

# Cabinet

## Agenda

**MONDAY**  
**4 JANUARY 2021**  
**6.30 pm**

**THIS MEETING WILL  
BE HELD  
REMOTELY**

It will be streamed via  
YouTube on:

<https://youtu.be/dXM8uhbEefs>

**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**  
**21 December 2020**

If you require further information relating to this agenda please contact:  
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Reports on the open Cabinet agenda are available on the Council's website: [www.lbhf.gov.uk/councillors-and-democracy](http://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 **11-15** 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.

**PLEASE NOTE** that any member of the press and public may listen-in to proceedings at this 'virtual' meeting via the weblink. Members of the press and public may tweet, blog etc. during the live broadcast as they would be able to during a regular Committee meeting at the Town Hall. It is important, however, that Councillors can discuss and take decisions without disruption, so the only participants in this virtual meeting will be the Councillors concerned, the officers advising the Committee and registered speakers who have submitted a valid deputation or petition in advance.

### DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on item numbers **4-15** 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: Tuesday 29 December 2020.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by Tuesday 5 January 2021. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Friday 8 January 2021 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 8 January 2021.**

# Cabinet Agenda

4 January 2021

<u>Item</u>	<u>Pages</u>
1. <b>MINUTES OF THE CABINET MEETING HELD ON 7 DECEMBER 2020</b>	6 - 9
2. <b>APOLOGIES FOR ABSENCE</b>	
3. <b>DECLARATION OF INTERESTS</b>	
<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
4. <b>COUNCIL TAX SUPPORT SCHEME 21/22</b>	10 - 14
5. <b>COUNCIL TAX BASE AND COLLECTION RATE 2021-22 AND DELEGATION OF THE BUSINESS RATE ESTIMATE</b>	15 - 24
6. <b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2020/21 (SECOND QUARTER)</b>	25 - 50
7. <b>CORPORATE REVENUE MONITOR MONTH 6 (SEPTEMBER 2020)</b>	51 - 97

8.	<b>DEFEND COUNCIL HOMES POLICY</b>	98 - 127
9.	<b>PROCUREMENT STRATEGY FOR TRAVEL CARE TAXI SERVICES</b>	128 - 142
10.	<b>UPDATE TO COLLABORATION AGREEMENT FOR CHILDREN'S SOCIAL CARE</b>	143 - 150
11.	<b>PROCUREMENT STRATEGY FOR SCHOOL MEALS</b>	151 - 158

This report has two appendices which contain information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication. The appendices have 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.***

12.	<b>ROUGH SLEEPING SERVICES PROCUREMENT STRATEGY</b>	159 - 191
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This report has one appendix which contains information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are 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.***

13.	<b>CONTRACT AWARD FOR MAJOR REFURBISHMENT WORKS TO MAYSTAR ESTATE W14</b>	192 - 201
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This report has three appendices which contain information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication. The appendices have 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.***

14.	<b>DISPOSAL OF LAND - WATERMEADOW COURT, WATERMEADOW LANE, LONDON, SW6 2RW</b>	202 - 210
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This report has four appendices which contain information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication. The appendices have 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.***

**15. HARTOPP POINT & LANNOY POINT SITE - NEW COUNCIL HOMES 211 - 222**

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

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

**16. FORWARD PLAN OF KEY DECISIONS 223 - 259**

**17. ANY OTHER BUSINESS**

**LOCAL GOVERNMENT ACT 1972 - ACCESS TO INFORMATION**

**Proposed resolution:**

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

# Agenda Item 1

London Borough of Hammersmith & Fulham

## Cabinet Minutes



**Monday 7 December 2020**

*NOTE: This meeting was held remotely. A recording of the meeting can be watched at on YouTube at: [https://www.youtube.com/watch?v=X\\_UbsQDtrZQ&feature=youtu.be](https://www.youtube.com/watch?v=X_UbsQDtrZQ&feature=youtu.be)*

### **PRESENT**

Councillor Stephen Cowan, Leader of the Council  
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 Andrew Jones, Cabinet Member for the Economy  
Councillor Lisa Homan, Cabinet Member for Housing  
Councillor Sue Macmillan, Cabinet Member for Strategy  
Councillor Max Schmid, Cabinet Member for Finance and Commercial Services

### **INTRODUCTION**

The Leader expressed his gratitude to all Council's officers, and particularly to the work done by Councillor Ben Coleman, Cabinet Member for Health and Adult Social Care, and Lisa Redfern, Strategic Director of Social Care, for their fine work in coordinating the borough's response to the Covid-19 pandemic. He reported that H&F had some of the best tracing system in the UK and the best in London, which had been fundamental in understanding the virus spread. Since the summer the Council had launched a project to phone everyone in the borough with the virus to ask where they had contracted it from. This was possible as many officers had been retrained and were now monitoring this data and advising people on best practices. Testing had also been ground breaking due to the Council's fast response in rolling out tests as soon as they became available.

The Leader stressed that there was now great hope and expectation that this pandemic would be coming to an end with the arrival of the vaccine. He fully expected that within 6 months a large proportion of the population would be vaccinated. But meanwhile, the advice given by the the Director of Public Health in London and the Council's own health experts was for everyone to be particularly vigilant over Christmas and avoid social events to stop further spread of the virus.

**1. MINUTES OF THE CABINET MEETING HELD ON 2 NOVEMBER 2020**

**RESOLVED:**

That the minutes of the meeting of the Cabinet held on 2 November 2020 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Sue Fennimore.

**3. DECLARATION OF INTERESTS**

There were no declarations of interest.

**4. INTEGRATED ENFORCEMENT IN H&F**

The Leader introduced the report on behalf of Councillor Sue Fennimore. He stressed that after the Covid-19 pandemic, it had always been the Council's number 1 priority to tackle crime and – despite significant cuts to local government financing and the costs of dealing with the Covid-19 pandemic – the Council invested the largest-ever amount in crime fighting. With the rising levels of violent crime, the Council was determined to crack down on those who preyed on the most vulnerable children.

The Council would merge the Neighbourhood Wardens, Parks Police, Street Scene Enforcement and Highways Enforcement functions into a new single Neighbourhood Enforcement Team. This team would have an expanded team of 72 officers, up from the current 40 undertaking enforcement related roles across the Council, operating round the clock, seven days a week and acting as eyes and ears across the borough for a wide range of issues. The dedicated H&F Gangs, Violence & Exploitation Unit would receive intelligence from patrolling officers to help to better safeguard young people.

The Leader added that this report proposed the single largest investment in Community Safety in H&F's history which aimed at delivering the most professional and effective local authority enforcement service in London and make H&F safer for everyone.

Councillor Wesley Harcourt added that this report would merge a number of teams from several areas to be part of this new enforcement team. This would increase the number of officers available by 60%, which was very welcome news. The Police Borough Commander had endorsed this proposal.

The Leader put the recommendations to the vote.

**AGREED UNANIMOUSLY BY CABINET:**

1. To agree the creation of a highly visible Integrated Enforcement Team operating seven days a week to patrol H&F and assist the Police to reduce crime and anti-social behaviour in the Borough.
2. To approve the investment of up to £4,561,000 per annum in the Integrated Enforcement Team for part year 2020/21 and full year 2021/22, to be funded from existing budgets and S106 developer contributions.

**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.

**5. PROCUREMENT STRATEGY FOR CONSULTANCY SERVICES FRAMEWORK**

Councillor Lisa Homan introduced the report which proposed to set up a framework agreement with pre-vetted, high-quality technical consultants offering competitive rates. The council needed to have a clear route to market to secure technical consultants and support services to ensure the works were delivered efficiently and effectively. The technical consultant framework would also be available to all Council departments and would be designed with the intention of delivering significant savings.

The technical consultants on this framework would be: structural engineers; property condition surveyors (commercial and residential); mechanical & electrical engineers; architects; fire safety engineers; CDM (health & safety) specialists; damp, mould and condensation specialists; HVAC engineers; electrical engineers; planning consultants; employer's agents; project managers or contract administrators.

The Leader put the recommendations to the vote.

**AGREED UNANIMOUSLY BY CABINET:**

1. Appendix 4 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).



2. To approve the Procurement Strategy for the Council to set up a series of 6 frameworks of technical consultants and professional services to aid the delivery of capital projects to meet the Compliance, Housing Repairs and Capital functions, as set out in Appendix 1.
3. To delegate authority to the Strategic Director of the Economy, in consultation with the relevant Cabinet Member for Housing, to approve minor changes to the procurement process or to the evaluation methodology as set out in procurement strategy in Appendix 1 for operational reasons if required.
4. To approve the award of call off contracts under the Framework Agreements up to an aggregated value of £18 million over the four-year term across all six frameworks.
5. To note that once the frameworks are awarded, authority will be sought to amend the Contract Standing Orders so that a procurement strategy is not required when the framework is utilised.

**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.

**6. FORWARD PLAN OF KEY DECISIONS**

The Key Decision List was noted.

**7. ANY OTHER BUSINESS**

There was no other business.

Meeting started: 6.00 pm  
Meeting ended: 6.18 pm

Chair .....

# Agenda Item 4

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Council Tax Support Scheme 2021/2022

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

**Report author:** Kirsty Brooksmith - Head of Benefits

**Responsible Director:** Nicola Ellis – Assistant Director, Resident Services

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### Summary

Since 2013, every council has been required to set its own Council Tax Support Scheme, setting out how it wants to help those on low income pay their council tax. The administration is determined to ensure that residents are no worse off than they would have been had the original council tax benefit regulations stayed in place, ensuring that lower income families are supported by the council. This report is therefore not proposing to make any changes to the Council Tax Support Scheme for 2021/22 other than the application of the annual uprating.

The annual uprating will apply to the allowances, applicable amounts, and income for both pensioners and working age DWP benefits, as per the Housing Benefit uprating circular issued to Local Authorities in November 2020. This circular advises the new rates from April 2021. All Local Authorities have a duty to apply uprating to their Housing Benefit Scheme and we propose to continue to reflect this uprating within our Council Tax Support Scheme to mirror the original intention of the default scheme. This will ensure transparency ease of administration and clarity for our residents.

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### Recommendations

It is recommended that Cabinet agrees the following recommendations to be approved by full Council:

1. That the Council Tax Support Scheme in operation in 2020/2021 shall continue in 2021/2022.
  2. That the Council shall apply the annual uprating of allowances, applicable amounts and income set out in the DWP Housing Benefit circular to the Council Tax Support scheme for 2021/2022.
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**Wards Affected: ALL**

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	We'll support our low-income residents by ensuring our scheme gives them the maximum benefit of up to 100%, contributing to keeping their living costs, including their council tax, affordable.
Creating a compassionate council	We are continuing our local Council Tax support scheme to the most vulnerable amongst us, so we know they are looked after financially.
Doing things with local residents, not to them	We'll continue to listen to and work with our residents by offering financial support to them when nationally local authorities are reducing financial help and support.
Being ruthlessly financially efficient	We want to be our residents to know we are working to protect and maintain policies that protect our most vulnerable.

## **Financial Impact**

The council tax support scheme operates by offering a discount to residents who need help paying their council tax. The cost of the scheme is shared between Hammersmith and Fulham and the Greater London Authority based on their respective council tax charges. The Hammersmith and Fulham share of the scheme cost was £8.3m in 2019/20. Due to an increase in the number of awards, arising as a consequence of the Covid-19 pandemic, there is predicted growth in the cost of this scheme in both 2020/21 and 2021/22. Latest modelling suggests that the cost of the scheme will be £12.9m in 2021/22, based on current council tax levels, of which the Hammersmith and Fulham share will be £9.1m. This increase is allowed for within the 2021/22 council tax base report.

Funding for the council tax support scheme was originally provided through Revenue Support Grant (RSG) from the Government. Government grant funding has reduced by £68m (54% in real terms) from 2010/11 to 2020/21. Funding for 2021/22 and future years is uncertain. It should be noted that the cost of funding this scheme and for future years is now fully borne by the Council.

## **Legal Implications**

The Council is required, each financial year, to consider whether to revise its scheme or to replace it with another. The Council must make this decision no later than 31 January in the financial year preceding when the scheme is to take effect.

The Council has a statutory duty to set the council tax each year and this report is part of this process. The Council can only vary or set council tax discounts or higher amounts as legally empowered to do so. The relevant regulations and legislation are the Local Government Finance Act 1992, the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003. The Council Tax base has been calculated in accordance with the relevant Acts and regulations.

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### **Contact Officers:**

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Verified by Emily Hill, Director of Finance

Name: Jade Monroe  
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### **Background Papers Used in Preparing This Report**

LBHF Council Tax Reduction Scheme 2020/21 - Published at:  
[https://www.lbhf.gov.uk/sites/default/files/section\\_attachments/hf\\_council\\_tax\\_reduction\\_scheme\\_2020.pdf](https://www.lbhf.gov.uk/sites/default/files/section_attachments/hf_council_tax_reduction_scheme_2020.pdf)

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

No further options regarding proposing changes to introduce a minimum contribution that would have resulted in working age families having to contribute to their Council Tax have been considered this year. This is in light of the pandemic and the financial difficulties residents are facing at this current time.

### **Reasons for Decision**

We are proposing no changes to the scheme this year. This scheme is particularly important this year in light of the financial challenges residents are facing due to the economic impacts of Covid, including the rise in unemployment, the introduction of furlough schemes and continued increases in overall living costs.

We also note the ongoing impact of the early migration of our residents to Universal Credit (UC), as a result of changes to their household circumstances either through loss of work completely or loss of actual earnings whilst furloughed has negatively impacted the existing challenges residents face. This has resulted in much more reliance on the use of foodbanks, and a rise in arrears and complexities around income collection for both council rents and Council Tax.

Currently there are 14,179 households receiving Council Tax Support in Hammersmith and Fulham, of these 4,886 are pensioner age therefore would be unaffected by any changes and 9,293 are working age. Therefore, any changes we made would detrimentally impact the largest proportion of our caseload.

The council has concluded that if changes were made to the scheme to introduce a minimum contribution towards council tax for working age customers on low incomes, we would be seeking repayment from the poorest in our society, many of whom have already been severely financially impacted this year.

### **Equality Implications**

There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these proposals.

Implications verified by: Fawad Bhatti  
tel. 07500 103617.

### **Risk Management Implications**

Local authorities have received significant cuts to budgets imposed on them by national Government, in addition the Government's Universal Credit Scheme has posed challenges to the poorest and most vulnerable in society. Council tax benefit was a UK-wide benefit that provided support for council tax to low-income families. This was abolished in April 2013 and local authorities in England were charged with designing their own council tax support schemes in its place. Although these must maintain support for pensioners at its previous level, local authorities have wide

discretion to design their own schemes for working-age families. The Council's scheme contributes positively to our residents, meeting their needs and expectations. It also contributes to our council values most specifically being a compassionate council, so the most vulnerable among us are looked after.

Implications verified/completed by Michael Sloniowski Risk Manager tel 020 8753 2587

### **Consultation**

There is no requirement to consult this year as we are not proposing any changes to our scheme.

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Council Tax Base and Collection Rate 2021-22 and Delegation of the Business Rate Estimate

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

**Report author:** Jamie Mullins - Head of Revenues

**Responsible Director:** Emily Hill - Director of Finance

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### Summary

This report is a Statutory requirement and contains an estimate of the Council Tax collection rate and calculates the Council Tax Base for 2021/22. The Council Tax Base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2021/22.

The proposed Council Tax Base for 2021/22 of 80,930 is an increase of 435 on the figure agreed for 2020/21 of 80,495. Based on the 2020/21 Band D charge of £792.42 the increase in the tax base will result in an increased income of £344,000 for Hammersmith and Fulham.

For 2020/21 council tax income has been adversely impacted by the Covid-19 pandemic. An estimated in-year loss of £6m is currently forecast (of which the council share is £4.228m). The government have announced that this loss (collection fund deficit) can be spread over 3 years from 2021/22 onwards and the recent Spending Review further announced that 75% of these irrecoverable losses will be funded by government.

The report also seeks to delegate authority to the Director of Finance to determine the business rates tax base for 2021/22. The Council has benefited from membership of the pan London business rates pool. It is proposed, subject to a review of updated modelling, that participation continues in 2021/22,

The tax base forecast is subject to significant risk and uncertainty due to the unknown future impact of the Covid-19 pandemic. The current forecast will continue to be reviewed, and updated if necessary, prior to agreement by Full Council on 20 January 2021.

