaller retail units clustered around the new Civic Campus and an increased footfall with more residents, workers and visitors. Property advice received is that the rental and yield performance of the proposed units in the Civic Campus should be robust in this part of King Street/Hammersmith.

3.19. The Council is in the final stages of completing heads of terms for the cinema. These income flows profiled in the investment are relatively small but will also help to increase the attractiveness to businesses (existing and new).

3.20. The investment appraisal calculations have profiled rent-free periods that reflect market norms for offices, retail and other uses. There are also assumptions on voids for time-limited periods during the cashflow. These reflect time required to re-let properties.

3.21. The Council has laid out heads of terms for the property transaction in the form of a conditional sub-lease. The sub-lease will be structured so it allows the Council to sub-let, assign and retain stewardship of the estate to maximise its investment value.

Option 1

3.22. The current JV option is to build the commercial units and sell separate elements to occupiers/investors on completion, ie development of the units is conditional on the JV securing end occupiers for the relevant space. Option 1 includes a do-nothing appraisal, estimating the impacts if the Council was not to alter the current JV agreement in place.

3.23. The land sale agreement is conditional on having end-users identified for all elements, therefore limiting the JV's (in which the Council has a 50% interest) exposure to leasing risk. It will limit the Council’s exposure to any fluctuations in the market in comparison with purchasing the units. On the downside, it may prove a difficult aspiration to deliver should market conditions deteriorate.

3.24. The financial impact of this option on the Council is limited to its role as a 50% partner within the JV. The Council, however, must act in the interests of the JV and therefore will be tied to the aspirations of the JV partner.

3.25. This denies the Council full control over non-residential elements of the Civic Campus.

3.26. As a consequence, the Council will lose the opportunity to benefit from any regeneration uplift (beyond its share in the returns from the JV) because the asset will be sold. It will also lose control of who occupies the commercial units, although some control can be exercised by mutally agreed lease conditions. Private long-term ownership of the commercial units may not be aligned to the Council’s regeneration aspirations or its industrial strategy.

Viability of Option 1

3.27. Viability of Option 1 – there is no additional financial impact to the Council in this option.

Option 2

3.28. Option 2 is that the Council purchase the commercial units from the JV as an investment with consideration of how the Council funds that purchase.

3.29. Subject to final legal advice on efficient structuring of the transaction the Council would enter into a conditional sale agreement with the Joint Venture, the Council agreeing to purchase the units on completion for a fixed price under long lease from the JV. The lease agreement would have provisions incentivising the JV to complete the units on time and on budget. Failure to do so would result in compensation to the Council (as investor/ purchaser) or allow the Council to void the sale contract if the delay was significant.

3.30. The Council would be responsible for leasing the cinema, restaurant, café, retail and office. The Council would have external agents to undertake these lettings and manage the commercial space. The Council would be able to do this ahead of completion through conditional leasing or pre-letting arrangements, similar to the ones that the Council would enter into with the JV. This would allow the Council to have certainty of who the occupiers would be on completion and taking an investment approach to occupiers, except in the case of the affordable office space which has a clear objective to support the Council's Industrial Strategy.

3.31. This would create a significant amount of leasing risk to the Council as the markets for office, cinema and restaurants are prone to market fluctuations. Such risk is mitigated by robust market research and financial assumptions in the appraisal modelling; as well as signing up occupiers to the pre-lettings agreements as early as possible.

3.32. The market research and operational cost assumptions have been provided by Colliers and Frost Meadowcroft for the Council and reviewed by BNP Paribas.

3.33. As potential long-term owners of the commercial properties the Council must consider what its exit routes are if the mitigations on the market exposure are not achieved.

3.34. A number of exit strategies have been considered by officers and the main ones are outlined below:

- Retain and repurpose – because of its long-term ownership, the Council would have the flexibility to use some of the commercial units for Council uses or convert to residential

- Sell – the option to sell the commercial units as an investment is always available, the main risk is whether the Council’s loan could be re-paid. The financial modelling demonstrates that the units could be sold on the open market and either break even or return a modest surplus – these amounts are dependent upon assumptions of capital growth.

Viability of Option 2

3.35. The financial modelling demonstrates that the Option 2 proposal is a viable investment for the Council based upon the current assumptions. Meaning that:

- the debt is fully paid off in a 45 year period
- debt interest payments are covered (no additional general fund subsidy required)
- the properties have a capital value at year 45 estimated at over £100m, on the basis of a 5% yield
- the potential for an estimated cumulative net revenue surplus of £4,212,673m over a 45 year period.

3.36. The total cost of the acquisition would be up to £64m including transaction costs. The net annual income after all expenditure (see assumptions on operational costs in 4.39 below) is sufficient to pay the annual interest on the loan and the minimum revenue provision (MRP) that will build up enough funds by year 45 to pay back any associated borrowing.

3.37. At the end of the 45-year period the Council will own the commercial units without any debt and they will have a value of approximately £116m dependant upon capital appreciation, based on assumed annual inflation of 2% and yield of 5%.

3.38. For modelling purposes a borrowing rate of 2.81% has been used to assess the viability (based on the PWLB rate available to the Council on 16 October 2019) and a minimum revenue provision (MRP) over the 45 year life of the asset.

How could option 2 be funded?

Public Works Loan Board Funding or open market funding

3.39. The funding could be sourced through either the Public Works Loan Board or the open market to achieve the most advantageous interest rate for the Council.

3.40. Upon completion of the construction the Council would purchase the building from the JV at an agreed value, set out in the conditional sale agreement.

3.41. The interest and debt (including minimum revenue provision) would be repaid using the Council's income through rental revenue from the occupiers.

3.42. The Council maintains control of the commercial units, but it can sell its interest at any time, if required for example if the commercial lettings are difficult to achieve or if the Council want to release capital for other uses. Optimal exit years have been identified in Years 7, 17 and Year 27 to maximise the returns for the Council. It is very common for commercial investors to sell out or re-finance and this proposal allows the Council to achieve similar flexibility.

Sale and leaseback

3.43. The funding could alternatively be sourced through a commercial loan structured as a sale and leaseback with a large institutional investor.

3.44. In this scenario, the Council would retain the freehold of the building but enter into 125-year lease with the investor, who would then lease it back to the Council. The lease back to the Council could be for a period of 30-50 years depending on the most advantageous financial position for the Council.

3.45. The investor would provide funds for land and construction (subject to a retention to cover against cost-overruns). The Council would enter into the leasing arrangement at the beginning of construction and would commit to pay the investor lease payments once the buildings have completed. The Council would separately contract with the Joint Venture to ensure the delivery of the commercial units on time and on budget. At the end of the lease period the Council could purchase the reversionary interest for a £1.

3.46. As in the PWLB or open market alternative above, the risk for leasing the units is exactly the same and is retained by the Council above. However, the exit route flexibility in the option is reduced as the investor would wish to control the sale to protect their loan. However, this option might provide for lower revenue costs in the early years of the investment whilst the revenue streams mature. The Council would benefit from regeneration uplift in terms of increasing profit rents, and from increases in capital value, once the 50-year leaseback term has expired. But the Council has to accept a leaseback that is linked to the consumer price index (CPI).

3.47. The Council will receive a number of benefits from this funding option, including full open market value for its land interest on day one and 100% of project development costs on a flexible drawdown basis that would help to ensure the building programme is maintained.

Preferred funding route

3.48. The preferred option route will be tested by officers to ensure that the optimum funding routeis chosen.

3.49. If the Council decides to fund this through borrowing, the Council also has the option to fund the units throughout construction if that proves financially more advantageous.

Options compared

3.50. Benefits, risk and financial impact for the Council (not the JV) are compared in the table below:

NON-MONETARY BENEFIT	OPTION 1 Status Quo	OPTION 2 Purchase commercial units
Meets the Council's priorities	Possibly	Yes
Retain /attract talent to the Borough	Unknown	Yes
Improve commercialisation and future revenue opportunities for the Council	No	Yes
FINANCIAL IMPACT		
Purchase Price incl costs	£nil	£64m
Interest Rate	N/A	2.81% and MRP
Hold Period	N/A	45 years with flexibility to sell or re-purpose
Viable	Yes	Yes
RISK	Low	Medium, but mitigations
Recommended	No	Yes

Recommended – Option 2

3.51. The conclusion of the above analysis suggests that Option 2 enables the Council to achieve its strategic objectives to:

- Benefit from the regeneration uplift the scheme will deliver
- Ensure the building's occupiers help to achieve the Council’s Industrial Strategy
- To retain control of the campus as a whole, maintaining the appropriate long term stewardship role for the Council in the regenerated campus
- Benefit from the long term income streams and potential future capital receipts available from the investment.