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## Recommendations

That Cabinet approves the following recommendations to Full Council for the financial year 2021/22:

1. That the estimated numbers of properties for each Valuation Band as set out in this report be approved.
2. That an estimated collection rate of 97.0% be approved.
3. That the Council Tax Base of 80,930 Band “D” equivalent properties be approved.
4. To delegate authority to the Director of Finance in consultation with the Cabinet Member for Finance and Commercial Services, to determine the business rates tax base for 2021/22.
5. To note the provisional in-year 2020/21 council tax collection fund deficit of £6m and that the estimate will continue to be reviewed. The overall deficit, taking account of prior years, is estimated at £5.550m.
6. To confirm, subject to confirmation of an estimated financial benefit, that the London Borough of Hammersmith and Fulham wishes to continue in a pan-London business rates pool in 2021/22.

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**Wards Affected:** ALL

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	Keeping the Council Tax low helps residents to maintain affordable living costs.
Creating a compassionate council	We continue to lead on Ethical Debt collection by working closely with vulnerable residents and not employing Enforcement Agents for the collection of council tax.
Being ruthlessly financially efficient	The recommendations in this statutory annual report will ensure that the Council continues to charge the premium on long term empty properties and not grant discounts or exemptions to second homes or unoccupied and unfurnished properties. These generate additional income



	and contributes to one of the lowest Council Tax in the country.
Taking pride in H&F	The Council's policy on not granting discounts or exemptions on empty or second properties encourages bringing these properties back in to use and creating safer and cleaner communities for residents and contributing to the prevention of homelessness.

## Financial Impact

### Council Tax Base

The Local Government Finance Act 1992 requires that the council set the tax base by 31 January each year. It is used within the overall council tax and budget setting process, due to be reported to budget council on 24 February 2021.

The proposed Council Tax Base for 2021/22 of 80,930 is 435 Band D equivalents, higher than the 80,495 agreed for 2020/21. The increase in the tax base will generate additional income, using 2020/21 council tax charges, of £344,000 for Hammersmith and Fulham and £144,400 for the Greater London Authority.

The main reasons for the tax base change are:

	Band D Equivalents
An increase in the tax-base due to new non-exempt properties	1,074
An allowance for new properties added in-year	425
A forecast reduction in the number of single persons discounts	167
Allowance for an increase in the number of local council tax support scheme discounts	-885
Changes to other exemptions	70
Reduction in the forecast collection rate from 97.5% to 97%	-416
<b>Increase in the 2021/22 tax base</b>	<b>435</b>

Local authority finances are facing unprecedented financial risk and uncertainty due to the impact of the Covid-19 pandemic. For council tax, the latest London wide survey has shown a reduction in collection rates, from October 2019 to October 2020 of between 0.5% and 5.9%. In London the council tax support scheme caseload has also increased on average by 9.1% since 2019/20. The survey figures are in line with the Hammersmith and Fulham experience, with a £6m income shortfall currently forecast for 2020/21.

The current Covid-19 uncertainty is likely to continue in 2021/22 with council tax income adversely impacted. For the purposes of setting the tax base a reduction in the collection rate from 97.5% to 97% is assumed and an increase of 885 band D equivalent discounts made through the local council tax support scheme. This

increase in the number of discounts is based on trend data and represents a potential income loss to Hammersmith and Fulham of £701,000.

### **Prior Year Collection Fund Deficit**

The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the business rates retention scheme and a contribution towards a Council's own General Fund.

As at the close of 2019/20 the council had a net surplus on the collection fund, after allowance for sums already taken account of within the 2020/21 budget process, of £0.450m (of which the Hammersmith and Fulham share is £0.317m).

Due to the impact of the Covid-19 pandemic, the latest estimate is that there will be an in-year 2020/21 council tax income deficit of £6m, of which the Hammersmith and Fulham share is £4.228m. The overall forecast net deficit (taking account of the surplus brought forward at the end of 2019/20) is £5.550m of which the Hammersmith and Fulham share is £3.911m.

Under new government regulations this deficit can be spread over 3 years from 2021/22 onwards and this will be taken account within the future budget strategy. Furthermore, the recent Spending Review further announced that 75% of these irrecoverable losses will be funded by government. The current forecast is subject to significant flux and will be reviewed before final agreement of the tax base report by Full Council on 20 January.

### **Business Rates**

The business rates tax base forecast is subject to great uncertainty. For 2020/21 total reliefs of £155m, most of which relate to Covid-19, are currently estimated as receivable. It is not known if these reliefs will continue in 2021/22 or how the economic fall-out from Covid-19 will impact on the business rates tax base. As more information becomes available the forecast will be updated with final approval to determine the business rates tax base for 2021/22 delegated to the Director of Finance, in consultation with the Cabinet Member for Finance and Commercial Services.

The Council currently participates in the pan-London business rates pool. The pool currently benefits boroughs by enabling more business rates growth to be retained within London. The latest estimated pool benefit for Hammersmith and Fulham is £580,000 for 2020/21. Subject to an update of the 2021/22 forecast, and a continuation of expected future benefits, it is proposed that Hammersmith and Fulham express a wish to continue in the pool in 2021/22.

### **Legal Implications**

The Council has a statutory duty to set the Council Tax each year and this report is part of this process.

The relevant regulations and legislation together with the legal basis for agreeing the recommendations relating to the council tax base are found under section 31B of the Local Government Finance Act 1992 which imposes a duty on a billing authority to calculate its council tax by applying a formula laid down in that section. This relies on calculating a figure for the council tax base for the year. The Local Authority (Calculation of Council Tax Base) (England) Regulations 2012 require a billing authority to use a given formula to calculate the council tax base. The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, as amended in 2012 and Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 address the position of second and unoccupied homes.

**Contact Officer(s):**

Name: Jamie Mullins  
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**Background Papers Used in Preparing This Report**

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MHCLG Return CTB1  
(October 2020)

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**DETAILED ANALYSIS**

**Discounts**

**Second Homes**

There are some 2,321 second homes in the borough. The Council does not offer a discount on second homes which adds 2,734 Band "D" equivalents to the tax base for 2021/22.

Based upon 2020/21 Council Tax levels, this generates income to the Council of £2.17m. This income is allowed for within the Council's Medium-Term Financial

Strategy. Our preceptor, the Greater London Authority (GLA), also benefits from the reduction in the discount and the increase in income to the Council.

### Empty Properties

There are some 323 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 409 Band "D" equivalents to the tax base for 2021/22

Based upon 2020/21 Council Tax levels, this generates income to the Council of £324,000. This income also directly benefits the GLA.

### Council Tax Support

Under Council Tax Support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme, which mirrors the previous council tax benefit arrangements.

For 2021/22, the Council has provided for a total of £12.9m (including the GLA precept) in Council Tax Support discounts. This equates to 11,476 Band "D" equivalents based on 2020/21 Council Tax levels.

The tax base regulations require the cost of the scheme to be treated as a discount and deducted from the Council's tax base calculation below.

### Valuation Band Properties

The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council provided to the MHCLG on 14th October 2020.

This return reflected the actual number of properties shown in the Valuation List as of 15th September 2020, and the Council's records as of 5th October 2020.

Band	Band Size	Total Dwellings	Total after Discounts, Premiums, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
A	Values not exceeding £40,000	4,098.0	2,975.5	6/9	1,983.7
B	Values exceeding £40,000 but not exceeding £52,000	6,648.0	4,985.0	7/9	3,877.2
C	Values exceeding £52,000 but not exceeding £68,000	14,337.0	12,501.0	8/9	11,112.0
D	Values exceeding £68,000 but not exceeding £88,000	25,120.0	22,596.8	9/9	22,596.8
E	Values exceeding £88,000 but not exceeding £120,000	16,427.0	15,056.8	11/9	18,402.7
F	Values exceeding £120,000 but not exceeding £160,000	10,243.0	9,505.3	13/9	13,729.8

G	Values exceeding £160,000 but not exceeding £320,000	11,662.0	10,987.0	15/9	18,311.7
H	Values exceeding £320,000	2,731.0	2,645.8	18/9	5,291.5
	Total	91,266.0	81,254.0		95,306.0

A detailed analysis of the properties in each valuation band can be summarised as follows. There are 91,266 dwellings on the list with some 27,506 properties estimated to receive a single person's discount.

The total Band "D" equivalent is approximately 95,306 properties.

### **Adjustments to the Valuation List**

The above table shows the valuation band position on 15th September 2020, but the Council is also required to consider the Council Tax Support Scheme and any other likely changes during the financial year 2021/22.

Therefore, the following adjustments need to be considered:

### **New Properties**

There are likely to be a number of new properties, conversions etc added to the valuation list at some point during the year. There are approximately 283 units currently under construction on various sites in the Borough that will be added to the tax base sometime during 2021/22. It is estimated after allowing for different completion dates that this will equate to an additional 424 Band 'D' equivalents.

### **Single Person Discounts**

The Council undertakes a regular review of single person discounts being awarded to taxpayers. The next review will take place in June 2021 and based on previous reviews; it is estimated that a further 670 band D equivalent SPD discounts will be removed which will add an additional 167 Band "D" equivalents to the tax base for 2021/22. This will benefit the council by an estimated £127,740

### **Student Exemptions**

Dwellings wholly occupied by students are exempt from Council Tax. The projected Council Tax base needs to be adjusted to allow for students that have yet to prove their exemption for the new academic year. It is estimated that an adjustment of 930 Band "D" equivalents is required.

### **Council Tax Support**

The cost of the scheme equates to 11,476 band "D" equivalents, based on 2020/21 Council Tax levels, which are deducted from the tax base for 2021/22. This is more than the deduction of 10,591 Band D equivalents made in 2020/21. This is due to an estimated increase in the number of claimants applying for a discount since the Covid-19 pandemic began.

## Care Leavers

For 2020/21, the Council has provided discounts for care leavers up to the age of 25. This equates to 58 band D equivalents based on 2020/21 council tax levels. The cost of this discount is fully funded by the Council and needs to be deducted from the council's tax base calculation below.

The Council is required to set its Tax Base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority's valuation list.

Taking into account the latest information from the CTB1 return to the MHCLG and the proposed adjustments, the Council is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

Band	Band "D" Equivalent Actual September	Adjustments for New Properties	Adjustments for Student Exemptions	SPD	Adjustments for Council Tax Support Scheme	Care Leavers	Revised Band "D" Equivalents
A	1,983.7	0	-21	0	-791	-13	1,158.7
B	3,877.2	-16	-30	0	-1,508	-17	2,306.2
C	11,112.0	-68	-90	0	-2,936	-15	8,003
D	22,596.8	56	-250	0	-3,486	-9	18,907.8
E	18,402.7	176	-262	0	-1,760	-2	16,554.7
F	13,729.8	160	-168	0	-644	0	13,077.8
G	18,311.7	117	-105	0	-342	-2	17,979.7
H	5,291.5	0	-4	0	-9	0	5,278.5
Total	95,305.4	425	-930	0	-11,476	-58	83,266.4
				167 SPD Review Target for 2021/22			167  Revised Total 83433.4

## Collection Rate

The Council is also required to estimate its Collection Rate for 2021/22 at the same time as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2021/22, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.

The actual sum to be collected from local council taxpayers cannot be finally determined until the preceptor's requirements are known and the Council has approved its budget. The Council therefore must make an estimate of the sums to be collected locally making estimated allowance for sums from Council Tax Support and write-offs/non-collection.

The actual collection rate for 2020/21 achieved to the end of October 2020 is 59.15%, comprising cash collection of £55.1m and Council Tax Support

of £11.4m. It is estimated that a further £35.5m (37.85%) will need to be collected by 31 March 2021 and £0.47m (0.5%) thereafter.

Collection performance has been calculated in order to comply with MHCLG performance indicator calculations. Latest calculations for 2019/20 and 2020/21 show that the current collection rate needs to be adjusted for 2021/22. It is therefore, suggested that the collection rate for 2021/22 is set at 97%. This is lower than the collection rate of 97.5% for 2020/21 due to the uncertainty of the continued impact of Covid-19.

### **The Tax Base**

Under Section 31(B) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.

Based on the number of Band "D" equivalents in the table in paragraph 9. above and the estimated collection rate in paragraph 10. above, the calculation is as follows:

(Band D equivalents) x (Collection Rate) = (Tax Base)

83,433 x 97.0% = 80,930

### **Business Rates Tax base**

The Local Government Finance Act 2012 made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Government will continue to set the tax rate (known as the non-domestic multiplier).

The tax base is based on data from the Valuation Office with local allowance for the appropriate level of business rates appeals, any discretionary reliefs and any forecast growth. This information is pulled together into a government return (NNDR1). The detailed guidance on completing the NNDR1 is not likely to be issued until just before Christmas. This guidance will include allowance for any changes to the business rates system that may be announced by the Chancellor relating to the impact of COVID-19. Given that the return must be submitted by 31 January, it is recommended that the responsibility for setting these figures be delegated to the Director of Finance in consultation with the Cabinet Member for Finance and Commercial Services.

### **Reasons for Decision**

Under Section 31(B) of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) is required to calculate its Council Tax Base. This comprises both the estimated numbers of properties within each Valuation band plus the Council's estimate of its collection rate for the coming financial year.

Under Section 11A of the Local Government Finance Act 1992, Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 and Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the Council reduced discounts for both Second Homes and Unoccupied and Unfurnished dwellings to 0% with effect from 2013/14, this remains in place.

Under Section 11B of the Local Government Finance Act 2012 the Council introduced the Council Tax Empty Homes Premium with effect from 1 April 2014, this remains in place. This increased the charge on dwellings that have been unoccupied and substantially unfurnished by an additional 50% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable. The premium increased to 100% from 01/04/2019 and from the 01/04/2020, the premium increased to 200% for dwellings which have remained unoccupied and substantially unfurnished for over five years.

### **Equality Implications**

There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these proposals.

Implications verified by: Fawad Bhatti, tel. 07500 103617.

### **Risk Management Implications**

The report considers the implications required by the Council to meet its obligations under the Local Government Finance Act 2012 which made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and Passing this information to precepting authorities by 31 January. The Council is also required to estimate its Collection Rate for 2020/21 at the same time as arriving at the estimated number of properties within the Tax Base. The Council is required Under Section 33(1) of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) to calculate its Council Tax Base. The proposals are compliant with statutory duties and are provided in accordance with management of standing risk to manage the Council's finances.

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



## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Capital Programme Monitor & Budget Variations, 2020/21 (Second Quarter)

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

**Responsible Director:** Emily Hill, Director of Finance

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### SUMMARY

This report provides a financial update on the council's capital programme and requests approval for budget variations to the capital programme.

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### RECOMMENDATIONS

1. To approve the proposed budget variations to the capital programme totalling £9.1m (summarised in Table 1 and detailed in Appendix 2).
2. To note the potential risks regarding the Housing Capital Programme, as summarised in paragraphs 26, 27 and 28.
3. To approve budget amendments of £1,016,000, funded from borrowing, to complete transport and parks schemes for which expected TfL grants and section 106 contributions are no longer available (see Appendix 2 for detail).
4. To approve funding from borrowing of £455,000 for previously approved transport schemes for which S106 and TfL funding contributions are no longer available.

**Wards Affected:** All

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### H&F Priorities

The capital programme contains schemes and projects which are directly linked to the Council's Business Plan 2018-22 and which deliver across the Council's priorities.

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"> <li>Being ruthlessly financially efficient</li> </ul>	<p>All capital investment decisions are required to be underpinned by a robust business plan that sets out any expected financial return alongside the broader outcomes including economic and social benefits.</p> <p>This report provides detailed analysis of the Council's capital programme financial position and highlights any potential risks and their impact on the Council's resources.</p>

## Financial Impact

- This report is wholly of a financial nature. The headline movements are:
  - a net decrease in the 4-year capital programme of £26.6m to £495.2m.
  - a net decrease in forecast 2020-21 expenditure of £9.1m (8.3% of the approved budget) largely due to the rephasing of expenditure to future years. The variations are detailed in Appendix 2.
- Covid-19 is impacting on the previously approved capital programme:
  - expected grant funding allocations of £25m from Transport for London (TfL) for future years are no longer assumed due to the impact of Covid-19 on TfL. TfL are expected to run a revised bidding process.
  - a number of schemes have experienced delays due to social distancing restrictions.
  - the pandemic, and the potential for an economic downturn, may affect the expected costs, market and viability of schemes – this will be kept under review and mitigating actions will be considered as necessary.
- Headline General Fund (GF) borrowing is forecast to increase by £71.2m over the next four years to support capital investment. This would result in an estimated additional revenue budget outgoing of £4.2m per annum by 2024-25. General Fund capital receipts can reduce future borrowing and/or protect use of reserves. The council's property transformation strategy is reviewing all its assets in a systematic way as part of asset management best practice. As part of this review surplus assets may be identified for sale that can support the capital programme.
- The Housing Revenue Account 2020-21 borrowing requirement (CFR) is forecast to increase by £14m to £229.7m. By the end of 2023-24 the HRA CFR is forecast to be £277m as detailed in paragraph 20 of the report.

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## Legal Implications

There are no direct legal implications in relation to this report. Legal advice will be sought for each Procurement within the programme and will comply with the Council's Contract Standing Orders and the Public Contract Regulations.

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## Background Papers Used in Preparing This Report

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report:

- Capital Programme 2020-24 (published February 2020)

## CAPITAL PROGRAMME 2020-21 – Q2 OVERVIEW

1. The Council's capital programme as at the end of Quarter 2 is summarised in Table 1. Budgeted expenditure on the four-year programme has decreased, since the first quarter, by £26.6m to £495.2m.

Table 1 – LBHF Capital Programme 2020-24 with proposed 2020-21 Q2 variations:

	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2) £'000	Future years indicative budget £'000	Total Budget (All years) £'000
	Revised Budget 2020/21 (Q1) £'000	Slippages from/(to) future years £'000	Addition/(Reduction) £'000	Transfers £'000	Total Variations £'000			
<b>CAPITAL EXPENDITURE</b>								
Children's Services	4,091	(290)	(2,918)	-	(3,208)	883	4,966	5,849
Social Care	3,329	-	-	-	-	3,329	-	3,329
Environment Department	8,440	(392)	2,074	-	1,682	10,122	8,523	18,645
Finance	2,412	(800)	-	-	(800)	1,612	800	2,412
General Fund Schemes under the Economy Department	31,568	(1,268)	-	-	(1,268)	30,300	231,679	261,979
<b>Sub-total (General Fund)</b>	<b>49,840</b>	<b>(2,750)</b>	<b>(844)</b>	<b>-</b>	<b>(3,594)</b>	<b>46,246</b>	<b>245,968</b>	<b>292,214</b>
Economy Department-HRA Programme	59,918	(5,531)	-	-	(5,531)	54,387	148,638	203,025
<b>Sub-total Economy Department (HRA)</b>	<b>59,918</b>	<b>(5,531)</b>	<b>-</b>	<b>-</b>	<b>(5,531)</b>	<b>54,387</b>	<b>148,638</b>	<b>203,025</b>
<b>Total Expenditure</b>	<b>109,758</b>	<b>(8,281)</b>	<b>(844)</b>	<b>-</b>	<b>(9,125)</b>	<b>100,633</b>	<b>394,606</b>	<b>495,239</b>
<b>CAPITAL FINANCING</b>								
<b>Specific/External Financing:</b>								
Government/Public Body Grants	4,970	(290)	(897)	-	(1,187)	3,783	4,966	8,749
Grants and Contributions from Private Developers (includes S106/CIL)	12,236	(392)	(1,973)	763	(1,602)	10,634	46,351	56,985
Capital Grants/Contributions from Non-departmental public bodies	1,376	-	289	-	289	1,665	-	1,665
Capital Grants and Contributions from GLA Bodies	2,764	-	756	(438)	318	3,082	2,968	6,050
Leaseholder Contributions (Housing)	2,891	-	-	-	-	2,891	10,573	13,464
<b>Sub-total - Specific Financing</b>	<b>24,237</b>	<b>(682)</b>	<b>(1,825)</b>	<b>325</b>	<b>(2,182)</b>	<b>22,055</b>	<b>64,858</b>	<b>86,913</b>
<b>Mainstream Financing (Internal):</b>								
Capital Receipts - General Fund	2,412	(800)	-	-	(800)	1,612	4,256	5,868
Capital Receipts - HRA	9,075	(618)	-	(161)	(779)	8,296	21,514	29,810
Major Repairs Reserve (MRR)	23,802	-	-	2,621	2,621	26,423	49,963	76,386
Earmarked Reserves (Revenue)	915	-	-	-	-	915	45	960
<b>Sub-total - Mainstream Funding</b>	<b>36,204</b>	<b>(1,418)</b>	<b>-</b>	<b>2,460</b>	<b>1,042</b>	<b>37,246</b>	<b>75,778</b>	<b>113,024</b>
<b>Borrowing-General Fund</b>	<b>26,511</b>	<b>(1,268)</b>	<b>981</b>	<b>455</b>	<b>168</b>	<b>26,679</b>	<b>206,714</b>	<b>233,393</b>
<b>Borrowing -HRA</b>	<b>22,806</b>	<b>(4,913)</b>	<b>-</b>	<b>(3,240)</b>	<b>(8,153)</b>	<b>14,653</b>	<b>47,256</b>	<b>61,909</b>
<b>Total Capital Financing</b>	<b>109,758</b>	<b>(8,281)</b>	<b>(844)</b>	<b>-</b>	<b>(9,125)</b>	<b>100,633</b>	<b>394,606</b>	<b>495,239</b>

2. Forecast 2020-21 spend is £9.1m lower than last reported in the first quarter. The main adjustments are for the reprofiling of budgets to future years,

alignment of budgets with grant funding and new budgets approved in the last quarter. Full details are included in Appendix 2, the most significant changes being:

- budget reprofiling to future years for HRA Asset Management and Compliance Programme (£3.2m), White City Estate Regeneration scheme (£1.5m) and Corporate Planned Maintenance Programme (£1.3m)
- budget reductions for Schools Organisational Strategy and Windows Replacement Schemes (£2.9m).

3. The 2020-21 capital programme includes a budget envelope of £50m, to provide operational flexibility, for taking forward major projects. Use of this budget is subject to relevant Member approval, agreement of funding sources and sign-off of an appropriate business case. Expenditure above the £50m envelope will require approval by Full Council. This remaining budget is not included in the current capital programme and the Capital Financing Requirement (CFR) forecast but will be added should its use be approved.

### GENERAL FUND – MAINSTREAM PROGRAMME AND CAPITAL RECEIPTS

4. The General Fund (GF) mainstream programme cuts across the departments and represents schemes which are funded from Council resources (capital receipts or borrowing). It is the area of the programme where the Council has the greatest discretion. The mainstream programme is summarised in Table 2.

**Table 2 – LBHF GF Mainstream Capital Programme 2020-24 with proposed 2020-21 Q2 variations:**

	Revised Budget 2020/21 (Q1)	Variations (Q2)	Revised Budget 2020/21 (Q2)	Indicative Budget 2021/22	Indicative Budget 2022/23	Indicative Budget 2023/24	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>							
<b>Ad Hoc Schemes:</b>							
Social Care Capital projects [ASC]	129	-	129	-	-	-	129
Invest to Save-Flexible Use of Capital Receipts	2,412	(800)	1,612	800	-	-	2,412
Capital Investment in Street Lighting [ENV]	831	-	831	269	-	-	1,100
WMC JV Exit Costs [ECD]	3,491	-	3,491	-	-	-	3,491
Carnwath Road [ECD]	1,870	-	1,870	-	-	-	1,870
Hammersmith Bridge [ENV]	-	965	965	-	-	-	965
P&D Upgrade and Pay by Phone [ENV]	-	30	30	-	-	-	30
Other Highways Capital Schemes [ENV]	-	337	337	-	-	-	337
Hammersmith Town Hall Refurbishment* [ECD]	750	-	750	550	-	-	1,300
Hammersmith Town Hall Fit Out* [ECD]	-	-	-	9,444	537	-	9,981
Schools Regeneration Programme [ECD]	1,914	-	1,914	-	-	-	1,914
Education City regeneration [ECD]	429	-	429	9,985	10,751	12,791	33,956
Acquisition of Cinema Site [ECD]	72	-	72	-	-	-	72
Farm Lane/Mund Street [ECD]	-	-	-	2,004	-	-	2,004
<b>Rolling Programmes:</b>							
Planned Maintenance/DDA Programme [ECD]	5,056	(1,268)	3,788	5,268	2,400	2,400	13,856
Electric Vehicles [ENV]	-	-	-	549	-	-	549
Footways and Carriageways [ENV]	2,397	-	2,397	2,030	2,030	2,030	8,487
Column Replacement [ENV]	346	-	346	346	346	346	1,384
Parks Programme [ENV]	218	104	322	-	-	-	322
<b>Total Mainstream Programmes</b>	<b>19,915</b>	<b>(632)</b>	<b>19,283</b>	<b>31,245</b>	<b>16,064</b>	<b>17,567</b>	<b>84,159</b>
<b>Financing</b>							
Capital Receipts	2,412	(800)	1,612	800	3,456	-	5,868
Increase/(Decrease) in Borrowing	17,503	168	17,671	30,445	12,608	17,567	78,291
<b>Total Financing</b>	<b>19,915</b>	<b>(632)</b>	<b>19,283</b>	<b>31,245</b>	<b>16,064</b>	<b>17,567</b>	<b>84,159</b>

5. The 2020-21 Q2 mainstream programme has decreased by £0.6m in comparison to the first quarter. This is mainly due to budget reprofiling Corporate Planned Maintenance Programme (£1.3m) and Invest to Save schemes (£0.8m) to future years and additional budgets for Hammersmith Bridge Strengthening (£1m) and other highways and parks capital schemes (£0.4m).
6. The mainstream programme presented in Table 2 does not include self-financing schemes (where the net General Fund revenue borrowing costs are nil). Appendix 5 details the self-financing schemes and their borrowing requirement.
7. A key financial focus of the capital monitoring report is the potential impact of capital expenditure on future borrowing and its revenue affordability. The Council's underlying need to borrow for a capital purpose is measured through the CFR. The current forecast for the General Fund Headline CFR (excluding the self-financing schemes set out in Appendix 5) is £130.68m at the end of 2020-21, an in-year increase of £16.6m.
8. The amendments to the General Fund (GF) capital programme have affected the Council's forecast headline capital debt (CFR) as follows:

	<b>Last forecast (2020/21 Q1)</b>	<b>Current forecast (2020/21 Q2)</b>
<b>General Fund CFR</b>	<b>£m</b>	<b>£m</b>
2019/20 Closing CFR* (actual)	114.08	114.08
2020/21 Closing CFR *	130.51	130.68
2023/24 Closing CFR *	183.98	185.32

9. The underlying need to borrow is forecast to increase by £71.2m over the next four years to support capital programme. By 2024-25 this will increase annual revenue borrowing costs by an estimated £4.2m. This will need to be allowed for within future budget planning and the medium-term financial strategy process.
10. The borrowing requirement includes £12.8m regarding the Civic Campus programme and Hammersmith Town Hall refurbishment. The overall scheme also includes planned funding of £33.7m from the Community Infrastructure Levy (CIL). The borrowing forecast is sensitive to the timing and amount of CIL receipts.
11. At the end of 2019-20, £0.144m of deferred disposal costs were accrued in respect of the anticipated capital receipts. Should sale not proceed, these costs must be written back to revenue.
12. The General Fund capital programme includes budgets for several regeneration schemes that are at an early stage. These include £4.5m for Farm Lane and Mund Street developments, £1.9m for Schools Regeneration and £3.5m for Watermeadow Joint Venture exit costs. Should these schemes not fully progress there is a risk that some, or all, of the expenditure may need to be written off to revenue. In line with the arrangements agreed in the Building Homes and Communities Strategy, the Development Board is providing a gateway and governance process for these schemes before commitment of funds.

13. The £2m budget for TBAP Bridge Academy, funded from S106, has been removed from the capital programme following the recent review of the scheme. The schools' windows replacement scheme will now be incorporated in Schools Maintenance Programme resulting in budget reduction of £0.9m. The scheme will be funded from Schools Condition Allocation grant.
14. Due to the impact of Covid-19, previously anticipated TfL annual funding for various transport schemes has not been confirmed for 2020-21 and future years. As a result of this, £25m of TfL funded capital schemes including the Safer Cycling Pathway Scheme have been removed from the capital programme. Other schemes have already been committed, including essential works to Hammersmith Bridge and highways, for which expected TfL and section 106 contributions have not been confirmed. Budget and funding adjustments of £1.016m are proposed to fund such expenditure from borrowing and will be updated should alternative funding sources be identified. The increase in borrowing requirement of £1.016m will result in an estimated £56,000 of future annual borrowing costs.
15. In September 2020 an additional budget of £0.42m for Hammersmith Bridge, funded from borrowing, for the installation of a bespoke temperature control system was approved. This is included within the Quarter 2 update. The Council are currently working with the Government's Task Force to work up solutions for reopening the bridge.
16. The General Fund capital programme includes capital receipts of £2.4m carried forward to 2020-21. These will support invest to save expenditure and IT investment in order to protect use of the Council's reserves. Separate reports have identified concerns regarding the medium-term adequacy of the Council's reserves and future financial resilience which are exacerbated by the financial pressures as a result of the Council's Covid-19 response and loss of revenues. The identification of additional receipts will protect reserves by enabling, the flexible use of capital receipts to fund invest to save costs and potential capitalisation of other relevant costs in line with proper accounting or statutory practice. The use of capital receipts to fund new capital expenditure will also reduce the Council's need to borrow and therefore reduce the revenue costs of that borrowing. New borrowing comes at an estimated annual revenue cost of £55,000 per annum per £1m.
17. There are currently no new forecast capital receipts in 2020-21. However, the Council's Property Transformation Strategy is systematically reviewing all assets as part of asset management best practice. As part of this programme surplus assets may be identified that cannot be re-purposed for other uses and that could be sold for a capital receipt to support the capital programme. Any decisions on asset disposals will be the subject of a future report.

## **HOUSING CAPITAL PROGRAMME OVERVIEW**

18. Housing Capital expenditure for 2020-21 is forecast at £54.4m and for the four-year programme to 2023-24 spend is expected to be £203m. The expenditure and funding analysis of the Housing Programme is summarised in Table 3 below.

**Table 3 – Housing Capital Programme 2020-24 with proposed 2020-21 Q2 variations**

	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Variations (Q2)	Revised Budget 2020/21 (Q2)	Indicative 2021/22 Budget	Indicative 2022/23 Budget	Indicative 2023/24 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>									
HRA Asset Management and Compliance Programme	43,215	(3,248)	-	-	(3,248)	39,967	53,125	33,026	27,761
Building Homes and Communities Strategy	4,024	(1,543)	-	-	(1,543)	2,481	3,071	-	-
Other HRA Capital Schemes	12,679	(740)	-	-	(740)	11,939	8,913	14,086	8,656
<b>Total Housing Programme</b>	<b>59,918</b>	<b>(5,531)</b>	<b>-</b>	<b>-</b>	<b>(5,531)</b>	<b>54,387</b>	<b>65,109</b>	<b>47,112</b>	<b>36,417</b>
<b>Available and Approved Resource</b>									
Capital Receipts - Unrestricted	5,221	-	-	-	-	5,221	3,281	3,010	3,031
Capital Receipts - RTB (141)	3,854	(618)	-	(161)	(779)	3,075	3,418	4,704	2,892
Major Repairs Reserve (MRR)	23,802	-	-	2,621	2,621	26,423	16,245	16,651	17,067
Contributions Developers (S106)	725	-	-	-	-	725	5,403	9,343	5,764
Insurance claims	-	-	-	780	780	780	-	-	-
Contributions from leaseholders	2,891	-	-	-	-	2,891	5,380	3,791	1,402
Capital Grants/Contributions from Non-departmental public bodies	619	-	-	-	-	619	-	-	-
Borrowing	22,806	(4,913)	-	(3,240)	(8,153)	14,653	31,382	9,613	6,261
<b>Total Funding</b>	<b>59,918</b>	<b>(5,531)</b>	<b>-</b>	<b>-</b>	<b>(5,531)</b>	<b>54,387</b>	<b>65,109</b>	<b>47,112</b>	<b>36,417</b>

19. Within the Housing Capital Programme there has been a net budget decrease of £5.5m mainly due to reprofiling of Asset Management and Compliance Programme (£3.2m) and White City Estate Regeneration scheme (£1.5m) to future years. Detailed analysis of the budget variances is presented in Appendix 2. The risks associated with funding the future years' Housing Capital Programme are summarised in paragraphs 26-28.