3.52. The proposal shows a positive discounted cashflow (net present value (NPV)) for all modelled sensitivities shown in Exempt Appendix A – i.e. the investment would be expected to favourable in cash terms for all scenarios as modelled.

3.53. However, it is important to also consider the impact on the Council's revenue position. There are scenarios in the sensitivity model where, while the overall investment may still be cash positive, the Council incurs a net revenue cost. Furthermore, at the extremes of the model this cost could be significant. This is because:

- The income in the model is a combination of capital and revenue; in local authorities, capital income (capital receipts) cannot be used to support revenue expenditure.
- Local authorities are obliged to make a charge to revenue over the life of the investment to set aside a provision to repay the underlying debt (known as the minimum revenue provision or MRP).

3.54. The base scenario currently shows a revenue positive position however this is currently at the margin and a ten to twenty basis point increase in interest rates would turn this negative.

3.55. There are some mitigations the Council could explore. For example, all ongoing expenditure is currently considered as revenue; much of this could feasibly be capital in nature. This would not alter the lifetime revenue cost but may help to manage peaks and troughs in the revenue forecast. However, this could also increase borrowing costs.

3.56. As can be seen from the matrix in Exempt Appendix A any changes to the interest rates and net operating income have an impact upon the long-term performance of the investment.

3.57. The interest rates will be fixed at the time the capital is borrowed so that is a short-term risk and for modelling purposes a figure of 2.81% has been used based on the PWLB rate at 16 October 2019.

3.58. The longer-term risk concerns the ability to let the units and to protect the assumed net operational income. The following mitigations have been considered:

- If the office rents were lower than profiled or there was some void space, then the Council could re-locate staff (and its partners) from other freehold assets to allow them to be sold or re-developed with an income or from leased accommodation to save on lease costs. The cost/benefits of moving Council staff into the office accommodation would need to be fully assessed so actual financial expenditure and savings were understood.

- Although, not included within the proposed purchase of the commercial units, there are other options for the other Civic Campus that could be considered.

- If there was void space within new office meanwhile uses could be considered.

3.59. Further mitigation to be considered as an exit route if the Council wished to realise a capital receipt:

- The Council could sell a long lease of the office block at any time or it could sell the freehold of the office block and also the cinema and ancillary uses at the time. A marketing strategy including advice on tax and structure of a deal to realise capital receipts would be required. If the office was occupied by one occupier then at a future date it might want to acquire a long lease of the block to have control over its future location in the Borough.

- The Council may wish to grant a long lease of the new additional (under a long lease) offices at the Town Hall to secure a capital receipt.

- An option could be to sell the commercial assets to secure capital receipts as a contribution for a different regeneration or place making project or any other capital project in the Borough.

- The Council could do a sale and leaseback at a future date but this could result in a revenue pressure.

4. JOINT VENTURE EQUALISATION

4.1. The January 2019 Full Council report noted that:

> *"On completion of the development, each party would share 50:50 in the benefits produced by the JV either in distribution of profits or the assets developed. It is proposed that the Council will receive the new extension to the Town Hall building, as well as a share of any JV profits from the scheme. The JV agreement will include an equalisation process so that each party contributes and benefits equally, depending on the profit or assets returned on completion and the price paid*"

4.2. In the previous arrangement the Council withdrew its equity from the JV in the form of the handover of the new Town Hall extension. However, this arrangement was unequal as the Council withdrew its equity whilst A2Dominion still had equity in the joint venture and therefore incurred financing costs, as the completion of the Town Hall extension happened in advance of the other sales. We have taken the opportunity to improve profitability for the JV, by introducing an equalisation mechanism.

4.3. Therefore the Council will purchase a 50% stake in the joint venture limited liability partnership with A2 Dominion at the point which the new town hall extension is handed over to the Council for £25m. This has implications for the Council as the Council will now bear a financing/interest cost or opportunity cost for this £25m investment. It is expected that all of this increased financing cost should be returned to the Council through an increased share of profits from the JV, if the project remains financially viable, as with the injection of cash the JV will have reduced financing/ interest costs. The equity is expected to be returned to the Council before any share of profits from the JV.

4.4. There remain risks, as set out in the January 2019 report, that should the JV not generate sufficient sales revenues that the Council will not have its equity of up to £25m returned to it.

4.5. As noted, Full Council has approved the Council entering into the JV. Prior to formally completing the JV agreement, the Assistant Director for Legal and Governance will review the documentation, and supported by advice from Gowlings WLG, will make a recommendation to the Civic Campus Programme Board (the internal governance board for the project).

5. CONSULTATION

5.1. Consultation for the wider Civic Campus programme has been outlined in previous Cabinet reports.

6. EQUALITY IMPLICATIONS

6.1. The Council has given due regard to its duties under Section 149 of the Equalities Act 2010 and a full Equality Impact Assessment is being conducted.

6.2. The Civic Campus design team has actively engaged the Disability Planning Forum and members of the Disabled Residents Team (a key stakeholder group) using the Council's new co-production approach to planning for the Civic Campus Programme and Town Hall refurbishment.

6.3. *Implications completed by Fawad Bhatti, Policy & Strategy officer, tel. 07500 103617*

7. LEGAL IMPLICATIONS

7.1. Gowlings have been retained by the Council to provide advice on the Civic Campus commercial units purchase, and have previously advised on the JV set up and appropriation. The advice on the Civic Campus commercial units purchase is set out in the exempt appendix.

7.2. The rationale for the acquisition is both investment and regeneration led. The purpose for which land is acquired is relevant to the powers to be relied upon. Officers have identified the site as an investment opportunity, and it underpins the wider regeneration of the area. The Council has the power to acquire a lease of the land by virtue of Section 120 of the Local Government Act 1972. Were the Council to proceed without such an acquisition (where it is more efficient for SDLT reasons to retain ownership) and then grant a lease of the relevant space to a tenant, its power to do so arises under section 123 Local Governent Act 1972 provided it secures 'best consideration'. The Coucil will secure best consideration advice prior to granting a lease.

7.3. Further support for the transaction is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.

7.4. The Council's power to invest arising under Section 12, Local Government Act 2003 is relevant and can be exercised for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. In exercising this power, the Council would rely on the second limb, namely that the proposals aid prudent financial management and should have regard to relevant statutory guidance. The financial implications should consider how the proposals assist the prudent management of the Council finances.

7.5. The Ministry of Housing Communities and Local Government (MHCLG) issued revised statutory guidance under section 15 of the Local Government Act 2003 on local authority investments on 1 April 2018 (the Guidance). In approving the proposals both officers and decision makes should have regard to relevant aspects of the MHCLG Guidance.

7.6. Local Authorities are required to have an updated investment strategy as is required in the Guidance. The investment metrics must be confirmed as being acceptable in line with the current Investment Strategy.

7.7. The Guidance references 'non-financial assets' which includes certain property portfolios: 'non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property'. There are specific requirements for non-financial investments, and property portfolios, set out in paragraphs 37 to 40 of the Guidance. The Guidance requires local authorities to consider whether the asset retains enough value to provide security of investment using the fair value model in International Accounting Standard 40: Investment Property as adapted by proper practices.

7.8. In taking forward the proposals, finance officers should be aware of the impact of MHCLG's guidance and whether the arrangements qualify as 'non-financial assets' under it. Consideration of the financial implications should include the extent to which the proposals amount to fair value and any proposed mitigation of risks.

Implications completed by Richard Beckingsale, Gowlings Solicitors acting on behalf of the Council and verified by Rhian Davies, Assistant Director of Legal and Democratic Services.

8. COMMERCIAL AND PROCUREMENT IMPLICATIONS

8.1. There are no additional commercial and procurement impliations beyond those set out elsewhere in the report.

Implications completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284

9. IT IMPLICATIONS

9.1. No IT implications are considered to arise from this report. Should this change, for example, by requiring new systems to be procured or existing systems to be modified, IT Services should be consulted.