20. The HRA CFR is shown in Table 4 below:

**Table 4 – HRA CFR at Q2 2020-21 (including future years forecast):**

HRA CFR Forecast	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Closing Forecast HRA CFR	215.76	229.71	261.09	270.70	276.96

21. The Housing Revenue Account 2020-21 CFR has increased by £13.95m in comparison to 2019-20. This is mainly due to 2019-20 budgets being reprofiled to 2020-21. The HRA CFR is forecast to increase to £276.96m by the end of 2023-24.

22. The impact of an increase in HRA CFR on HRA revenue budgets is assessed in the HRA Business Plan and the Financial Plan for Council Homes (HRA

Financial Strategy) 2020-21 which was approved by the Cabinet in February 2020. The total borrowing costs affecting HRA revenue budgets will be affirmed once the factors such as interest rates and potential capitalisation of borrowing costs have been confirmed.

23. The HRA CFR presented in Table 4 does not include the proposed appropriation of Education City Affordable Housing units from General Fund on completion of the scheme (currently forecast for 2024/25). Once the appropriation is completed, the HRA CFR is expected to increase by £29.4m and the General Fund CFR will reduce accordingly.
24. On 1 July 2019 Cabinet approved the Council's new Asset Management and Compliance Programme which has a focus on health and safety works. 2020-21 forecast spend at Q2 includes £9.6m of expenditure related to Health & Safety, of which £6.4m is on specific fire safety capital works as detailed in table 5 below.

**Table 5 – Compliance and Health and Safety spend 2020-21**

HRA Capital Programme: Health & Safety budget and forecast as at Quarter 2 2020-21						
	Total Approved Budget £'000	Total Spend Forecast £'000	Approved Budget 2020-21 £'000	2020-21 Forecast at Q2 £'000	2020-21 Forecast Variance £'000	2020-21 Actual Spend at Q2 £'000
<b>APPROVED SCHEMES</b>						
Fire Safety Compliance Programme	24,425	25,350	7,367	5,068	(2,299)	1,572
Fire Safety Complex Schemes	26,816	29,315	890	1,322	432	1,103
Safety Works - Electrical	13,452	13,236	2,908	2,306	(602)	658
Safety Works - Other	6,077	6,077	1,016	946	(70)	553
<b>Total</b>	<b>70,770</b>	<b>73,978</b>	<b>12,181</b>	<b>9,642</b>	<b>429</b>	<b>3,886</b>

## HOUSING CAPITAL PROGRAMME RISKS

25. The following risks associated with funding of future years' expenditure have been identified within the Housing Capital programme:
26. **S106 Funding:** The proposed programme for 2020/21 – 2023/24 relies on £25m of S106 receipts for affordable housing, of which £17m has been received to date with the remainder dependent on the associated developments proceeding in a timely manner. The impact of Covid-19 on the progress of developments and related developer contributions is being monitored jointly with Finance and Planning and mitigating actions will be considered if necessary, such as substituting other funding in the Housing programme.
27. **Right to buy funding:** Right to Buy (RTB) one for one receipts need to be repaid with interest to Central Government where affordable housing schemes do not proceed to programme. These receipts are ringfenced to the provision of affordable housing within three years of receipt and the Council's agreement with the GLA, allows a further three years to use the receipts. As at 1 April 2020, the GLA held £23.9m of Hammersmith & Fulham RTB receipts from the last two financial years. This is the equivalent of £80m<sup>1</sup> of capital expenditure

<sup>1</sup> Under current MHCLG regulations, 1-4-1 receipts can fund only 30% of the total expenditure, with remaining 70% being funded from mixture of non-housing receipts, S106 and borrowing. Local Government is currently lobbying MHCLG for further flexibility with regards to use of these receipts in the light of the Covid-19 pandemic.



delivered by the Council (or Housing Associations, if grant funded by Council) over the next two financial years. The existing approved Housing Development schemes and the pipeline of yet to be approved schemes<sup>2</sup> is sufficient to make use of these receipts if delivered on time. The Council can request for an extension to the three years where an approved programme is in place.

28. **Building Safety and Fire Safety Bills:** The Building Safety and Fire Safety Bills are currently going through Parliamentary process. These will significantly impact on the Council, particularly in its role as landlord. Whilst the Council has already approved its current Asset Management and Compliance Programme, which is included in the Capital Programme, it is likely that there will be additional safety requirements and further, potentially significant capital requirements, that will need to be considered. As a result, the current programme needs to be reviewed. Work is being undertaken to assess the cost of expected additional work and update the programme. Further updates and details will be reported to Cabinet in due course and as the bills make their way into law.

## **REASONS FOR DECISION**

29. This report seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.

## **EQUALITY IMPLICATIONS**

30. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and, as such, the recommendations relating to an increase in capital allocations, will not impact directly on any group with protected characteristics, under the terms of the Equality Act 2010.
31. Implications verified by: Fawad Bhatti, Tel: 07500 103617.

## **IMPLICATIONS FOR BUSINESS**

32. The Council's Capital Programme represents significant expenditure within the Borough and consequently, where supplies are sourced locally, may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increases, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.
33. Projects contained in the capital programme are approved on individual basis and the business implications for each of them are considered in more detail in their specific reports.
34. Implications completed by: Nicki Burgess, Business and Enterprise Manager, Economic Development, Tel:07796610094.

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<sup>2</sup> The housing development pipeline was present to Cabinet on 3 March 2020 in the report "Financial Plan for Council Homes".

## RISK MANAGEMENT

35. In the initial stages of any development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views and interest of residents and stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (e.g. the cost of asbestos removal). Construction companies and developers contracting with the Council which experience financial instability may also pose a significant risk. They may not be able to raise sufficient finance to cash flow operations, any potential insolvency process could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget, the Council could suffer direct financial loss and any defects or other issues may not be resolvable as anticipated. To mitigate the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.
36. Large scale capital projects can operate in environments which are complex, turbulent, and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts and anticipating the slow emerging risks which can escalate rapidly are all necessary components of good capital programme risk management.
37. The report identifies a number of risks which may impact on the future funding of the Housing Capital Programme. It is important that strong corporate and directorate oversight and monitoring of these risks is maintained and appropriate ongoing assurances provided to councillors on the management of these risks.
38. The impact to councils of the Grenfell Tower fire is yet to be fully established. It is certain that many councils are/ will be undertaking property reviews to determine the levels of improvements required to ensure fire safety arrangements within their buildings meet both the expectations of the residents and that they comply with building regulations and other statutory duties. The H&F Fire Safety Plus Programme is an excellent scheme that provides residents with assurance on safety. The Regulatory Reform (Fire Safety) Order 2005 places specific duties placed on the Council as the Responsible Person for its buildings to assess the risk from fire and put in measures to control those risks.
39. The Dame Judith Hackitt independent review of fire safety, following the Grenfell tragedy, recognises that High Rise Residential Buildings (10 Storeys and above) are a special risk where layers of fire protection must be put in place so as to reduce the risk to as low as reasonably possible, however reducing the risk for all residential accommodation is fundamental. This process is on-going and must be continually reviewed at least annually.
40. All works must comply with the Construction (Design and Management) Regulations. The Council must appoint a Principal Designer and Principal Contractor with the necessary and demonstrable expertise and competence.

41. Proposals set out in this report seek to comply with the Council's legal duties.
42. Implications completed by: David Hughes, Director of Audit, Risk and Insurance, Tel: 020 7361 2389.

## **VAT IMPLICATIONS**

43. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold. Capital projects represent the bulk of this risk. A breach would likely cost the Council between £2-£3m per year whilst in breach. The Council remained below the threshold in 2018/19 however there remains a risk of breaching the threshold in future years if the position is not carefully managed on an ongoing basis, particularly in light of potentially significant capital schemes in the future. Finance are working closely with departments to ensure that partial exemption risks are considered as part of significant capital projects. Further detail on the Council's partial exemption is included in Appendix 4.
44. Implications verified by: Chris Harris, Chief Accountant, Corporate Finance, Tel: 020 8753 6440.

## **LIST OF APPENDICES:**

Appendix 1 – Detailed capital budget, spend and variation analysis by department

Appendix 2 – Analysis of budget variations

Appendix 3 – Capital receipts forecast

Appendix 4 – VAT partial exemption

Appendix 5 – Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP)

## Appendix 1 – Detailed capital budget, spend and variation analysis by department

### Children's Services

	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>										
Schools Organisational Strategy	2,270	-	(2,021)	-	(2,021)	249	-	-	-	249
Schools Window Replacement Project	897	-	(897)	-	(897)	-	-	-	-	-
School Maintenance Programme	924	(290)		-	(290)	634	2,090	1,800	1,076	5,600
<b>Total Expenditure</b>	<b>4,091</b>	<b>(290)</b>	<b>(2,918)</b>	<b>-</b>	<b>(3,208)</b>	<b>883</b>	<b>2,090</b>	<b>1,800</b>	<b>1,076</b>	<b>5,849</b>
<b>Capital Financing Summary</b>										
<b>Specific/External or Other Financing</b>										
Capital Grants from Central Government	2,070	(290)	(897)	-	(1,187)	883	2,090	1,800	1,076	5,849
Grants and Contributions from Private Developers (includes S106)	2,021	-	(2,021)	-	(2,021)	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>4,091</b>	<b>(290)</b>	<b>(2,918)</b>	<b>-</b>	<b>(3,208)</b>	<b>883</b>	<b>2,090</b>	<b>1,800</b>	<b>1,076</b>	<b>5,849</b>
<b>Total Capital Financing</b>	<b>4,091</b>	<b>(290)</b>	<b>(2,918)</b>	<b>-</b>	<b>(3,208)</b>	<b>883</b>	<b>2,090</b>	<b>1,800</b>	<b>1,076</b>	<b>5,849</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

<b>Social Care Services</b>	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/(Reductions)	Transfers	Total Transfers/Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>										
Extra Care New Build project (Adults' Personal Social Services Grant)	957	-	-	-	-	957	-	-	-	957
Disabled Facilities Grant	1,185	-	-	-	-	1,185	-	-	-	1,185
Transforming Care (Winterbourne Grant)	300	-	-	-	-	300	-	-	-	300
Social Care Capital Projects	887	-	-	-	-	887	-	-	-	887
<b>Total Expenditure</b>	<b>3,329</b>	-	-	-	-	<b>3,329</b>	-	-	-	<b>3,329</b>
<b>Capital Financing Summary</b>										
<b>Specific/External or Other Financing</b>										
Capital Grants from Central Government	2,900	-	-	-	-	2,900	-	-	-	2,900
Capital Grants/Contributions from Non-departmental public bodies	300	-	-	-	-	300	-	-	-	300
<b>Sub-total - Specific or Other Financing</b>	<b>3,200</b>	-	-	-	-	<b>3,200</b>	-	-	-	<b>3,200</b>
<b>Borrowing</b>	<b>129</b>	-	-	-	-	<b>129</b>	-	-	-	<b>129</b>
<b>Total Capital Financing</b>	<b>3,329</b>	-	-	-	-	<b>3,329</b>	-	-	-	<b>3,329</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Environment Department		Current Year Programme					Indicative Future Years Analysis			
		Analysis of Movements (Q1 budget to Q2)								
Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>										
Footways and Carriageways	2,397	-	-	-	2,397	2,030	2,030	2,030	8,487	
Transport For London Schemes	323	-	438	11	772	-	-	-	772	
Safer Cycle Pathway (TFL/S278 funded)	167	-	203	6	376	-	-	-	376	
Hammersmith Bridge Strengthening (TFL Funded)	455	-	240	-	695	-	-	-	695	
Hammersmith Bridge Strengthening (Council Funded)	-	-	420	-	420	-	-	-	420	
Controlled Parking Zones	113	-	55	-	168	-	-	-	168	
Column Replacement	323	-	-	-	323	346	346	346	1,361	
LED Lighting Replacement Programme	23	-	-	-	23	-	-	-	23	
P&D Upgrade and Pay by Phone	-	-	30	-	30	-	-	-	30	
Other Highways Capital Schemes	1,285	-	422	(17)	1,690	-	-	-	1,690	
Counters Creek (Thames Water funded)	167	-	-	-	167	-	-	-	167	
Bloemfontein Road (Thames Water/Suds)	350	-	-	-	350	-	-	-	350	
Capital Investment in Street Lighting	831	-	-	-	831	269	-	-	1,100	
Parks Capital Rolling Programme	157	-	40	-	197	-	-	-	197	
Other Parks Capital Schemes	303	-	(12)	-	291	-	-	-	291	
Shepherds Bush Common Improvements	-	-	2	-	2	-	-	-	2	
Fulham Football Club -Bishops Park	-	-	234	-	234	-	-	-	234	
Containers (Recycling/Food)	199	-	-	-	199	-	-	-	199	
Electric Vehicles	182	-	-	-	182	594	-	-	776	
Other (Delivery, RFID, Charge Points)	208	-	-	-	208	-	-	-	208	
Libraries Investment Programme	-	-	2	-	2	-	-	-	2	
Leisure Centre Capital Investment	957	(392)	-	-	565	392	140	-	1,097	
<b>Total Expenditure</b>	<b>8,440</b>	<b>(392)</b>	<b>2,074</b>	<b>-</b>	<b>10,122</b>	<b>3,631</b>	<b>2,516</b>	<b>2,376</b>	<b>18,645</b>	

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Environment Department	Current Year Programme					Indicative Future Years Analysis			Total Budget (All years) £'000	
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2) £'000	2021/22 Budget £'000	2022/23 Budget £'000		2023/24 Budget £'000
	Revised Budget 2020/21 (Q1) £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000					

Capital Financing Summary										
Specific/External or Other Financing										
Grants and Contributions from Private Developers (includes S106/S278)	2,481	(392)	48	(17)	(361)	2,120	392	140	-	2,652
Capital Grants/Contributions from Non-departmental public bodies	308	-	289	-	289	597	-	-	-	597
Capital Grants and Contributions from GLA	945	-	756	(438)	318	1,263	-	-	-	1,263
<b>Sub-total - Specific or Other Financing</b>	<b>3,734</b>	<b>(392)</b>	<b>1,093</b>	<b>(455)</b>	<b>246</b>	<b>3,980</b>	<b>392</b>	<b>140</b>	<b>-</b>	<b>4,512</b>
Mainstream Financing (Internal Council Resource)										
Capital Receipts	-	-	-	-	-	-	-	1,056	-	1,056
Use of Reserves	915	-	-	-	-	915	45	-	-	960
<b>Sub-total - Mainstream Funding</b>	<b>915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>915</b>	<b>45</b>	<b>1,056</b>	<b>-</b>	<b>2,016</b>
<b>Borrowing</b>	<b>3,791</b>	<b>-</b>	<b>981</b>	<b>455</b>	<b>1,436</b>	<b>5,227</b>	<b>3,194</b>	<b>1,320</b>	<b>2,376</b>	<b>12,117</b>
<b>Total Capital Financing</b>	<b>8,440</b>	<b>(392)</b>	<b>2,074</b>	<b>-</b>	<b>1,682</b>	<b>10,122</b>	<b>3,631</b>	<b>2,516</b>	<b>2,376</b>	<b>18,645</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

**Finance Department**

**Current Year Programme**

**Indicative Future Years Analysis**

**Analysis of Movements (Q1 budget to Q2)**

**Scheme Expenditure Summary**

Invest to Save - Flexible Use of Capital Receipts

**Total Expenditure**

**Capital Financing Summary**

**Mainstream Financing (Internal Council Resource)**

Capital Receipts

**Sub-total - Mainstream Funding**

**Total Capital Financing**

Revised Budget 2020/21 (Q1) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2020/21 (Q2) £'000	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years) £'000
						£'000	£'000	£'000	
2,412	(800)	-	-	(800)	1,612	800	-	-	2,412
<b>2,412</b>	<b>(800)</b>	<b>-</b>	<b>-</b>	<b>(800)</b>	<b>1,612</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>2,412</b>
2,412	(800)	-	-	(800)	1,612	800	-	-	2,412
<b>2,412</b>	<b>(800)</b>	<b>-</b>	<b>-</b>	<b>(800)</b>	<b>1,612</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>2,412</b>
<b>2,412</b>	<b>(800)</b>	<b>-</b>	<b>-</b>	<b>(800)</b>	<b>1,612</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>2,412</b>



Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department General Fund Managed Schemes	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>										
<b>Civic Campus</b>										
Acquisition of Land at 207 King St	72	-	-	-	-	72	-	-	-	72
Hammersmith Town Hall Refurbishment *	7,405	-	-	-	-	7,405	20,549	3,164	-	31,118
HTH Refurbishment -Fit Out	-	-	-	-	-	-	9,444	537	-	9,981
Acquisition of commercial units	-	-	-	-	-	-	-	63,000	-	63,000
Equity Loan (Civic Campus)	8,997	-	-	-	-	8,997	30,000	25,000	-	63,997
<b>Subtotal Civic Campus</b>	<b>16,474</b>	-	-	-	-	<b>16,474</b>	<b>59,993</b>	<b>91,701</b>	-	<b>168,168</b>
<b>Building Homes and Communities Strategy (GF sites)</b>										
Education City/Ark Swift redevelopment	1,629	-	-	-	-	1,629	9,985	13,335	14,353	39,302
Education City Loan	12	-	-	-	-	12	13	11,682	16,399	28,106
Schools Regeneration Programme	1,914	-	-	-	-	1,914	-	-	-	1,914
Farm Lane	139	-	-	-	-	139	1,131	-	-	1,270
Mund Street	215	-	-	-	-	215	3,019	-	-	3,234
<b>Subtotal Building Homes and Communities Strategy (GF sites)</b>	<b>3,909</b>	-	-	-	-	<b>3,909</b>	<b>14,148</b>	<b>25,017</b>	<b>30,752</b>	<b>73,826</b>
<b>Other GF Capital Schemes managed by the Economy</b>										
Sands End Community Centre	768	-	-	-	-	768	-	-	-	768
Planned Maintenance/DDA Programme	5,056	(1,268)	-	-	(1,268)	3,788	5,268	2,400	2,400	13,856
Carwath Road	1,870	-	-	-	-	1,870	-	-	-	1,870
WMC JV Exit Costs	3,491	-	-	-	-	3,491	-	-	-	3,491
<b>Subtotal Other GF Capital Schemes managed by the Economy</b>	<b>11,185</b>	<b>(1,268)</b>	-	-	<b>(1,268)</b>	<b>9,917</b>	<b>5,268</b>	<b>2,400</b>	<b>2,400</b>	<b>19,985</b>
<b>Total Expenditure</b>	<b>31,568</b>	<b>(1,268)</b>	-	-	<b>(1,268)</b>	<b>30,300</b>	<b>79,409</b>	<b>119,118</b>	<b>33,152</b>	<b>261,979</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

**Economy Department General Fund  
Managed Schemes**

Current Year Programme						Indicative Future Years Analysis			Total Budget (All years)  £'000
Analysis of Movements (Q1 budget to Q2)						2021/22 Budget  £'000	2022/23 Budget  £'000	2023/24 Budget  £'000	
Revised Budget 2020/21 (Q1)  £'000	Slippages from/(to) future years  £'000	Additions/ (Reductions)  £'000	Transfers  £'000	Total Transfers/ Virements  £'000	Revised Budget 2020/21 (Q2)  £'000				

**Capital Financing Summary**

<b>Specific/External or Other Financing</b>										
Grants and Contributions from Private Developers (includes S106)	354	-	-	-	-	354	2,146	-	-	2,500
Community Infrastructure Levy (CIL)	6,655	-	-	-	-	6,655	20,000	3,163	-	29,818
Capital Grants/Contributions from Non-departmental public bodies	768	-	-	-	-	768	-	-	-	768
Capital Grants and Contributions from GLA Bodies	1,200	-	-	-	-	1,200	-	2,084	884	4,168
<b>Sub-total - Specific or Other Financing</b>	<b>8,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,977</b>	<b>22,146</b>	<b>5,247</b>	<b>884</b>	<b>37,254</b>
<b>Mainstream Financing (Internal Council Resource)</b>										
Capital Receipts (HRA)	-	-	-	-	-	-	-	500	678	1,178
Capital Receipts (GF)	-	-	-	-	-	-	-	2,400	-	2,400
<b>Sub-total - Mainstream Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,900</b>	<b>678</b>	<b>3,578</b>
Borrowing (Borrowing-GF)	22,591	(1,268)	-	-	(1,268)	21,323	57,263	110,971	31,590	221,147
<b>Total Capital Financing</b>	<b>31,568</b>	<b>(1,268)</b>	<b>-</b>	<b>-</b>	<b>(1,268)</b>	<b>30,300</b>	<b>79,409</b>	<b>119,118</b>	<b>33,152</b>	<b>261,979</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department- HRA Capital Programme	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/(Reductions)	Transfers	Total Transfers/Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>										
<b>HRA Asset Management and Compliance Programme</b>										
Pre Agreed Works	16,218	(284)	-	373	89	16,307	13,938	1,035	235	31,515
Fire Safety Compliance Programme	7,367	(3,224)	-	925	(2,299)	5,068	13,194	4,088	3,000	25,350
Fire Safety Complex Schemes	890	(2,067)	-	2,499	432	1,322	2,028	7,962	18,004	29,316
Pre Agreed Lift Scheme	3,383	(608)	-	1	(607)	2,776	2,679	3,230	-	8,685
Pre Agreed Boiler Scheme	1,395	400	-	-	400	1,795	1,400	1,400	1,503	6,098
Safety Works - Electrical	2,908	(386)	-	(216)	(602)	2,306	6,475	4,153	302	13,236
Safety Works	1,016	(70)	-	-	(70)	946	2,475	2,656	-	6,077
Void Works	2,265	(313)	-	-	(313)	1,952	2,286	2,000	1,500	7,738
Neighbourhood, parking & garage improvements	1,795	(278)	-	-	(278)	1,517	2,369	188	288	4,362
Surveying and fees	-	-	-	-	-	-	-	-	2,929	2,929
Capitalised salaries	2,714	-	-	-	-	2,714	2,952	2,918	-	8,584
Capitalised repairs	3,264	-	-	-	-	3,264	3,329	3,396	-	9,989
Unallocated budget - Priority schemes to be confirmed	-	3,582	-	(3,582)	-	-	-	-	-	-
<b>Subtotal HRA Asset Management and Compliance Programme</b>	<b>43,215</b>	<b>(3,248)</b>	<b>-</b>	<b>-</b>	<b>(3,248)</b>	<b>39,967</b>	<b>53,125</b>	<b>33,026</b>	<b>27,761</b>	<b>153,879</b>
<b>Building Homes and Communities Strategy (HRA sites)</b>										
Homes & Communities Strategy	856	(96)	-	-	(96)	760	724	-	-	1,484
White City Estate Regeneration	2,835	(1,447)	-	-	(1,447)	1,388	1,447	-	-	2,835
Old Laundry Yard	333	-	-	-	-	333	900	-	-	1,233
<b>Subtotal Building Homes and Communities Strategy (HRA sites)</b>	<b>4,024</b>	<b>(1,543)</b>	<b>-</b>	<b>-</b>	<b>(1,543)</b>	<b>2,481</b>	<b>3,071</b>	<b>-</b>	<b>-</b>	<b>5,552</b>
<b>Other HRA Capital Schemes</b>										
Housing Development Project	2,666	(312)	-	-	(312)	2,354	306	56	-	2,716
Stanhope Joint Venture	625	-	-	-	0	625	8,113	14,030	8,656	31,424
Affordable Housing Delivery Framework	2,271	(428)	-	-	(428)	1,843	428	-	-	2,271
Property Acquisition for Affordable Housing	1,513	-	-	-	-	1,513	-	-	-	1,513
Hartopp & Lannoy	4,425	-	-	-	-	4,425	66	-	-	4,491
Nourish Project (Good Growth Fund)	1,179	-	-	-	-	1,179	-	-	-	1,179
<b>Subtotal Other HRA Capital Schemes</b>	<b>12,679</b>	<b>(740)</b>	<b>-</b>	<b>-</b>	<b>(740)</b>	<b>11,939</b>	<b>8,913</b>	<b>14,086</b>	<b>8,656</b>	<b>43,594</b>
<b>Total Expenditure</b>	<b>59,918</b>	<b>(5,531)</b>	<b>-</b>	<b>-</b>	<b>(5,531)</b>	<b>54,387</b>	<b>65,109</b>	<b>47,112</b>	<b>36,417</b>	<b>203,025</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Economy Department- HRA Capital Programme	Current Year Programme					Indicative Future Years Analysis				
	Analysis of Movements (Q1 budget to Q2)					Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	

Page 44

**Capital Financing Summary**

Specific/External or Other Financing	Revised Budget 2020/21 (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2020/21 (Q2)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Contributions from leaseholders	2,891	-	-	-	-	2,891	5,380	3,791	1,402	13,464
Grants and Contributions from Private Developers (includes S106)	725	-	-	-	-	725	5,403	9,343	5,764	21,235
Insurance claims	-	-	-	780	780	780	-	-	-	780
Capital Grants and Contributions from GLA Bodies	619	-	-	-	-	619	-	-	-	619
<b>Sub-total - Specific or Other Financing</b>	<b>4,235</b>	<b>-</b>	<b>-</b>	<b>780</b>	<b>780</b>	<b>5,015</b>	<b>10,783</b>	<b>13,134</b>	<b>7,166</b>	<b>36,098</b>
<b>Mainstream Financing (Internal Council Resource)</b>										
Capital Receipts (HRA)	9,075	(618)	-	(161)	(779)	8,296	6,699	7,714	5,923	28,632
Major Repairs Reserve (MRR) / Major Repairs Allowance	23,802	-	-	2,621	2,621	26,423	16,245	16,651	17,067	76,386
<b>Sub-total - Mainstream Funding</b>	<b>32,877</b>	<b>(618)</b>	<b>-</b>	<b>2,460</b>	<b>1,842</b>	<b>34,719</b>	<b>22,944</b>	<b>24,365</b>	<b>22,990</b>	<b>105,018</b>
Borrowing(HRA)	22,806	(4,913)	-	(3,240)	(8,153)	14,653	31,382	9,613	6,261	61,909
<b>Total Capital Financing</b>	<b>59,918</b>	<b>(5,531)</b>	<b>-</b>	<b>-</b>	<b>(5,531)</b>	<b>54,387</b>	<b>65,109</b>	<b>47,112</b>	<b>36,417</b>	<b>203,025</b>

## Appendix 2 – Analysis of budget variations

Variation by department	Amount £000
<b>Children's Services</b>	
Schools Organisational Strategy - budget reduction for the TBAP (Bridge Academy) following recent review of the scheme	(2,021)
Schools' Windows Replacement Scheme - budget reduction following scheme review. This scheme will be now incorporated into the school maintenance programme.	(897)
Schools maintenance programme - budget reprofiling to future years to reflect current forecast	(290)
<b>Total Children's Services variations</b>	<b>(3,208)</b>
<b>Environment Department</b>	
Transport Schemes funded from TfL – additional budget to reflect funding received	438
Hammersmith Bride strengthening - additional budget approved by Cabinet September 2020	420
Hammersmith Bride strengthening - additional budget required for essential works, TfL funding was withdrawn due to Covid-19 impact on TfL finances	240
Safe Cycle Pathway - additional budget to reflect funding received from TfL/S278	203
Controlled Parking Zones - additional budget to reflect S106 funding received	55
P&D Upgrade and Pay by Phone - additional budget required to complete the scheme	30
Other Highways Capital Schemes additional budget required for essential work; TfL funding was withdrawn due to Covid-19 impact on TfL finances	422
Parks Capital Programme – additional budget required to complete essential parks improvements and schemes some of which commenced in 2019/20, no S106 funding confirmed	32
Fulham Football Club - Bishops Park - additional budget to reflect the funding received	234
Leisure Centre Capital Investment – budget reprofiled to future years due to Covid-19	(392)
<b>Total Environment Department variations</b>	<b>1,682</b>
<b>Finance Department</b>	
Reprofiling of Invest to Save schemes to future years	(800)
<b>Total Finance Department variations</b>	<b>(800)</b>
<b>General Fund schemes under Economy Department</b>	
Corporate Planned Maintenance Programme budget reprofiled to future years	(1,268)
<b>Total General Fund schemes under Economy Department variations</b>	<b>(1,268)</b>
<b>Economy Department (HRA) Schemes</b>	
Asset Management and Compliance Programme – budget reprofiling to future years to reflect updated spending profile for the number of schemes. The majority of capital works programmed for a 2020/21 start will now start in the new calendar year due to the delays as a result of Covid-19.	(3,248)
Housing Development Project - budget profiled to future years due to Covid-19 delays	(312)
White City Estate Regeneration - budget reprofiling to future years due to delay in start of the scheme	(1,447)
Homes & Communities Strategy - budget reprofiled to future years due to delays	(96)
Affordable Housing Delivery Framework – due to Covid-19 delays, Emlyn Gardens and Fulham North Office are now expected to complete in Q1 2021/22	(428)
<b>Total Economy Department (HRA) variations</b>	<b>(5,531)</b>
<b>Total 2020-21 Q2 variations</b>	<b>(9,125)</b>

### Appendix 3 – General Fund forecast capital receipts

Financial Year	Previous Forecast £'000s	Movement/ Slippage £'000s	Forecast as at Q2 2020-21 £'000s
<b>2020/21</b>			
Brought forward receipts from 2019/20	2,412	(800)	1,612
Forecast capital receipts for the year	-	-	-
<b>Total 2020/21</b>	<b>2,412</b>	<b>(800)</b>	<b>1,612</b>
<b>2021/22</b>			
Forecast capital receipts for the year	-	-	-
Carry forward receipts from 2020/21	-	800	800
<b>Total 2021/22</b>	<b>-</b>	<b>800</b>	<b>800</b>
<b>2022/23</b>			
Forecast capital receipts for the year	3,600	-	3,600
Cost of Sales (4%)	(144)	-	(144)
<b>Total 2022/23</b>	<b>3,456</b>	<b>-</b>	<b>3,456</b>
<b>2023/24</b>			
Forecast capital receipts for the year	-	-	-
<b>Total 2023/24</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total All Years</b>	<b>5,868</b>	<b>-</b>	<b>5,868</b>

## **Appendix 4 – VAT Partial Exemption**

### Partial exemption overview

In general, businesses cannot recover the VAT incurred on purchases made in connection with VAT exempt activities, for example, capital expenditure on properties which are let or leased are exempt from VAT. However, under Section 33 of the VAT Act 1994, local authorities are able to recover this VAT so long as it forms “an insignificant proportion” of the total VAT incurred (input tax) in any year, taken to be 5% or less. Crucially, the de minimis limit is not an allowance, if the 5% threshold is exceeded then all the exempt input tax is lost, not just the excess. The cost to the Council of a breach would be in excess of £2.7m.

### LBHF Partial Exemption

The Council’s actual input tax for 2019/20 (across all expenditure) was £54m. This results in a partial exemption threshold for the Council of £2.7m (being 5% of £54m). However, the input VAT reclaimed in 2019/20 is exceptionally high due to VAT of £14.9m being incurred on the purchase of Earl’s Court. The overall input tax incurred by the Council is projected to fall in the medium term due to factors such as the return of some of the previously outsourced services in-house. A reduction in the overall input tax incurred will, in turn, reduce the Council’s partial exemption threshold.

When calculating the exempt input tax annually, the Council considers its revenue and capital activities separately. Revenue activities are more constant, their contribution to exempt input tax is projected to remain at £2m (the impact on the threshold being the VAT incurred on this amount, i.e. £0.4m). Exempt input tax relating to capital activities is more volatile and each project must be considered and judged individually. The Council has a number of capital projects, both in progress and in the pipeline, which could have significant partial exemption implications and finance officers are working closely with colleagues working on these projects to ensure that these risks are identified and mitigated where possible.

Land and lease transactions can give rise to exempt supply. Capital projects involving these usually give rise to exempt input tax, although wherever possible the Council uses its VAT policy (see section 3) to mitigate this.

### VAT Policy

The following policy is in place to manage the partial exemption position:

- In all cases of new or reprofiled projects, the VAT team should be consulted in advance.
- Projects should be 'opted-to-tax' where this option is available and is of no financial disadvantage to the Council.

## Appendix 5 - Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP)

1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. The Table 1 below shows the Council's forecast total GF CFR for the period 2020/21-2023/24:

**Table 1 - Forecast General Fund CFR 2020/21-2023/24 (Quarter 2)**

<b>GENERAL FUND CFR ANALYSIS</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>HEADLINE CFR EXCLUDING SELF FINANCING SCHEMES AND LOANS</b>					
<b>Opening Capital Finance Requirement (CFR)</b>	<b>70.85</b>	<b>114.08</b>	<b>130.68</b>	<b>159.65</b>	<b>170.00</b>
Revenue Repayment of Debt (MRP)	(0.32)	(1.07)	(1.48)	(2.25)	(2.24)
Mainstream Programme (Surplus)/Shortfall	43.55	17.67	30.45	12.61	17.57
<b>Closing Capital Finance Requirement (CFR)</b>	<b>114.08</b>	<b>130.68</b>	<b>159.65</b>	<b>170.00</b>	<b>185.32</b>
<b>SELF FINANCING SCHEMES AND LOANS</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening Capital Finance</b>	<b>7.32</b>	<b>11.84</b>	<b>20.62</b>	<b>50.41</b>	<b>149.87</b>
Equity loan repayment	-	-	-	-	(25.00)
Revenue Repayment of Debt (MRP)	(1.48)	(0.23)	(0.22)	(0.22)	(1.47)
In Year Borrowing	6.00	9.01	30.01	99.68	16.40
<b>Closing Capital Finance</b>	<b>11.84</b>	<b>20.62</b>	<b>50.41</b>	<b>149.87</b>	<b>139.81</b>
Finance leases/PFI/ Deferred costs of	9.19	8.49	7.79	7.09	6.39
<b>Total Closing GF CFR</b>	<b>135.11</b>	<b>159.79</b>	<b>217.84</b>	<b>326.96</b>	<b>331.52</b>

2. The current forecast for the General Fund Headline CFR is £130.68m at the end of 2020-21 and £185.32 by the end of 2023-24. The increase in GF Headline CFR puts additional pressures on revenue budgets.
3. The Headline CFR figures exclude:
  - £5.6m Schools Windows Replacement Programme
  - equity loan of £70m to the Civic Campus programme
  - £28.58m loan to the Education City Development project and
  - £63m investment in acquisition of Civic Campus commercial units

Whilst these will impact on the Council's CFR, it is assumed that all Minimum Revenue Payment (MRP) and interest costs will be fully reimbursed through grant contributions, the charging of a state-aid compliant interest rate, commercial income or reduction in revenue costs (e.g. lease rental payments).

4. CFR movements related to these schemes are presented under "Self-Financing Schemes and Loans" heading in the Table 1. CFR for these schemes is forecast to increase by £8.78m to £20.62m in 2020-21 and to £139.81m by the end of 2023-24. Table 2 details the CFR movements regarding these schemes:



**Table 2- Self -financing schemes and loans CFR movements 2020/21-2023/24**

	Revised Budget 2020/21 (Q1)	Variations (Q2)	Revised Budget 2020/21 (Q2)	Indicative Budget 2021/22	Indicative Budget 2022/23	Indicative Budget 2023/24	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>							
<b>Ad Hoc Schemes:</b>							
JV loan - HTH	-		-	-	-	-	-
Acquisition of commercial units (Civic Campus)	-		-	-	63,000	-	63,000
Equity Loan (Civic Campus)	8,997		8,997	30,000	25,000	-	63,997
JV loan -Education City	12		12	13	11,682	16,399	28,106
<b>Total Mainstream Programmes</b>	<b>9,009</b>	<b>0</b>	<b>9,009</b>	<b>30,013</b>	<b>99,682</b>	<b>16,399</b>	<b>155,103</b>
<b>Financing</b>							
Increase/(Decrease) in Borrowing	9,009	-	9,009	30,013	99,682	16,399	155,103
<b>Total Financing</b>	<b>9,009</b>	<b>0</b>	<b>9,009</b>	<b>30,013</b>	<b>99,682</b>	<b>16,399</b>	<b>155,103</b>

5. The report regarding the expected investment in Civic Centre commercial units is also proposing one-off equity loan payment of £25m towards Civic Campus redevelopment scheme, currently forecast to be issued in 2022/23. The issue of the equity loan will result in an increase in GF CFR by the same amount. However, this loan is expected to be repaid in the following financial year and therefore it will not have any impact on the MRP. Repayment of the loan will result in a decrease in GF CFR in 2023/24 by £25m.
6. As the development site for Education City scheme is currently General Fund land, it is assumed that the total development costs will be charged to General Fund until the site completion. This will result in an increase in GF CFR. On completion, costs and debt associated with HRA element of the redevelopment (affordable housing units) will be appropriated to HRA. The appropriation will result in decrease in GF CFR and increase in HRA CFR by the same amount. Forecast expenditure for HRA affordable housing units is currently £29.4m. As any interest charges will be capitalised and MRP will not be charged until year after the completion, there will be no direct impact on general fund revenue budgets in respect to HRA costs. However, should the scheme be cancelled before the completion of HRA affordable homes, there is a risk that risks and costs associated with the termination could impact GF revenue budgets.
7. Minimum Revenue Provision (MRP) is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). This is an annual revenue expense in a Council's budget. The MRP will, over time, reduce the CFR.
8. The statutory guidance issued by the Secretary of State (Ministry for Housing, Communities and Local Government) details the ways how MRP should be charged on various items of capital expenditure. MRP charges presented in the Table 1 follow this guidance and assume the following:

- MRP charges are deferred for development projects until year after their completion. The rate charged is based on the estimated life of an asset (50 years for new developments).
- MRP on rolling capital programmes and smaller scale ad hoc schemes is charged year after the expenditure incurs. The rate used is based on weighted average life of an assets (currently 3.01%).

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Corporate Revenue Monitor 2020/21 Month 6 - 30 September 2020

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

**Responsible Director:** Emily Hill, Director of Finance

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### Summary

This report provides an update on the revenue expenditure forecast for month 6 (September) 2020/21 and request approval for general fund virements.

This revenue budget monitoring report is produced as part of the Council's 2020/21 budgetary control cycle. The final element of the budget cycle is the annual closing of the accounts. To facilitate the closing of the Accounts several actions will be required which normally require Cabinet approval, for example final budget carry-forwards, use of reserves, budget virements, level of bad debt provision, etc. This report seeks authority to delegate such decisions to the Director of Finance.

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### Recommendations

1. To delegate authority to the Director of Finance, in consultation with the Cabinet Member for Finance and Commercial Services, to take all decisions necessary to facilitate the closing of the final accounts.
  2. To approve the General Fund virements of £0.610m as detailed in appendix 9.
  3. To note General Fund forecast, overspend of £5.722m and requirement for urgent further action to significantly reduce the forecast overspend.
  4. To note the Housing Revenue underspend of £0.948m.
  5. To note the in-year Dedicated Schools Grant overspend of £3.558m.
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**Wards Affected:** All

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## H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
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.

## Financial Impact

The council is facing an unprecedented financial challenge due to the impact of the Coronavirus pandemic (Covid-19) and continuation of underlying budget pressures.

A £5.722m overspend is forecast for the General Fund of which £2.492m arises from the impact of Covid-19, after the application of expected grant funding, whilst £3.230m relates to underlying budget pressures.

This forecast is based on the position on 30 September 2020 after taking into account government funding announced in October. However, the detailed forecast was made prior to recently announced coronavirus measures that saw London move to tier 2, the subsequent announcement of a second national lock down from 5 November and the rapid progression through the tiers to tier 4 following this. These changes, without any commitment to funding the full costs and losses by the government, increases the financial risk and uncertainty facing the council. The forecast therefore does not include the implications of these recent announcements and impact of Covid-19 will continue to be closely monitored and the forecast regularly updated.

The forecast includes a fourth tranche of un-ringfenced Covid-19 funding of £4.645m which was confirmed on 22 October.

Mitigating action plans of £4.221m have been proposed by departments. If delivered, the forecast overspend will reduce to £1.501m. Further actions are required to tackle the overspend.

	Forecast overspend £m	Forecast overspend after mitigating actions £m
Current year – month 6 2020/21	5.722	1.501
Current year – month 4 2020/21	8.691	3.918
2019/20 outturn	6.885	6.885
Prior year – month 6 2019/20	12.063	9.449

Funding for the High Needs Block element of the Dedicated Schools Grant (DSG) continues to be under pressure with a cumulative overspend against the DSG

allocation of £19.1m at 31 March 2020. For 2020/21, an increased grant allocation has reduced the expected in-year overspend however the forecast spend still exceeds the grant funding and a overspend of £3.6m is forecast in 2020/21. This will increase the cumulative deficit to £22.7m by March 2021 and require the council to set aside resources in a matching reserve.

For the Housing Revenue Account, a net underspend, after allowance for the impact of Covid-19, of £0.948m is forecast.

## **Legal Implications**

There are no legal implications for this report.

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## **Background Papers Used in Preparing This Report**

None

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## DETAILED ANALYSIS

### GENERAL FUND

1. An overspend of £5.722m is forecast at month 6 (September 2020). The forecast takes account of the balance of the unallocated contingency and confirmed Covid-19 grants, including an estimate of the income compensation scheme. Additional risks of £18.242m are identified. Action is required to avoid these risks crystallising into actual spend.

**Table 1 – Month 6 (September 2020) - General Fund forecast** (underspends are shown in brackets)

Department	Gross variance M6	Covid-19 variance M6	Non- Covid-19 net variance M6
	£m	£m	£m
Children's Services	2.199	0.471	1.728
The Economy Department	2.681	1.301	1.380
The Environment Department	4.194	3.613	0.581
Controlled Parking Account	10.924	11.151	(0.227)
Finance	0.056	0.000	0.056
Resources	0.900	1.077	(0.177)
Social Care	5.880	5.205	0.675
Centrally Managed Budgets	0.858	0.388	0.470
Corporate Covid-19 response costs inc PPE	3.250	3.250	0.000
<b>Total</b>	<b>30.942</b>	<b>26.456</b>	<b>4.486</b>
Balance of unallocated contingency	(1.256)	0.000	(1.256)
Un-ringfenced Covid-19 Grant*	(17.964)	(17.964)	0.000
Estimated Covid-19 income compensation grant	(6.000)	(6.000)	0.000
<b>TOTAL</b>	<b>5.722</b>	<b>2.492</b>	<b>3.230</b>

\*Total allocation £18.153m, £189,000 applied to Covid-19 costs incurred in 2019/20

2. The main elements of the Covid-19 expenditure are personal protective equipment, additional social care demand and financial support to the market, rough sleeping, mortuary provision and supporting social distancing. These costs will, in part, be met by un-ringfenced grant, currently £17.964m, provided by government and other specific grant funding allocations. The un-ringfenced grant includes a fourth tranche allocation of £4.645m which was confirmed on 22 October.
3. The council's revenue income streams, particularly parking, are also affected. A Covid-19 income compensation scheme has been put in place for lost sales, fees and charges. Authorities must fund the first 5% of income loss but the

government will fund 75% of the remaining loss (after allowance for any cost savings). Not all income qualifies, for example commercial rents are excluded as are incomes losses from council tax and business rates. The Council has submitted a claim for £5.2m to the end of July, with the next claim due for submission in December. A total grant receipt of £6m is currently modelled for 2020/21.

4. This forecast was made prior to recently announced coronavirus measures that saw London move to a tier 2, the subsequent announcement of a second national lockdown and the rapid progression through the tiers to tier 4 following this. These changes increases the financial risk and uncertainty facing the council. Additional costs and further income losses are likely to arise that are not modelled within the current forecast. The forecast will continue to be updated to reflect the latest national and local measures and the council's response.
5. The underlying overspend, net of the Covid-19 impact, is £3.230m. As set out in Table 2 this is worse than the month 4 forecast.

**Table 2 – Forecast variance excluding the impact of Covid-19**

Department	Revised budget £m	Forecast net variance Month 6 £m	Forecast net variance Month 4 £m	Direction of Travel
Children's Services	50.983	1.728	1.367	↓
The Economy Department	5.284	1.380	1.630	↑
The Environment Department	67.567	0.581	0.454	↓
Controlled Parking Account	(26.113)	(0.227)	(0.524)	↓
Finance	3.572	0.056	0.081	↔
Resources	4.622	(0.177)	(0.183)	↔
Social Care	55.412	0.675	1.372	↑
Centrally Managed Budgets	12.681	0.470	1.650	↑
<b>Total</b>	<b>174.008</b>	<b>4.486</b>	<b>5.847</b>	
Balance of unapplied unallocated contingency		(1.256)	(3.000)	
<b>TOTAL</b>		<b>3.230</b>	<b>2.847</b>	

6. Mitigating action plans of £4.221m have been identified which, if delivered, will reduce the forecast overspend to £1.501m. However, there are significant risks to the delivery of these mitigations given the capacity of the council to manage these in current circumstances.

**Table 3: Summary of net forecast outturn variances after action plans**

Department	Net forecast outturn variance £m	Potential value of action plan mitigations £m	Forecast outturn variance after mitigations £m
Children's Services	1.728	0.300	1.428
The Economy Department	1.380	0.300	1.080
The Environment Department	0.581	0.471	0.110
Controlled Parking Account	(0.227)	2.500	(2.727)
Finance	0.056	0.000	0.056
Resources	(0.177)	0.000	(0.177)
Social Care	0.675	0.650	0.025
Centrally Managed Budgets	0.470	0.000	0.470
<b>Total</b>	<b>4.486</b>	<b>4.221</b>	<b>0.265</b>
Balance of unapplied unallocated contingency	(1.256)	0.000	(1.256)
Net Impact of Covid-19	2.492		2.492
	<b>5.722</b>	<b>4.221</b>	<b>1.501</b>

7. Covid-19 will also result in lower council tax and business rates income. In accordance with local authority accounting regulations, and the requirement that Covid-19 losses should be spread over 3 years, this loss will not impact on the current year revenue budget but will need be taken account of within future years.
8. Explanations for the main departmental variances are set out in Appendices 1 to 7.

#### **HOUSING REVENUE ACCOUNT**

9. The Housing Revenue Account underspend is **£0.948m**. The main variances are detailed in Appendix 8.

**Table 4: Housing Revenue Account forecast outturn**

Housing Revenue Account (General Reserve)	£m
<b>Balance as at 31 March 2020</b>	<b>(24.580)</b>
Less: Budgeted appropriation from balances	7.924
Add: forecast underspend	(0.948)
<b>Balance as at 31st March 2021</b>	<b>(17.604)</b>



## **DEDICATED SCHOOLS GRANT (DSG)**

10. Dedicated schools grant (DSG) is paid in support of local authority schools' and is the main source of income for the schools' budget. It is split between central expenditure and the individual schools' budget (ISB) in conjunction with the local schools' forum.
11. Funding for the High Needs Block (HNB) continues to be under pressure and the council had a cumulative overspend on the DSG of £19.1m at 31 March 2020. Whilst an increase in the HNB funding allocations has reduced the forecast annual deficit for 2020/21 a further DSG overspend of £3.6m is forecast that will increase the cumulative deficit to £22.7m.

**Table 5: Dedicated Schools Grant - deficit**

	<b>£m</b>
<b>DSG deficit brought forward from prior years</b>	<b>19.119</b>
In-year outturn deficit	3.558
<b>Deficit at the end of 2020/21</b>	<b>22.677</b>

## **GENERAL FUND RESERVES**

- 10 The latest forecast, in line with the agreed reserves strategy and action plan, is that the council will have uncommitted reserves and balances of £50.7m by the close of 2024/25.
- 11 The current year forecast overspend will be a further charge against such reserves and balances. This will have an impact on the council's future financial resilience. There is limited scope to fund such a loss whilst meeting current commitments and also ensuring that the council maintains an adequate future working balance and sufficient funding for future transformation. Any drawdown will require additional savings in future years to replenish the council's reserves.