9.2. IM implications: Any suppliers/partners involved in this acquisition will be expected to have a GDPR policy in place and staff will be expected to have received GDPR training. If not already in place, a Privacy Impact Assessment should be carried out, and (Cloud) Supplier Security Questionnaire(s) should be completed by any suppliers/partners, to ensure that all the potential data protection and information security risks around this acquisition are properly assessed with mitigating actions agreed and implemented.

9.3. Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with Data Protection law (the General Data Protection Regulation (GDPR) 2016; and the Data Protection Act (DPA) 2018).

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

10. RISK MANAGEMENT IMPLICATIONS

10.1. Insurance – The Council will grant the JV a conditional land sale agreement of the wider Civic Campus and it will be the Council's responsibility to ensure there is building insurance cover for the whole scheme.

10.2. Where there are head-leases or sub-leases the Council will undertake inspections of the estate to ensure all insurance obligations are carried out.

10.3. As this is a multi-let Civic Campus, the Council will seek guidance on the cover and stipulations to ensure a robust insurance plan is in place.

10.4. As part of the delegated authority sought under 1.7 the Strategic Director of Economy and Project officers will need to liaise further with the shared insurance service to ensure that effective insurance arrangements are in place for the construction phases of the project. It is currently proposed the Council will undertake the refurbishment of the Town Hall on one contract and the JV will undertake the rest of the construction on another contract. This contract may need to be in phases or find a mechanism to manage the anticipated issue that the works to build a vertical extension to the Town Hall will require the Council as the insurer of the existing structure to effect Joint named Construction insurance for those works.

10.5. Officers have considered the risks associated with the various stages of this programme, as set out above, and sought to put in place appropriate mitigations. It is recommended that they continue to review, monitor, and escalate as appropriate until the programme objectives have been delivered and ensure that new risks identified are assigned to risk owners. The financial implications section in this report identifies a number of key financial risks which will need to be closely monitored and managed and subject to regular reporting to Members.

10.6. A summary of the key risks and mitigation measures set out by officers is provided below:

Risk and impact	**Mitigation measures**
Financial assumptions (including those identified in the Financial Implications) are incorrect and affect the viability of the scheme.	To proceed, the Council will need to be satisfied that the scheme offers value for money and is self-funding and affordable within the Council's overall budget.
Selection of the right funding option to give the maximum flexibility for the Council in long term.	In addition to assessing the overall viability of the scheme, a full comparison of funding opportunities will be examined before the optimum route is chosen.
The JV does not deliver the commercial units on time or to budget	The Council is a 50:50 partner in the JV. The Council has commissioned a review of A2Dominion Group's financial strength, including A2Dominion Developments. A Parent Company Guarantee will also be sought for A2Dominion's and A2 Dominion Developments' share of obligations under the JV agreement. The JV Board will receive monthly construction updates on build progress. The Council will only purchase the units under a conditional contract and it will only take a lease on practical completion. Any pre-lets will also have this conditionality too. There are liquidated and ascertained damages

	(LADs) within the JV contract that will mitigate losses for delay to the scheme being delayed that prevents use of the new commercial units.
Brexit has a detrimental effect on the supply chain, construction workforce, interest rates, borrowing and inflation, thereby affecting scheme viability.	The Council and its partners will continue to monitor the implications of Brexit making any reasonable adjustments to the programme delivery strategy and reviewing scheme viability prior to go live. The proposed draft Brexit deal may help provide greater certainty and confidence in the UK market The Council's sale contract with the JV will require a fixed price. The JV price with the construction contractor will be fixed.
The market deteriorates leading to lower rental values, thereby affecting scheme viability.	Sensitivity analysis has been undertaken as part of the business case development we will continue to monitor viability. There are mechanisms in the conditional sub-lease agreement that will determine the acquisition price by a third party.
Rental values do not recover in event of a recession.	The Council can consider exit routes of re-purposing the assets or selling. The Council would need external advice to outline options that cover tax and effect on Counci's capital and revenue costs.

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

11. IMPLICATIONS FOR BUSINESS

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

11.2. The current proposals also include affordable studios and workspace which will be targeted at small to medium enterprises, as well as an additional 65,000 sqft of B1 office space, which will support business generally in the Hammersmith Town Centre area.

Implications verified by David Burns, Assistant Director – Growth, tel. 020 8753 6090.

Appendixes

Appendix A – Exempt Appendix
Appendix 1 – Options Appraisal

APPENDIX 1 - COMMERCIAL UNITS OPTIONS APPRAISAL

1 EXECUTIVE SUMMARY

This options appraisal report examines the case for the Council to purchase the commercial elements being constructed as part of the Civic Campus project. It sets out and considers reasons why that is a good objective for the Council, together with two options to achieve that aim. It recommends which is the best option to pursue, in support of the recommendations in the main cabinet report.

The case for the Council buying the commercial elements of the scheme is summarised as it will allow the Council to:

- Retain control of the campus as a whole, maintaining the appropriate long-term stewardship role for the Council in the regenerated campus

- Benefit from the regeneration uplift the scheme will deliver

- Ensure the buildings' occupiers help to achieve the Council's Industrial Strategy

- Benefit from the long-term income streams and potential future capital receipts available from the investment.

2 BACKGROUND

2.1 The scheme

The Civic Campus Hall programme is a major regeneration programme for the London Borough of Hammersmith & Fulham (H&F).

It will transform West King Street into a civic, cultural and commercial destination; delivering a new four-screen cinema, commercial space (with affordable business space), 204 homes (of which 52% are affordable homes for local people), café, restaurant and retail establishments, a public events space and the extension and renewal of the Grade II-listed Town Hall. It will transform the way the Council operates and delivers its services to residents.

Background the project and the business case process and approval can be found the cabinet report 3rd December 2018.

3 STRATEGIC CASE FOR BUYING THE COMMERCIAL ELEMENT

3.1 Contribution to wider regeneration

As part of the Council's December 2018 Cabinet report, the strategic business case for the West King street programme was approved, concluding that;

The programme represents a significant opportunity for the Council to improve the use of its public assets, drive efficiency of operation and enhancement to public services whilst simultaneously creating social and economic value through development of a new cinema and much needed affordable housing.

The scheme will regenerate this part of King Street and create an a new destination. It will create a new civic and community campus, including new fit-for-purpose inclusively designed offices for the Council. It will act as a catalyst for change, with the inclusion of public realm and shared spaces within the Town Hall campus used by the neighbourhood as well as the greater community.

With its new population of residents and workers, civic and leisure destinations, the scheme will attract a more diverse set of retailers and improve the offer to workers, residents and visitors alike. The new square will provide much needed open space for local residents and can be used for programmed events to attract more visitors.

Associated economic benefits include increased footfall and commercial opportunities for local businesses with c.£140 million of commercial contracts generated by the scheme.

The project will help the borough meet ambitions set out in its industrial strategy *Economic Growth for Everyone* to make the borough one of the best places in Europe to do business. It will provide new attractive start-up and flexible workspace, while the refurbished town hall and new council workspace will reduce the Council's expenditure on maintenance and increase Council efficiency.

The development will help fulfil these key aims of the Council's Industrial Strategy for H&F:

- A Great Place in London: improve H&F town centres and commercial hubs to transform what they offer and enhance their reputation in Europe and around the world.
    - Deliver a new Civic Heart
    - Deliver 10,000 new homes – 50 per cent of these genuinely affordable – over 20 years
- Encouraging Enterprise: making H&F the best borough in Europe for business to start-up, survive and grow:
    - Address under-utilised council land or assets
    - Use planning mechanisms to create new workspaces
    - Support investment in new office space

3.2 Why invest in the commercial units and key conditions of the deal

The Council is considering buying the commercial units for four key reasons. These are:

- Retain control of the campus as a whole, maintaining the appropriate long-term stewardship role for the Council in the regenerated campus
- Benefit from the regeneration uplift the scheme will deliver
- Ensure the buildings' occupiers help to achieve the Council's Industrial Strategy
- Benefit from the long-term income streams and potential future capital receipts available from the investment.

The Council is entering into a conditional land sale agreement with the joint venture partner, to deliver the scheme (The Council and A2 Dominion are 50:50 partners in the joint venture). The Council will provide the required land to the partnership and A2Dominion will act as the construction partner, leading on the development of the scheme.