## **VIREMENT AND WRITE OFF REQUESTS**

- 12 General Fund virements of £0.610m are proposed. These are detailed in Appendix 9.

## **REASONS FOR DECISION**

- 13 To report the revenue expenditure forecast and comply with Financial Regulations.

## **EQUALITIES IMPLICATIONS**

- 14 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 report.
- 15 If any such adjustments might lead to a service change and/or changes in staffing structures that could have a negative impact on groups with protected characteristics, then a full Equality Impact Assessment will need to be carried out, detailing any mitigating actions against negative impact.

Implications completed by Fawad Bhatti, Policy and Strategy Officer, tel. 07500 103617.

## **RISK MANAGEMENT IMPLICATIONS**

- 16 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.
- 17 Covid-19 funding has been made available to the Council in four main tranches and a compensation for loss of income grant. Settlement from HM Government has however fallen short to meet the financial impact to the Council including loss of income. A Covid-19 Board has been put into place providing assurance to the Strategic Leadership Team that a managed recovery takes place maximising some of the benefits gained from increased productivity, efficiency, digital working and lower than anticipated sickness levels during Covid-19.
- 18 The characteristics of the pandemic mean that there is considerable uncertainty in regard to the level of response required by councils in Greater London. Before the announcement of a second national lockdown, Greater London was in Tier 2 of the HM Governments Covid-19 alert levels. Following the lockdown, the region moved rapidly from Tier 2 to 3 and, shortly before Christmas, a new Tier 4. These measures are likely to result in an increase in support required for residents from Council services and its associated financial impact.
- 19 Should no further Covid-19 government funding be forthcoming, and no mitigating actions are delivered to reduce this overspend in year, a further charge against such reserves and balances we be required and will have an impact on the council's future financial resilience.

Implications verified/completed by Michael Sloniowski, Risk Manager, tell 020 8753 2587, mobile 07768 252703

**List of Appendices:**

<b>Appendix</b>	<b>Title</b>
Appendix 1	Children's Services
Appendix 1a	Dedicated Schools Grant (DSG)
Appendix 2	The Economy Department
Appendix 3	The Environment Department
Appendix 3a	Controlled Parking Account
Appendix 4	Finance
Appendix 5	Resources
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 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees	22,476	1,043	828
Premises-related expenditure	576	10	25
Transport-related expenditure	154	(11)	(31)
Supplies & services	8,465	627	654
Third party payments	50,423	37	(22)
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	66,753	4,340	4,287
Support services (Internal Trading Services)	411	653	618
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(104,131)	(4,501)	(4,521)
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	5,856	0	0
<b>Total</b>	<b>50,983</b>	<b>2,199</b>	<b>1,838</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Family Services	31,655	422	431	0	422
Education	10,399	1,013	880	326	687
Children's Commissioning	5,053	(25)	14		(25)
Children's Performance & Improvement	2,240	(1)	(90)	0	(1)
Director of Children's Services	1,636	791	602	145	646
School Funding	0	0	0		0
<b>TOTAL</b>	<b>50,983</b>	<b>2,199</b>	<b>1,838</b>	<b>471</b>	<b>1,728</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Family Services</b>		
<p><b><u>Placements</u></b> Underspend due to additional government grant income for Staying Put (£105,000) and Unaccompanied Seeker Children (£650,000). In addition, there has been a lower level of new entrants due to Covid-19 than was modelled for the growth awarded for the 2020/21 budget. This is partially offset by one very high cost placement.</p> <p>Case numbers may increase later in the year as children return to school. Referrals are being closely tracked and the forecast includes £601,000 for new placements,</p>	(1,028)	(1,023)
<p><b><u>Client Related Expenditure</u></b> The forecast client transport overspend is £265,000. This is lower than the period 2 forecast of £347,000 as fewer journeys were made during the lockdown restrictions.</p> <p>Section 17 (child in need) payments are overspent by £111,000 and Section 23 (Looked After Children miscellaneous client non placement) payments are £123,000 overspent.</p>	619	611
<p><b><u>Legal Costs</u></b> The 2019/20 overspend on legal services was £580,000 and this continues to be a pressure. Demand has increased over recent years and the budget has not kept pace. A working group has been setup and an expenditure reduction plan for legal costs is part of the department's recovery and budget planning work. This is targeting a reduction of 3 care proceedings cases per year and a corresponding fall in spend of £75,000 per year to help reduce this budget pressure.</p>	700	675
<p><b><u>Assessments</u></b> Family Assessments were £331,000 overspent in 2019/20. Demand for spot purchase assessments on top of the Multidisciplinary Family Assessment Service contract with the Tavistock and Portman NHS Foundation Trust are causing a 2020/21 overspend of £177,000. The forecast overspend has reduced following a decision to end the assessments contract and pursue a new model of delivery. Proposals for a new model will be put forward for 2012/22.</p>	177	261
<p><b><u>Staffing</u></b> A full post level budgeting exercise has taken place to ensure that staff budgets are fully aligned against funding. An ongoing agency review has led to monthly decreases in agency numbers since January 2020. A further reduction is forecast for the rest of the financial year.</p> <p>As part of the budget planning work further in year savings will</p>	(18)	169

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
be brought forward to offset some of the staffing overspend shown under the Director of Children's Services heading.		
Other minor variances	(28)	(341)
<b>Family Services Total</b>	<b>422</b>	<b>352</b>
<b>Education</b>		
<b><u>Travel Care and Support</u></b>		
<p>The overspend is primarily due to significant demand, student number growth and longer journeys needed for pupils with complex medical needs and physical disabilities. There is a favourable movement since period 4 as some rates have been re-negotiated due to a reduction in service during the Covid-19 pandemic.</p> <p>This is a demand led statutory service which saw an expenditure increase of 13% in 2019/20 and a predicted 14% increase in 2020/21. The demand pressure for travel assistance is due to the 7% increase in pupils with Education and Health care plans (EHCP's). Approximately 28% of the EHCP cohort require and access travel assistance.</p> <p>The forecast includes further demand growth (£149,000) predicted from September and a likely indexation increase (£14,000) also from September for 2020/21. Further opportunities to deliver savings are being explored to mitigate the risk and to reduce the forecast overspend. These options include identifying alternative pathways and step-down transition. A line by line review has been conducted to ensure provision matches risk and needs of the child/young person, ensuring routes and services are efficient and optimised.</p>	447	556
<b><u>The Haven Centre</u></b>		
<p>The overspend is primarily due to staffing issues resulting in overtime being paid as a result of historic practices, long term sickness and performance issues.</p> <p>Cover for lock-down requirements during the Covid-19 pandemic has also increased staff and operational costs by a forecast £80,000.</p> <p>The service experiences volatility in income generated due to the uncertainty of out of borough pupils remaining in the provision and getting firm agreement on health contributions. The income target was initially set at three beds for out of borough pupils. The Covid-19 pandemic has meant two out of borough pupils are staying on a longer-term basis with six beds currently filled, this could change. The seventh (and final) bed will be filled by a H&amp;F pupil at the end of October</p>	489	330

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
2020.  A new service delivery model is currently going through the decision process.		
<b><u>Children with disability placements - Short breaks and care packages</u></b>  This forecast overspend is primarily due to three new residential packages with a combined cost of £560,000. Health is contributing 33% of these costs.  There is a forecast of £54,000 for new packages.  The split of funding packages between health, general fund and High Needs Block Dedicated Schools Grant continues to be reviewed with respect to funding regulations and grant conditions and within the context of an overspent High Needs Block.	184	0
Other minor variances	(107)	(6)
<b>Education Total</b>	<b>1,013</b>	<b>880</b>
<b>Children's Commissioning</b>		
<b><u>Commissioned Children's and Youth Services</u></b> A plan to deliver savings on commissioned Early Help, Children's Centres and Youth services over the medium term has been agreed. Cabinet approved an additional funding request of £750,000 and in year savings of £950,000. An overspend of £112,000 is forecast but further work is taking place to bring this back within budget before the year end.	112	103
<b><u>Commissioning Staffing.</u></b> A restructure has been approved and vacancies are being held while recruitment is underway. Delays to recruitment have increased the forecast underspend since period 4.	(137)	(89)
<b>Children's Commissioning Total</b>	<b>(25)</b>	<b>14</b>
<b>Children's Performance &amp; Improvement</b>		
Other minor variances	(1)	(90)
<b>Children's Performance &amp; Improvement Total</b>	<b>(1)</b>	<b>(90)</b>
<b>Director of Children's Services</b>		
Children's Services savings are loaded here and will be redistributed across the service as delivery plans are developed. £145,000 of the overspend is attributed to Covid-19 as delivery plans have been delayed.  The movement from period 4 is due to the impact of the 2020/21	791	602

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
pay award. Mitigations for the shortfall (£160,000) are being developed.		
<b>Director of Children's Services Total</b>	<b>791</b>	<b>602</b>
<b>School Funding</b>		
Nil variance	0	0
<b>School Funding Total</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>2,199</b>	<b>1,759</b>

<b>Table 4 - Savings Delivery</b>				
<b>Dept</b>	<b>MTFS target</b>	<b>On track</b>	<b>Partially deliverable</b>	<b>Undeliverable</b>
Children's Services	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>	836	257	579	0
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>		
Employee Savings	250	The employee savings have been brought into a wider staffing review which is underway and aiming to deliver the 2020/21 target, resolve existing pressures on the CHS staffing budget and contribute to 2021/22 MTFS savings.		
Semi Independent Living Housing	200	Accommodation moves have been delayed due to Covid-19 restrictions. Partial delivery with moves taking place where safe and restrictions allow.		
Travel Care	129	Partial delivery with mitigation plans being drawn up.		

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
<b>Family Services Placements</b> - There is a high degree of risk of increased case numbers. Referrals will be closely tracked as children return to school. The placements model contains a forecast of £601,000 for new placements.	TBC	TBC
There is the potential for additional family services and disability placements costs as suppliers pass on additional costs caused by Covid-19.	TBC	TBC
<b>Tower Hamlets Judgement</b> - 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 totalling £141,000. In addition, in 2018/19, two families (3 children) brought claims with costs of approximately £60,000	2,100	2,100
<b>TOTAL RISKS MANAGED</b>	<b>2,100</b>	<b>2,100</b>



**APPENDIX 1a: DEDICATED SCHOOLS GRANT (DSG)  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Needs Block Expenditure	23,756	3,457	3,487		3,457
Early Years Block Expenditure	16,882	15	0		15
Schools Block Expenditure	38,674	0	0		0
Central School Services Block Expenditure	3,878	86	95	95	(9)
DSG Income	(83,189)	0	0		0
<b>TOTAL</b>	<b>0</b>	<b>3,558</b>	<b>3,582</b>	<b>95</b>	<b>3,463</b>

<b>Table 2 - DSG Balances</b>			
<b>Departmental Division</b>	<b>Balance brought forward</b>	<b>Forecast variance month 6</b>	<b>Forecast year end balances month 6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
High Needs Block	19,790	3,457	23,247
Schools Block	(605)	0	(605)
Early Years	(66)	15	(50)
Central School Services Block	(0)	86	86
<b>TOTAL</b>	<b>19,119</b>	<b>3,558</b>	<b>22,678</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>High Needs Block</b> ( <i>High Needs funding supports provision for children and young people with special educational needs from their early years to age 25 and in addition the Alternative Provision</i> )		
The forecast for Education, Health and Care Plan (EHCP) top-up costs forms the majority of the overspend. This is based on a review of actual transactions from the previous two financial years against the model brought forward from 2019/20. There is considerable risk around the independent non-maintained and post 16 forecast for EHCP top-up as robust data is not available to validate a pupil level forecast. The service has created a static placement model, but this is not linked to active casework. Until the implementation of the	3,457	3,487

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<p>SEN case management system with an integrated finance workflow, there is limited assurance on this forecast. There is a further risk with respect to 2019/20 additional prior year costs for which there was no data to ensure prior year end accruals. The forecast has been produced by Finance based on 2019/20 outturn and allowing for an estimate of risk which is extremely difficult to quantify. The authority initially received additional funding of £2.796m in 2020/21. However, a decrease in available funding from the Schools Block and the Central Services Schools Block means the final net increase is £2.1m (10.1%). This grant further increased by £0.882m in July 2020 to reflect the number of SEND pupils from other boroughs that attend Hammersmith &amp; Fulham schools.</p> <p>There are further risks relating to the potential under-recovery of the regional administration charge and income due from other boroughs for the wrap-around Speech and Language Therapy service. This may also result in an upside to the forecast if income is recovered for prior years.</p>		
<b>High Needs Block Total Total</b>	<b>3,457</b>	<b>3,487</b>
<b>Early Years Block (Funding for Early Years including Two-Year-Old funding and Early Years Pupil Premium)</b>		
There is a brought forward surplus balance of £0.066m from 2019/20 after the recovery of 2018/19 financial year deficit of £0.206m. The DfE has recently updated the final allocations for 2019/20 and a further £0.52m has been received due to increased entitlements in Spring term 2020. This surplus must be used to support Early Years settings in line with grant conditions.	15	0
<b>Early Years Block Total</b>	<b>15</b>	<b>0</b>
<b>Schools Block (Core funding for mainstream maintained schools)</b>		
No variance forecast on delegated or de-delegated budgets or those for maintained education functions.	0	0
<b>Schools Block Total</b>	<b>0</b>	<b>0</b>
<b>Central School Services Block (CSSB) (Funding for the Local Authorities ongoing responsibilities)</b>		
A forecast loss of income from Lilla Huset due to Covid-19 closures. Lettings are unlikely for the remainder of the financial year. The CSSB is budgeted to contribute £0.461m to High Needs Block related expenditure in 2020/21.	86	95
<b>Central School Services Block Total</b>	<b>86</b>	<b>95</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>TOTAL VARIANCE</b>	<b>3,558</b>	<b>3,582</b>
<b>Table 4 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
<p>The council is a regional commissioner for children and young people with SEND. 47% of the school's population with an EHCP originate from out of borough.</p> <p>The forecast assumes full recovery of Speech and Language Therapy (SALT) and Occupational Therapy (OT) charges for wrap around services. There is a risk of only partial recovery primarily due to quality data issues held by the provider. The risk shown is the full impact based on no income being recovered. If income is recovered, there is likely to be an upside as the Council would look to also recover 2019/20 income.</p> <p>The Covid-19 pandemic could also have an impact as there will be a loss of chargeable income for the Summer term 2020.</p>	395	395
<b>TOTAL RISKS MANAGED</b>	<b>395</b>	<b>395</b>

**APPENDIX 2: THE ECONOMY DEPARTMENT**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees	11,128	(216)	(206)
Premises-related expenditure	1,255	615	770
Transport-related expenditure	11	0	0
Supplies & services	3,108	113	46
Third party payments	18,400	567	1,068
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	98	0	0
Support services (Internal Trading Services)	171	108	89
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(27,698)	1,693	1,511
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(1,189)	(199)	(224)
<b>Total</b>	<b>5,284</b>	<b>2,681</b>	<b>3,054</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Housing Solutions	7,437	872	1,450	745	127
Growth	(4,403)	(88)	(100)	31	(119)
Economic Development, Skills Service	863	178	72	178	0
Planning	1,278	1,714	1,627	347	1,367
Operations	82	11	11	0	11
Direct Delivery	27	(6)	(6)	0	(6)
<b>TOTAL</b>	<b>5,284</b>	<b>2,681</b>	<b>3,054</b>	<b>1,301</b>	<b>1,380</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Housing Solutions</b>		
The forecast for average client numbers (961 units)) is lower than budgeted (969 units) in Private Sector Leased (PSL) temporary accommodation schemes, but unit rent payments to landlords have increased, reflecting inflation on the Local Housing Allowance (LHA), resulting in a net overspend of £99,000. The forecast bad debt provision has reduced by (£49,000) (from budget of 5.5% to a forecast of 5%) due to an	50	190