To protect the council through this process, there are a number of conditions placed on the sale of land into the joint venture. These will ensure that crucial aspects of the deal are set in place, providing security to the deal and protecting the Council's interests. These conditions specifically address:

(a) affordable housing;
(b) building contract;
(c) decant;
(d) fit-out;
(e) funding;
(f) non-residential units;
(g) land value;
(h) offices;
(i) planning;
(j) relocation;
(k) Rights of Light strategy;
(l) any title conditions
(m) Stopping-up;

One of the key conditions is that either a letting, or purchaser, has been secured for all the commercial elements of commercial units. This means that end users/occupiers for all commercial elements must be in place before the sale contract to the JV can be completed.

The commercial units form a critical part of the overarching regeneration and one of the cornerstones of the land agreement. The baseline agreement assumes that they will be sold following redevelopment. There is an opportunity for the Council to purchase these units as an investment asset, above and beyond the current regeneration development.

4. PLACEMAKING AND SCHEME COMPONENTS

4.1 Design and role in placemaking

The scheme's design and its component uses have been carefully considered and designed to achieve the Council's regeneration ambitions and to fulfil the needs of residents, local businesses and the Council itself, and to restore and encourage the long term social, economic and environmental sustainability of this crucial part of the borough.

Block B forms a new eight-storey element at the north west corner of the scheme, addressing King Street on its northern elevation and the new civic square on its eastern elevation. The height of the block relates to the new datum set by the town hall's rooftop extension and other nearby buildings.

The block includes the uses set out below. Its upper element, slightly higher than surrounding buildings, forms a new wayfinding "marker" for this part of King Street, signalling the civic campus' presence as a destination offering its range of mixed uses to pedestrians further east on King Street.

Block B, together with the new smaller Block C to the eastern side of this part of the new public plaza, help frame the new civic space and the historic main front elevation of the refurbished listed town hall, and both blocks include active uses at ground floor to enliven the square - which can also be programmed for cultural events.

Within Block B these uses include the prominent entrance to the Grade A office space on its upper floors, a restaurant with frontages to King Street and the new plaza, and a cinema with its main entrance on King Street.

4.2 Offices

The 6,011 sqm of office space on the upper floors is reached via an externally expressed lift core that helps generate a distinct identity for Block B, acts as a marker when viewed from King Street and contributes to the lively character of the new square.

Block B has six typical office floors, designed to be flexibly let and occupied by multiple users. The seventh floor provides more office space and a generous roof terrace. A bicycle store and facilities are on the ground floor.

4.3 Cinema

The 1283 sqm (NIA) cinema occupies part of the ground floor, with its main foyer and café accessed from King Street. Its four screens (2x150 seats and 2x50 seats) are at basement level. Spaces for associated plant and servicing are in the basement and on the ground floor.

4.4 Restaurant
A 335 sqm (NIA) restaurant occupies the remainder of the ground floor space together with associated plant, and shares servicing access with the cinema and offices above. It has frontage to King Street and the new public plaza.

4.5 Affordable workspace
The 526 sqm (NIA) affordable workspace occupies part of the ground floor in Block A, fronting onto the Town hall.

4.6 Retail/café units
There are three units that occupy the majority of the Block C ground floor. The café unit is 120 sqm (NIA) and fronts onto the public plaza and town hall. The smaller retail unit is 190 sqm (NIA) with frontage on King street and the public plaza. The larger retail unit is 480 sqm (NIA) with frontage onto King Street.

5 DEMAND FOR THE COMMERCIAL UNITS

5.1 Market research

As part of the due diligence for the Civic Campus JV financial viability studies, the Council's consultants Colliers and Frost Meadowcroft have been appointed to provide advice on all uses apart from residential. They provided indicative values and yields that have been used in the appraisals and inform this options appraisal.

We have also been reviewing long term market demand for the office, cinema, restaurant and retail to understand the terms of indicative leases which have fed into our modelling. We have also received further advice from BNP Paribas who advised the Council on its best consideration valuation.

We are confident assumptions used are robust and backed up with evidence. Given current economic/Brexit uncertainty we have taken a cautious approach, carried out sensitivity analyses and considered potential exit routes.

5.2 Offices
Hammersmith has an established, decades-long presence as a key London office sub-market. Chiefly centred around Hammersmith roundabout, Hammersmith's office market has grown with the expansion of Heathrow because of its convenient road and underground connections to the UK's principle airport, and rapid journey times to City and West End.

Hammersmith town centre caters adequately for the daily needs of workers in terms of shops, restaurants, services, transport and nearby homes, although this offer has perhaps not kept pace with rival emerging centres - like Shepherds Bush, or Shoreditch or Islington for example.

Overall vacancy rates in central London offices are low at 4.3%, while supply has contracted to 9.5m sq ft, the lowest since 2016, according to JLL's latest Q4 2018 survey. And despite Brexit, London's overall leasing market remains strong. The annual total of pre-lets for 2018 of just under 4.1m sq ft (35% of all take-up) was the highest on record.

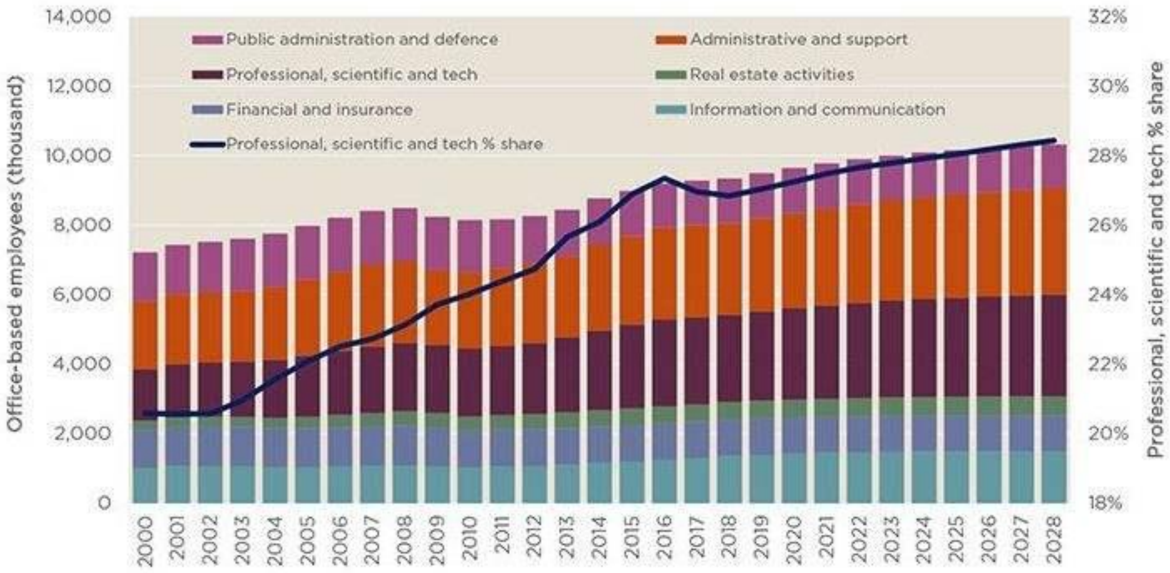
Background economic activity and demand for business space in the central London market remains strong, despite Brexit, domestic political, and international economic uncertainty, including predictions of gently rising interest rates.

There is also a beneficial effect for office values in the borough from reducing reliance on cars, improved overground links, and continuing growth in cycling, with office providers increasingly encouraging cycling by providing shower, changing and cycle storage in schemes, enshrined in planning policy. This is encouraging workspace in a wider range of locations.

The Savills research article below demonstrates a positive outlook for offices:

POSITIVE OFFICE-BASED EMPLOYMENT FORECASTS FOR NEXT 10 YEARS

The 10-year forecasts for UK office-based employment, as shown in the chart above, shows a rising trend. Despite the notion of automation/AI replacing human activity for specific tasks, there still remains a need for additional office space in the future. In a post-Brexit world, the UK will increasingly play to its strengths and the rising percentage share of employees within the ‘professional, scientific and tech’ sector is key. Office space for these sub-sectors should be an investor’s focus.



https://www.savills.co.uk/research_articles/229130/279227-0

This is the promising background to the office offering and the development itself should help improve Hammersmith's offer to businesses seeking increasingly scarce new workspace, for which there is likely to be ready demand.

5.3 RESTAURANT

Hammersmith town centre has a wide range of places to eat and drink of varied quality. It would seem likely a successful operator would be interested in the restaurant space, not least because of the Council presence and that of other occupants on site or in offices nearby and the presence of the cinema.

5.3 CINEMA

Demand for cinemas is reliant on the disposable income of individuals, and therefore general economic conditions. Hammersmith & Fulham, however, is one of the capital's most prosperous boroughs, with rising levels of employment and business formation.

The cinema is likely to attract local residents and tourists, and presumably workers, enhancing the vibrancy and frequency of visits to Hammersmith town centre - a key requirement of planning policy.

5.4 RETAIL

The age profile of the Hammersmith Primary Retail Market Area includes a particularly high proportion of adults aged 25-44; young adults aged 15-24 are also over-represented. In the 2011 Census, the Hammersmith area contained an above average proportion of working age adults within the most affluent social group. In contrast, the least affluent social groups are particularly under-represented in the area. These demographics mean Hammersmith remains affluent and residents' disposable income is favourable for retailers and leisure establishments.

Although there is little evidence for rental growth, supply remains low which will keep pressure on rents to remain stable, if not rise, when newly renovated stock becomes available.

5.5 AFFORDABLE WORKSPACE

523sqm of affordable workspace is to be provided in the scheme in the form of units targeted at start-up businesses. There is a requirement for this space to be included in the scheme, set out in the S106 condition accompanying the planning permission, in line with the Council's planning policies, and helping to achieve the aims set out in its industrial Strategy, *Economic Growth for Everyone*.

Inclusion of the space will help improve the offer to new local businesses and their employees and assist with reversing economic decline in this part of the borough.

6 THE CASE FOR BUYING THE COMMERCIAL UNITS

Two options were assessed in evaluating the proposed acquisition of the commercial units:

- **Option 1** - the base case or "do nothing" scenario is to retain the status quo, and not to purchase the commercial units, but allow the JV to sell these to the open market.
- **Option 2** – the Council to purchase the commercial units on the open market in the following ways:
    - a traditional mortgage structure sourced from either the Public Works Loan Board or the open market, or alternatively;
    - a commercial loan structured as a sale and leaseback with a large commercial dealer;
    - The Council also has the option to fund the units throughout construction if that proves financially more advantageous

6.1 OPTION 1

Summary -
The current JV option is to build commercial units and sell separate use elements to occupiers/investors on completion, as part of the overall scheme, on completion.

Option 1 includes a do-nothing appraisal, estimating the impacts if the Council did not alter the current JV agreement, in which the Council is a 50% partner.

The land sale agreement is conditional on having end-users identified for all elements, therefore limiting the JV's exposure to construction and leasing risk. This will significantly benefit the Council in the long term as it will mitigate the construction and leasing risk surrounding the new build scheme, limiting the Council's exposure to fluctuations in the market.

On the downside, it may prove a difficult aspiration to deliver should market conditions deteriorate.

The financial impact of this option on the Council is limited to its role as a 50% partner within the JV. The Council, however, must act in the interests of the JV and therefore will be tied to the aspirations of the JV partner.

The Council will lose the opportunity to benefit from any regeneration uplift as a consequence of this option because the asset will be sold. It will also lose control of who occupies the commercial units, although this can be mitigated by lease conditions to a certain extent. Private long-term ownership of the commercial units also may not be aligned to the Council's regeneration aspirations or its Industrial Strategy.

6.2 OPTION 2

Summary

Option 2 is for the Council to purchase the commercial units from the JV as an investment with consideration of how the Council funds that purchase. That could be either:

- a traditional mortgage structure sourced from either the Public Works Loan Board or on the open market, or alternatively

- a commercial loan structured as a sale and leaseback with a large commercial dealer

- The Council also has the option to fund the units throughout construction which might prove marginally more financially advantageous in the right interest rate environment

Key considerations
The Council is considering buying the commercial elements from the JV as an investment, for three key reasons:

- to benefit from regeneration uplift
- to ensure the building's occupiers help achieve borough ambitions
- the Council wants to retain control of the main elements of the campus as long-term civic steward and landlord

The Council would be responsible for leasing to cinema operator, restaurant, café, retail and office occupiers. This would create significant leasing risk to the Council as the market for officed, cinema and restaurants are prone to market fluctuations. Such risk is mitigated by robust market research and financial assumptions in the appraisal modelling. Market research and operational cost assumptions have been provided by Colliers and Frost Meadowcroft and reviewed by BNP Paribas.

Operational costs include:

- Rental levels for each asset class, office, retail, restaurant, cinema and affordable workspace
- Rental inflation at 2%
- Cyclical repairs/lifecycle costs
- Capital expenditure at lease ends
- Re-leasing costs
- Rent-free periods on new lettings

Exit routes
As long-term owners of the commercial units the Council must consider what its exit routes are if the mitigations on the market exposure are not achieved. A number of exit strategies have been considered by officers. The main exit routes are outlined below:

- **Retain and re-purpose** – the Council would have the flexibility to use some of the commercial units for Council uses or convert to residential
- **Sell** – the option to sell is always available, the main risk is whether the Council's loan could be re-paid. The financial modelling (see Appendix 1) demonstrates that the units could be sold on the open market at certain

years and either break even or return a modest surplus. These values are dependent upon assumptions of capital growth.

Risks and benefits
Benefits, risk and financial impact for the Council (not the JV) are compared in the table below:

NON-MONETARY BENEFIT	**OPTION 1 Status Quo**	**OPTION 2 Purchase commercial units**
Meets the Council's priorities	Possibly	Yes
Retain /attract talent to the Borough	Unknown	Yes
Improve commercialisation and future revenue opportunities for the Council	No	Yes
FINANCIAL IMPACT		
Purchase Price including costs	£nil	£64M
Interest Rate	N/A	2.81% and MRP
Hold Period	N/A	45 years with flexibility to sell or re-purpose
Viable	Yes	Yes
RISK	Low	Medium, but mitigations
Recommended	No	Yes

Risks and mitigation measures

Risk and impact	**Mitigation measures**
Selection of the right funding option to give the maximum flexibility for the Council in long term.	A full comparison of funding opportunities will be examined before the optimum route chosen.

Proposed arrangements are found to be in breach of Public Procurement Regulations, leading to legal challenge.	The contractual arrangements will be structured so as to avoid the creation of an enforceable obligation to undertake works. The Council has been advised of such an approach in the context of the delivery of the development as a whole by the A2Dominion joint venture
The JV does not deliver the commercial units on time or to budget	The Council is a 50:50 partner in the JV. The Council has commissioned a review of A2Dominion Group's financial strength, including A2Dominion Developments. A Parent Company Guarantor will also be sought for A2Dominion's and A2 Dominion Developments share of obligations under the JV agreement. The JV Board will receive monthly construction updates on build progress. The Council will only purchase the units under a conditional contract and it will only take a lease on practical completion. Any pre-lets will also have this conditionality too. There are LADS within the JV contract that will mitigate losses for delay to the scheme being delayed that prevents use of the new commercial units
Brexit has a detrimental effect on the supply chain, construction workforce, interest rates, borrowing and inflation, thereby affecting scheme viability.	The Council and its partners will continue to monitor the implications of Brexit making any reasonable adjustments to the programme delivery strategy and reviewing scheme viability prior to go live. The proposed draft Brexit deal may help provide greater certainty and confidence in the UK market The Council's sale contract with the JV will require a fixed price. The JV price with the construction contractor will be fixed.
The market deteriorates leading	Sensitivity analysis has been undertaken as

to lower rental values, thereby affecting scheme viability.	part of the business case development we will continue to monitor viability. There are mechanisms in the conditional sub-lease agreement that will determine the acquisition price by a third party.
Rental values do not recover in event of a recessions.	The council can consider exit routes of re-purposing the assets or selling. The Council would need external advice to outline options that cover tax and effect on Council's capital and revenue costs

Conclusion
This option will require the Council to pay c£64M as the purchase price (including costs) for the commercial units.

In addition to the previously stated regeneration and stewardship benefits, the financial viability model (see Exempt Appendix 1) demonstrates that over a 45-year period the loan can be paid off in full and all annual interest payments met.

This is based on the rental values suggested by Colliers and Frost Meadowcroft and reviewed by BNP Paribas. The cost of borrowing has been modelled based upon current PWLB rates and MRP assumptions from the Council finance team.

There are also the potential exit routes described above to protect the Council if the rental values are not achieved.

Option 2 is therefore the recommended option.

7 FINANCIAL CASE AND FUNDING ROUTES

The Council will need to decide if it borrows from PWLB or another lender, or whether a sale and leaseback deal may be better.

7.1 Traditional mortgage structure sourced from Public Works Loan Board or the open market

The recommended Option 2 will require the Council to purchase the units for c£64M, subject to valuation.

On completion of construction the Council would purchase commercial units from the JV. The funding would be sourced through either the Public Works Loan Board or the open market to achieve the most advantageous rate for the Council.

The Council would be responsible for leasing to cinema operator, restaurant and office occupiers. The debt would be repaid using the Council's net income through rental revenue from Commercial units' occupiers.

The loan would be either on an "interest-only" or "blended debt repayment" basis. An interest-only payment takes the total loan amount and charges only an interest payment on this over the amortised life of the loan. At the end of the amortisation period, a large one-time payment is required to pay off the outstanding balance.

The blended debt repayment option, blends both the interest and principal payments into one payment. This will reduce the outstanding balance on the loan over its lifespan and in turn reduce interest payments as the loan reduces. It has options, therefore, to maximise income through rents, or reduction of debt.

Optimal exit years have been identified in Year 5, 10 and 27 to maximise the returns for the Council, based on an analysis of likely tenancy turnover and anticipated building expenditure.

The Council is familiar with the PWLB route and, given current interest on long term borrowings are low at present, that may be the best option.

Officers are aware of other investors who are interested in lending to local authorities in current economic circumstances, however, because they have a very good covenant.

7.2 Commercial loan structured as a sale and leaseback

Officers have had initial discussions with Aviva on a sale and leaseback deal. This was only for Block B, however.

The proposal is that the Council would enter into 125-year lease from Aviva, and then Aviva would provide funds for land and construction (subject to a retention to cover against cost-overruns).

The council would enter into a 50-year leaseback on completion and would also be responsible for leasing to cinema operator, restaurant and office occupiers.

The Council would have a contract with the Civic Campus JV (Council and A2Dominion) to build commercial units on time, to budget.

In this structure, the freehold would remain with the Council. Aviva will fund 100% of the development costs of the new office and cinema and take a long leasehold of 250 years with the option to collapse the lease on maturity of the term.

The Council will take a headlease back from Aviva for a period of 50 years and will be in charge of operating the buildings. This will include all operational leases and management of the buildings.

The Council would benefit from regeneration uplift in terms of increasing profit rents, and from increases in capital value, once the 50-year leaseback term has expired. But the Council has to accept a leaseback that is linked to the consumer price index (CPI).

The Council will receive a number of benefits from this funding option, including full open market value for its land interest on day one and 100% of project development costs on a flexible drawdown basis that would help to ensure the building programme is maintained.

In addition to this, the Council could receive an annual operating surplus from the building based on a projected positive variance in net operating income and the Aviva debt service.

The current figures (Block B only) suggest that over the 50-year lease term there is no significant difference in the borrowing costs between this option and the traditional PWLB or open market option.

Working with Aviva would provide an external "challenge" to Council assumptions during the development process, helping to support timely and effective delivery, and subsequent management of the completed project.

7.3 Long-term issues/risk analysis and management implications

The final decision on where the Council borrows the money will be made closer to finalising the forward purchase agreement with the JV as the Council will want to ensure it gets the best deal on offer at that time.

For modelling purposes officers have used a 2.81% interest rate plus set aside of MRP.

The recommended Option 2 is financially viable, however officers recognise that the Council must carry out scenario testing to ensure the investment is still viable where circumstances change.

Sensitivity analysis

The viability has been based upon the following assumptions:

- Colliers/Frost Meadowcroft assumptions on the operational costs and reviewed by BNP Paribas
  - Rental levels for each asset class, ie office, retail, restaurant, cinema and affordable workspace
  - Rental inflation at 2%
  - Cyclical repairs/lifecycle costs
  - Capital expenditure at lease ends
  - Re-leasing costs
  - Rent free periods on new lettings
  - Increase in capital value of the units

- S106 monies are available to enable the affordable workspaces and the use of them has been reflected in the sensitivities in 4.49 below

See the full options appraisal at Exempt Appendix A for more details

7.4 How could option 2 be funded?

Public Works Loan Board Funding or open market funding

The funding could be sourced through either the Public Works Loan Board or the open market to achieve the most advantageous interest rate for the Council.

Upon completion of the construction the Council would purchase the building from the JV at an agreed value, set out in the conditional sale agreement.

The interest and debt (minimum revenue provision) would be repaid using the Council's income through rental revenue from the occupiers. The loan would be either on an "interest-only" or "blended debt repayment" basis.
An interest-only payment takes the total loan amount and charges only an interest payment on this over the amortised life of the loan. At the end of the amortisation period, a large one-time payment is required to pay off the outstanding balance.

The blended debt repayment option, blends both the interest and principal payments into one payment. This will reduce the outstanding balance on the loan over its lifespan and in turn reduce interest payments as the loan reduces. It has options, therefore, to maximise income through rents, or reduction of debt.

The Council maintains control of the commercial units, but it can sell its interest at any time, if required for example if the commercial lettings are difficult to achieve or if the Council want to release capital for other uses. Optimal exit years have been identified in Years 7, 107 and Year 27 to maximise the returns for the Council. It is very common for commercial investors to sell out or re-finance and this proposal allows the Council to achieve similar flexibility.

Sale and leaseback

The funding could alternatively be sourced through a commercial loan structured as a sale and leaseback with a large institutional investor.

In this scenario, the Council would retain the freehold of the building but enter into 125-year lease with the investor, who would then lease it back to the Council. The lease back to the Council could be for a period of 30-50 years depending on the most advantageous financial position for the Council.

The investor would provide funds for land and construction (subject to a retention to cover against cost-overruns). The Council would enter into the leasing arrangement at the beginning of construction and would commit to pay the investor lease payments once the buildings have completed. The Council would separately contract with the Joint Venture to ensure the delivery of the commercial units on time and on budget. At the end of the lease period the Council could purchase the reversionary interest for a £1.

As in the PWLB or open market alternative above, the risk for leasing the units is exactly the same and is retained by the Council see above. However, the exit route flexibility in the option is reduced as the investor would wish to control the sale to protect their loan. However, this option might provide for lower revenue costs in the early years of the investment whilst the revenue streams mature. The Council would benefit from regeneration uplift in terms of increasing profit rents, and from increases in capital value, once the 50-year leaseback term has expired. But the Council has to accept a leaseback that is linked to the consumer price index (CPI).

The Council will receive a number of benefits from this funding option, including full open market value for its land interest on day one and 100% of project development costs on a flexible drawdown basis that would help to ensure the building programme is maintained.

Preferred funding route

The preferred option route 2 will be tested by officers to ensure that the optimum loan facility is chosen. The decision on how the development should be funded is included in the delegation.

The Council also has the option to fund the units throughout construction if that proves financially more advantageous

Options compared

4.47 Benefits, risk and financial impact for the Council (not the JV) are compared in the table below:

NON-MONETARY BENEFIT	OPTION 1 Status Quo	OPTION 2 Purchase commercial units
Meets the Council's priorities	Possibly	Yes
Retain /attract talent to the Borough	Unknown	Yes
Improve commercialisation and future revenue opportunities for the Council	No	Yes
FINANCIAL IMPACT		
Purchase Price including costs	£nil	£64M
Interest Rate	N/A	2.81% and MRP

Hold Period	N/A	45 years with flexibility to sell or re-purpose
Viable	Yes	Yes
RISK	Low	Medium, but mitigations
Recommended	No	Yes

Recommended – Option 2

The conclusion of the above analysis suggests that Option 2 enables the Council to achieve its strategic objectives to:

- Benefit from the regeneration uplift the scheme will deliver
- Ensure the building's occupiers help to achieve the Council's Industrial Strategy
- To retain control of the campus as a whole, maintaining the appropriate long-term stewardship role for the Council in the regenerated campus
- Benefit from the long-term income streams and potential future capital receipts available from the investment.

The proposal shows a positive discounted cashflow for all modelled sensitivities – i.e. the investment would be expected to favourable in cash terms for all scenarios as modelled.

However, it is important to also consider the impact on the Council's revenue position. There are scenarios in the sensitivity model where, while the overall investment may still be cash positive, the Council incurs a net revenue cost. Furthermore, at the extremes of the model this cost could be significant. This is because:

- The income in the model is a combination of capital and revenue; capital income (capital receipts) cannot be used to support revenue expenditure.
- The Council is obliged to make a charge to revenue over the life of the investment to set aside a provision to repay the underlying debt (known as the minimum revenue provision or MRP).

The base scenario currently shows a revenue positive position however this is currently at the margin and a ten to twenty basis point increase in interest rates would turn this negative.

There are some mitigations the Council could explore. For example, all ongoing expenditure is currently considered as revenue; much of this could feasibly be capital in nature. This would not alter the lifetime revenue cost but may help to manage peaks and troughs in the revenue forecast. However, this could also increase borrowing costs.

Changes to interest rates and net operating costs impact on the long-term performance of the investment as can be seen from the matrix in Appendix 1.

Interest rates will be fixed at the time the capital is borrowed and for modelling purposes a robust figure of 2.81% has been used.

Management implications and mitigation tactics

The longer-term risk concerns the ability to let and manage the units and to protect assumed net operational income. The following mitigations have been considered:

- If the office rents were lower than profiled or there were tenancy voids, then the Council could re-locate staff (and that of its partners) from other Council-owned properties to allow the assets to be sold or re-developed with an income. The cost/benefits of moving H&F staff into the office accommodation would need to be fully assessed so actual financial expenditures were understood

- The Council could consider letting space in the new Civic Campus (new top floor) on a commercial lease for an events company with some reserved times for community/civic uses

- The Council may wish to let out HTH space on a commercial basis to public sector partners too as further agile working is implemented

- Lease out space at 145 King Street to provide additional income.

- If there were voids within the new offices, meanwhile uses could be considered to generate short term income

Further mitigation to be considered as an exit route if the Council wished to realise a capital receipt:

- The Council could sell to sell a long lease of the office block at any time or it could sell the freehold of the office block and also the cinema and ancillary uses at the time. A marketing strategy including advice on tax and deal structure to realise capital receipts would be required. If the office was occupied by one occupier, then at a future date it might want to acquire a long lease of the block to have control over its location in the borough

- The Council may wish to grant a long lease of the new addition (under a long lease) offices at the Town Hall to secure a capital receipt

- A further option would be to sell the commercial assets to secure capital receipts as a contribution for a different regeneration or place-making project in the borough

- The Council could do a sale and leaseback at a future date, but this would result in a revenue pressure.

Soft market testing of the commercial units market

Officers have been working with Colliers and Frost Meadowcroft to soft test the current market for the commercial units. The latest position is:

Cinema

The previous redevelopment proposal by King Street Developments (KSD) included a cinema. This was included in KSD's planning application and is popular with local residents.

Our current planning permission requires a four-screen cinema. We have continued discussions with a cinema operator that has a diverse offering of Hollywood, Independent and Foreign Language film as well as streamed events such as Opera will appeal to residents.

We have, via Colliers, spoken to an operator who have made an offer to lease the cinema on a 25-year lease basis on terms reflected in the viability model.

Restaurant

Colliers have advised it may be beneficial to retain the restaurant until the long-term occupier of Block B offices is determined. This would mean the lessee of the offices could make use of the restaurant if they wished. Co-working operators routinely seek a café or restaurant as part of their offering to occupiers. The Council could still sell the restaurant on a long lease to an investor if it wishes.

Offices

Through our agents, Colliers and Frost Meadowcroft, we asked co-working companies if they would be interested in a suitable office scheme (without revealing the exact site) to be ready for occupation in four years' time. They said they would be interested and would require minimum space of 4000 sqm. A marketing pack is being put together so that we can start the soft market testing in more detail.

Retail & café units

As with the restaurant units the advice from Colliers is to wait until closer to completion before we market the retail units. However, there has been an interest in the larger unit from a convenience store operator. Officers are having initial discussions as they may be prepared to enter into an agreement for lease.

Affordable workspace

These units have not been soft market tested as yet, as we know there is a high demand for discounted workspace.

9 PLANNING AND TIMETABLE

Resolution to grant planning permission was achieved in February 2019, subject to a GLA review and finalisation of S106.

The conditional land sale and formation of the JV will therefore happen in December 2019 following expiry of the planning judicial review period.

There are nine conditions linked to the land sale agreement (see 3.2 above). The conditions that form part of the sale agreement will need to be satisfied by April 2020 to enable the main start on site in June 2020.

As the financial and risk impact of the Commercial units' condition is significant for the overall scheme the Council needs to make the decision whether to invest in the Commercial units in **December 2019**.

10 Conclusion

10.1 This report demonstrates that there is a clear case for investing in the commercial units and that a report to cabinet and council should be made to request the authority to do so.

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 Authority hereby gives notice of Key Decisions which the Cabinet, Cabinet Members or Chief Officers intend to consider. The list may change from the date of publication as further items may be entered.

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Authority also hereby gives notice in accordance with paragraph 5 of the above Regulations that it may meet in private to consider Key Decisions going to a Cabinet meeting which may contain confidential or exempt information.

Reports relating to Cabinet key decisions which may be considered in private are indicated in the list of Cabinet 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 Cabinet decision should instead be made in the public at the 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 THE AUTHORITY FROM DECEMBER 2019 UNTIL APRIL 2020

The following is a list of Key Decisions which the Authority proposes to take from December 2019. The list may change over the next few weeks.

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 £300,000) 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 affecting the budget and policy framework set by the Council.**

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

NB: Key Decisions will generally be taken by the Executive at the Cabinet, by a Cabinet Member or by a Chief Officer.

If you have any queries on this Key Decisions List, please contact
***Katia Neale** on 07776 672 956 or by e-mail to katia.neale@lbhf.gov.uk*

Access to Key Decision reports and other relevant documents

Key Decision reports and documents relevant to matters to be considered at the Authority by Cabinet only, will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the Cabinet 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 Key Decisions will be subject to a 3-day call-in before they can be implemented, 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 related to Cabinet Key Decisions only. 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 2019/20

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. 85 (published 22 November 2019)

KEY DECISIONS LIST – FROM DECEMBER 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	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)*
2 December 2019				
Cabinet	2 Dec 2019 Reason: Affects 2 or more wards	**Corporate Revenue Monitor 2019/20 Month 5 31 August 2019** Forecast outrun position as at and of August. Requests for any budget virements or write offs.	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	2 Dec 2019 Reason: Expenditure or income more than £5 million	**Procurement Strategy to Develop a Dynamic Purchasing System (under the Light Touch Regime) with the West London Alliance for Looked After Children and Care Leaver** Strategy detailing proposed approach for accommodation arrangements for Looked After Children, Care Leavers and Young People at risk of homelessness. This strategy will include recommendations for the borough's semi-independent living arrangements and supply of in-borough supported accommodation services. 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	Cabinet Member for Children and Education Ward(s): All Wards Contact officer: Will Parsons Tel: 0776 848 6764 Will.Parsons@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)*
		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	2 Dec 2019 Reason: Budg/pol framework	**TOWN HALL CAMPUS CIVIC PROGRAMME: APPROVAL TO PURCHASE COMMERCIAL UNITS AND JOINT VENTURE UPDATE** Report seeks delegations to acquire commercial units as part of Civic Campus and also provides and update on Joint Venture	Cabinet Member for the Economy Ward(s): All Wards Contact officer: David Burns David.Burns@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	2 Dec 2019 Reason: Affects 2 or more wards	**SAFER CYCLE PATHWAY ROUTE ALONG KING STREET & HAMMERSMITH ROAD AND A4 CYCLE HIGHWAY** This report seeks cabinet approval in principle of the proposed Safer Cycle Pathway route (SCP) along King Street & Hammersmith Road and the A4 Cycle Highway	Cabinet Member for the Environment Ward(s): Hammersmith Broadway; Avonmore and Brook Green; Ravenscourt Park Contact officer: Richard Duffill Tel: 02087531976 Richard.Duffill@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 Member for Finance and Commercial Services	December 2019 Reason: CAPITAL- Between £1,5 to £5 million	**Capital planned Maintenance Programme** The Facilities Capital Maintenance and repairs programme across the corporate estate 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	Councillor Max Schmid Ward(s): All Wards Contact officer: Keith Fraser Tel: 07717 847 361 Keith.Fraser@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)*
		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 Finance and Commercial Services	November 2019 Reason: CAPITAL- Between £1,5 to £5 million	**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: Nigel Brown, David Burns Tel: 020 8753 2835, Nigel.Brown@lbhf.gov.uk, David.Burns@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.
Strategic Director of the Economy Department	Not before 16th Dec 2019 Reason: Expenditure or income more than £300,000	**Contract Modification Report - Fit Out Works for 145 King St and 43 Beavor Lane** A report recommending the approval an extension of contract sum in order to finalise the works for 43 Beavor Lane and 145 King Street.	Cabinet Member for the Economy Ward(s): Hammersmith Broadway Contact officer: Katie Randall Tel: 07525 798 841 Katie.Randall@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 Member for the Economy	Not before 18th Dec 2019 Reason: REVENUE - Between £500,000 to £5 million	**Award of term contract to carry out planned servicing, day to day repairs and minor improvement works to housing passenger lifts** This report seeks approval to let a contract to undertake planned servicing, day to day repairs and minor improvement works to housing passenger lifts. The value of the contract exceeds the threshold for service contracts and has therefore been tendered in accordance with the Public Contracts Regulations 2006 (as amended).	Cabinet Member for Housing Ward(s): All Wards Contact officer: Richard Buckley richard.buckley@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		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 Health and Adult Social Care	Before 20 Dec 2019 Reason: REVENUE - Between £500,000 to £5 million	**Business Case and Procurement Strategy for the Commissioning of Violence Against Women & Girls Services** Approval sought for the re-commissioning of Violence Against Women & Girls Services	Deputy Leader Ward(s): All Wards Contact officer: Pat Cosgrave Tel: 020 8753 2810 Pat.Cosgrave@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.
6 January 2020				
Cabinet	6 Jan 2020 Reason: Expenditure or income more than £5 million	**Council Tax Support Scheme 20/21** Set out the Council Tax Support Scheme for 20/21 Financial Year	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Kirsty Brooksmith Tel: 07785531091 Kirsty.Brooksmith@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	6 Jan 2020 Reason: Affects 2 or	**Council Tax Base and Collection Rate 2020-21 and Delegation of the Business Rate Estimate**	Cabinet Member for Finance and Commercial Services Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet *(other relevant documents may be submitted)*
	more wards	This report is a Statutory requirement and contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2020/21.	Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jan 2020 Reason: Budg/pol framework	**GENERAL FUND RESERVES STRATEGY 2019/20 to 2022/23** Provides a financial update on Hammersmith and Fulham's reserves and sets out the strategy for their future use	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jan 2020 Reason: Expenditure or income more than £5 million	**PROCUREMENT OF ENERGY – FLEXIBLE SEPTEMBER 2020-2025 AND FTFP 2020-2025** This report seeks the approval for entering into contractual agreements with London Energy Project (LEP) for the procurement of London Borough of Hammersmith & Fulham's (LBH&F) energy procurement requirements via a Central Purchasing Body, LASER from 30th September 2020 till 31st March 2025. 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 Finance and Commercial Services Ward(s): All Wards Contact officer: Sebastian Mazurczak, Kal Saini Tel: 020 8753 1707, Tel: 0208 753 7937 Sebastian.Mazurczak@lbhf.gov.uk, Kal.Saini@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	6 Jan 2020 Reason: Affects 2 or more wards	**Corporate Revenue Monitor 2019/20 Month 6 - 30 September 2019** Forecast outturn position as at end of September. Request for virements	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jan 2020 Reason: Expenditure or income more than £5 million	**CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2019/20 (SECOND QUARTER)** This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the second quarter	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	6 Jan 2020 Reason: Expenditure or income more than £5 million	**Offsite Records Storage Service** Offsite Records Storage Service, for the secure storage of documents and records in a physical format including paper, microfilms, microfiche and some objects. This will also include retrieval services with the capability of doing scan on demand as well as a bulk scanning service and secure destruction of records as requested. PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Anthea Ferguson, Edward Crow Tel: 02087536641, Anthea.Ferguson@lbhf.gov.uk, Edward.Crow@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)*
		of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	6 Jan 2020 Reason: Budg/pol framework	**Social Value Policy** Approve the content of the Social Value Policy to allow its implementation across all Council's services. 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 Finance and Commercial Services Ward(s): All Wards Contact officer: Ilaria Agueci Ilaria.Agueci@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	6 Jan 2020 Reason: Expenditure or income more than £5 million	**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	6 Jan 2020 Reason: Expenditure or income more than £5 million	**Acquisition of property King Street** Acquisition of freehold interest of an operational property 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	Cabinet Member for Finance and Commercial Services Ward(s): Hammersmith Broadway Contact officer: David Burns David.Burns@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

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)*
		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.		considered.
3 February 2020				
Cabinet	3 Feb 2020 Reason: Expenditure or income more than £5 million	**Treasury Management Strategy Mid-Year Review Report 2019/20** Update Members on the delivery (six-month point to 30 September 2019) of the 2019/20 Treasury Management Strategy approved by Council on 27 February 2019	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Mat Dawson, Meijia Ling Tel: 020 7641 1539 mdawson@westminster.gov.uk, mling@westminster.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 Feb 2020 Reason: Expenditure or income more than £5 million	**CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2019/20 (THIRD QUARTER)** This report provides a financial update on the Council's Capital Programme and seeks approval for budget variations, as at the end of the third quarter	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	3 Feb 2020 Reason: Expenditure or income more than £5 million	**FOUR YEAR CAPITAL PROGRAMME 2020/21 AND CAPITAL STRATEGY 2020/21** This report presents the Council's four-year Capital Programme for the period 2020-24.	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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	3 Feb 2020 Reason: Affects 2 or more wards	**Corporate Revenue Monitor 2019/20 Month 7 31 October 2019** Forecast outturn position at end of October 2019. Virement requests.	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	3 Feb 2020 Reason: Expenditure or income more than £5 million	**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.
Cabinet	3 Feb 2020 Reason: Budg/pol framework	**FINANCIAL PLAN FOR COUNCIL HOMES: THE HOUSING REVENUE ACCOUNT FINANCIAL STRATEGY, 2020/21 HOUSING REVENUE ACCOUNT BUDGET AND 2020/21 RENT INCREASE** This report covers the 2020/21 budget for the Council's homes (also known as the annual Housing Revenue Account (HRA) budget). The report also covers	Cabinet Member for Housing Ward(s): All Wards Contact officer: Danny Rochford Danny.Rochford@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)*
		the Housing Capital Programme, the 40 year financial business plan and changes to the annual rent and other housing-related charges		
2 March 2020				
Cabinet	2 Mar 2020 Reason: Affects 2 or more wards	**Housing Strategy 2019** Report on the Council's new Housing Strategy	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	2 Mar 2020 Reason: Affects 2 or more wards	**Defend Council Homes Policy** Policy to provide extra protection for residents of council homes, involving them from the start of any redevelopment proposals and ensuring the council is working to best practice.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Fiona Darby Fiona.Darby@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	2 Mar 2020 Reason: Expenditure or income more than £5 million	**Grounds Maintenance Contract Procurement** Procurement strategy for a grounds maintenance contract for parks and open spaces including provision for grounds maintenance on housing and highways sites 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	Cabinet Member for the Environment Ward(s): All Wards Contact officer: Richard Gill Tel: 07833482119 richard.gill@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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		1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
20 April 2020				
Cabinet	20 Apr 2020 Reason: Affects 2 or more wards	**Corporate Revenue Monitor 2019/20 Month 9 21 December 2019** Forecast outturn as at end of December. Virement requests	Cabinet Member for Finance and Commercial Services Ward(s): All Wards Contact officer: Emily Hill emily.hill@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.