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
improvement in the collection rate.		
Forecast client numbers (72) are lower than budget (90) for Bed and Breakfast (B&B) temporary accommodation, but higher out of hours placements and pre-booking (from a budget of 4 per day to an actual of 13 per day to the end of September) has resulted in a net forecast overspend of £62,000. The forecast bad debt provision has reduced by (£47,000) (from budget of 10% to a forecast of 7%) due to an improvement in the collection rate.	15	22
An overspend on cost avoidance payments of £350,000 to Private Sector Leasing and Direct Letting landlords is expected (reduced from £600,000 in CRM4) to secure temporary accommodation properties. A further spend of £450,000 is forecast 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.	350	600
Flexible Homelessness Support grant after allocating £2.589m to PSL and deducting an assumed £50,000 for Registered Providers	(166)	(166)
Balance of Homelessness Reduction grant of which £0.394m has been allocated to Housing Solutions and Preventions.	(174)	(174)
The provision of accommodation and supported housing to rough sleepers and clients needing to self-isolate as part of the Council's response to the Covid-19 pandemic is forecast to cost £1.395m. This is partially offset by (£0.343m) Housing Benefits received and (£0.324m) grant from MHCLG. Additional costs of £17,000 are also forecast in managing increased activity within the out of hours service.	745	978
Other minor variances	52	0
<b>Housing Solutions Total</b>	<b>872</b>	<b>1,450</b>
<b>Growth</b>		
<b>Valuation Services:</b> Income generated from recharges is expected to be (£74,000) in excess of the income target offset by other variances of £18,000.	(56)	(5)
<b>Rent and Other Properties:</b> Income from rent is expected to be (£26,000) in excess of the income target following the acquisition of Farm Lane and Gibbs Green School.	(26)	(93)
<b>Housing Strategy:</b> Minor variance	(6)	(2)
<b>Growth Total</b>	<b>(88)</b>	<b>(100)</b>
<b>Economic Development &amp; Skills Service</b>		
A shortfall in fees from market traders of £158,000 is expected due to the Covid-19 pandemic. There is also an increase in staffing costs of £20,000 associated with running the	178	72

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
Community Aid Network.		
<b>Economic Development &amp; Skills Service Total</b>	<b>178</b>	<b>72</b>
<b>Planning</b>		
<b>Development Management</b> - A planning applications income shortfall of £1.996m is predicted due to the impact of Covid-19 and the wider economic slowdown. An overspend of £85,000 relates to exceptional costs for counsel, legal and other specialist advice on several specific applications and £22,000 relates to professional consultancy cost overspend. In addition, a review of existing debtors has resulted in a forecast increase in the bad debt provision of £260,000. This is partly offset by a favourable staffing variance of £90,000 as a result of an ongoing recruitment process.	1,996	1,694
<b>Planning Management</b> – minor variance	4	4
<b>Spatial Planning</b> - (£56,000) relates mainly to staffing vacancies due to ongoing recruitment following a restructure. In addition, (£230,000) relates to unbudgeted GLA Housing Capacity grant funding.	(286)	(71)
<b>Planning Total</b>	<b>1,714</b>	<b>1,627</b>
<b>Operations</b>		
Minor variance	11	11
<b>Operations Total</b>	<b>11</b>	<b>11</b>
<b>Direct Delivery</b>		
Minor variance	(6)	(6)
<b>Direct Delivery Total</b>	<b>(6)</b>	<b>(6)</b>
<b>TOTAL VARIANCE</b>	<b>2,681</b>	<b>3,054</b>

Table 4 - Savings Delivery					
		MTFS target	On track	Partially deliverable	Undeliverable
		£000s	£000s	£000s	£000s
<b>Total MTFS Savings</b>		758	758	0	0
Schemes not on track	£000s	Reason			

Table 5 - Key risks - detail items over £250,000		
Risk Description	Risk at month 6 £000	Risk at month 4 £000
Overall Benefit Cap	35	67

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
Direct Payments (Universal Credit)	67	33
Increase in bad debt provision on Temporary Accommodation (Bed & Breakfast and Private Sector Leasing) rent arrears because of reductions in personal income due to Covid-19	200	800
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	275	367
Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation above the current forecast	200	267
There is a risk of large families being accommodated in B&B	50	67
Homelessness Reduction Bill - increase in households in temporary accommodation - extra 70 households this year above the current forecast	200	267
Townmead and Sullivan Workshops commercial rents: a potential shortfall in rent income as a result of business uncertainty and possible liquidation of businesses as a result of the Covid-19 pandemic	145	100
Adult Learning Skills Service course fees: a risk of reduction in income if student capacity falls to 25% from the start of the academic year (September 2020)	157	400
<b>Growth</b> – a delay of 3 month to capital schemes was reported to GLA which is not expected to materialise. Capitalisation is based on timesheets being completed and schemes progressing to the capital stage - all capitalisation and staff costs for Development Team are now being charged to HRA as they relate to affordable housing so no impact on the GF.	0	50
<b>Planning</b> - There is an ongoing risk of an overspend due to potential costs associated with judicial reviews and major planning appeals including additional work to support the Hammersmith Town Centre supplementary planning document.	200	200
<b>Direct Delivery</b> - if the land sale at Watermeadow Court does not achieve a sufficient capital receipt, there is a risk that the associated costs of disposal will result in a charge to revenue.	244	0
<b>Asset Strategy and Portfolio Management</b> – Following the Covid-19 crisis commercial properties have been granted 3 months rental holiday which is expected to be recovered later in the year; however, there is a risk that 25% of commercial rent may not be recovered	0	100
<b>TOTAL RISKS MANAGED</b>	<b>1,773</b>	<b>2,718</b>

<b>Supplementary monitoring information</b>
The forecast outturn for <b>Housing Solutions</b> of a £127,000 overspend (excluding pressures due to Covid-19) is set within the context of a reduction in the base budget for 2020/21 of £697,000 as a result of permanent annual savings which the service has committed to achieve. The service continues to manage and mitigate against a

### Supplementary monitoring information

multitude of risks (outlined in the table above) together with future cost pressures and savings requirements in an unpredictable environment.

Whilst there has been a reduction in enquiries in comparison to the same period last year, the types of enquiry and assessments have been more complex as a result of the Government's "everyone in" initiative which launched as result of the pandemic. In July as restrictions eased, we saw 277 homeless enquiries, which were an increase from the same period last year, however, we only received 86 homelessness applications. In August there were 186 enquiries which was a decrease from the same period last year; we went on to take 89 homelessness applications. In September we had 180 enquiries again with a slight decrease on the same period last year, in this period we assessed 72 homelessness applications.

The data shows that there has been an increase in enquiries from single people, and a decrease in enquires from families. This is likely due to the government's moratorium on evictions, preventing landlords from evicting until March 2021. The data shows that we have taken almost the same number of single homelessness applications for this period and a significantly fewer applications from families.

**Planning income** in recent years has fluctuated between £3.6m (2018/19), £2.3m (2019/20) and is currently forecast to reach £2m in 2020/21, some £1.7m short of the budget.

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

- Covid-19 impact on wider economy and on delays in construction projects
- Changes to the statutory charging schedule
- Economic factors such as the impact of Brexit, concerns about economic recession on developer/investor confidence and planning activity.
- 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, and delays in supply chains, delaying construction pipeline

The Council has secured £230,000 funding through the Greater London Authority (GLA) Homebuilding Capacity Fund (HCF). This funding will be used by Planning to investigate the capacity of small sites for housing development in the borough. Cabinet is requested to approve a budget virement to reflect the new funding and proposed expenditure.



**APPENDIX 3: THE ENVIRONMENT DEPARTMENT**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees	21,765	1,499	1,046
Premises-related expenditure	5,250	161	150
Transport-related expenditure	858	(37)	(31)
Supplies & services	16,445	297	316
Third party payments	23,804	1,720	1,618
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	260	0	0
Support services (Internal Trading Services)	679	156	190
Items excluded from the cost of services (Debt management and Capital Charges)	14,529	(1)	(1)
Income	(25,963)	399	482
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	9,941	0	0
<b>Total</b>	<b>67,567</b>	<b>4,195</b>	<b>3,769</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Public Realm	35,845	2,071	2,180	2,020	51
Safer Neighbourhoods & Regulatory Services	8,758	606	539	577	29
Leisure, Sport and Culture	7,576	848	661	863	(15)
Resident Services	15,692	366	390	153	213
Executive and Support	(305)	305	0	0	305
<b>Revised Variance</b>	<b>67,567</b>	<b>4,194</b>	<b>3,769</b>	<b>3,613</b>	<b>581</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Public Realm</b>		
Highways - unbudgeted enforcement of social distancing in parks and open spaces (Covid-19 response), provided by the highways contractor	392	392
Highways - unbudgeted cycle lane works to aid social distancing (Covid-19 response). Funding request submitted to Transport for London but not yet confirmed.	939	939
Highways - other unbudgeted Covid-19 related costs, mostly relating to social distancing measures	53	32
Highways - underspend on general maintenance	(100)	(100)

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
Commercial waste - includes £228,000 net income shortfall relating to Covid-19 business closures (forecast assumes return to business as usual from October) and £36,000 loss of income following decant from Hammersmith Town Hall	608	628
Waste disposal - includes £165,000 estimated increase in domestic waste tonnages resulting from Covid-19, as more people at home producing more waste	186	99
Delayed implementation of waste contract savings due to Covid-19	291	243
Unconfirmed s.106 for Environmental Quality (prior year budgeted saving)	60	60
Other smaller net variances	(358)	(113)
<b>Public Realm Total</b>	<b>2,071</b>	<b>2,180</b>
<b>Safer Neighbourhoods and Regulatory Services</b>		
Building control - net income shortfall due to a reduction in demand for chargeable works. Assumes outturn in line with last year. Service being reviewed to assess potential for income growth and closer alignment of income and expenditure.	133	134
Community Safety - unbudgeted enforcement of social distancing in parks and open spaces (Covid-19 response), provided by Parks security and enforcement contractor	189	189
Unconfirmed s.106 for CCTV (prior year budgeted saving)	120	120
Emergency Planning - budget pressure due to partial budget growth for enhanced team and decision to maintain existing emergency response rota cover (prior year saving therefore not fully achieved)	49	46
Regulatory Services - expected loss of income and expenditure incurred due to Covid-19 (business disruption mostly due to inability to access properties and business premises to carry out inspections and treatments and social distancing)	288	156
Noise and Nuisance - net ongoing loss of gas safety checking income following service in-sourcing by housing and overspend on staffing costs due to 24/7 enhancement service	95	95
Food Safety-Contact, Test and Trace funding for 1 part time employee to be funded from Test and Trace grant. Movement: Employee charged direct to Contact, Test and Trace cost centre.	0	(34)
Technical Services - staffing underspend due to vacant posts	(115)	(94)
Other smaller net variances	(154)	(73)
<b>Community Safety and Regulatory Services Total</b>	<b>605</b>	<b>539</b>
<b>Leisure, Sport and Culture</b>		
Cancelled events due to Covid-19 lockdown requirements	242	224
Cancelled filming due to Covid-19 lockdown requirements	13	37
Events in parks business as usual income shortfall, due mostly	43	43

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
to Member preference to restrict the number of large events in parks (mostly funfairs and circuses)		
Filming income shortfall - mostly unachieved prior year saving (£50k) and lost income opportunity when Fulham Town Hall closed (£45k). No longer able to be offset by underspends elsewhere in the department.	95	95
Events - Commercial income target for a Market on Shepherds Bush Green. Not progressed due to proximity to the existing permanent market. Alternative income generating proposals being progressed but not likely to be delivered in 2020/21 due to the impact of Covid-19 on the events sector.	100	100
Cancelled Boat Race due to Covid-19	45	43
Civic Services: Net staffing and administration underspend	(87)	11
Libraries - libraries income target and net loss of income during period of library closure relating to Covid-19	114	85
Libraries - planned contractual /restructure change (dependent on recruitment / subject to change)	(208)	(208)
Parks - Delayed saving for better procurement in parks	50	50
Leisure contract - income shortfall due to deferment of contractual income during period of leisure centre closure, related to Covid-19 (currently assuming 3-month closure, but subject to change)	198	99
Sports bookings contract - income shortfall due to deferment of contractual income during period of no bookings in parks, related to Covid-19 (currently assuming 3-month loss of business, but subject to change)	236	140
Other smaller net variances	7	(58)
<b>Leisure, Sport and Culture Total</b>	<b>848</b>	<b>661</b>
<b>Resident Services</b>		
Additional staff costs in Revenues, Benefits and Customer Contacts related to Covid-19 increased service demand (£254,000), partially offset by expected Covid-19 related New Burdens funding (-£170,000)	88	84
Delayed savings to be delivered through the Resident Experience and Access Programme. Business case being revisited for in-year quick wins following Covid-19 related service changes	741	741
Delayed implementation of new staffing structures due to Covid-19 impact on service demand	65	65
Implementation of new directorate service staffing structure from November	(340)	(340)
Reduced Out of Hours Call Centre Cost	(72)	(72)
Staffing underspend due to reduced hours / vacancies	(37)	0
Other smaller net variances	(79)	(88)
<b>Resident Services Total</b>	<b>366</b>	<b>390</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Executive and Support</b>		
Employee saving budget to be reallocated to services	305	0
<b>Executive and Support Total</b>	<b>305</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>4,194</b>	<b>3,769</b>

<b>Table 4 - Savings Delivery</b>					
		<b>MTFS target</b>	<b>On track</b>	<b>Partially deliverable</b>	<b>Undeliverable</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Total Savings		224	110	114	0
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>			
New Leisure Contract	99	Fixed contractual income deferred due to Covid-19 related Leisure Centre closure (£75,000 deliverable and £99,000 at risk)			
Intelligent street lighting energy management	15				

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
Delivery plan against new in year staff saving not yet confirmed	310	334
Officer time charge income may not be achievable as TfL have withdrawn funding for LIP programme, Safer Cycle Pathway and reduced resources going into Hammersmith Bridge.	1,000	1000
Pay award gap	190	0
Climate Change Team funding from reserves	202	202
Grant to Leisure Contractor (Greenwich Leisure) - Repayable grant (from reserves) - £156k already paid	250	
<b>TOTAL RISKS BEING MANAGED</b>	<b>1,952</b>	<b>1,536</b>

**APPENDIX 3A: CONTROLLED PARKING ACCOUNT**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast Variance by Subjective</b>			
<b>Subjective</b>	<b>Budget £000's</b>	<b>Variance Month 6 £000's</b>	<b>Variance Month 4 £000's</b>
Employees	6,582	(115)	(118)
Premises-related expenditure	274	0	0
Transport-related expenditure	54	0	0
Supplies & services	797	0	0
Third party payments	2,469	(112)	(30)
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	315	0	0
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(39,695)	11,151	11,382
Non-controllable expenditure (Technical Accounting Adjustments e.g. overhead redistribution)	3,091	0	0
<b>Total</b>	<b>(26,113)</b>	<b>10,924</b>	<b>11,234</b>

<b>Table 2 - Variance by Departmental Division</b>					
<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 6</b>	<b>Forecast Variance Month 4</b>	<b>Forecast Variance due to Covid M6</b>	<b>Forecast Variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Controlled parking income	(39,695)	11,151	11,382	11,151	0
Controlled Parking Account expenditure	13,582	(227)	(148)	0	(227)
<b>TOTAL</b>	<b>(26,113)</b>	<b>10,924</b>	<b>11,234</b>	<b>11,151</b>	<b>(227)</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Controlled Parking Income</b>		
Permits - minor change in period.	171	174
Suspensions - the income forecast has increased compared to Month 4	765	1,141
Pay & Display – parking levels higher than in Month 4	3,090	3,491
Penalty Charge Notice (PCN) Income - PCN issuance has been lower than anticipated due to moving traffic not returning to previous levels. This is in part due to the knock-on effects of other traffic management schemes and partly due to traffic levels being more dispersed throughout the day which means cars do not have the same pre COVID pressures.	7,125	6,576
<b>Controlled Parking Income Total</b>	<b>11,151</b>	<b>11,382</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Controlled Parking Expenditure</b>		
Employees - this is due mainly to the postponement of recruiting to new posts in the H&F sovereign structure that were expected from April 2020. Some positions have now been filled, lowering the expected underspend.	(115)	(118)
Third party payments - Variable costs of £0.120m underspend relating to the Ringo contract for the period April to June lockdown. Provisions of £0.01m have been made to cover additional IT upgrade costs to accommodate the new changes in the Ringo system for changes in tariffs and the new key worker permit scheme.	(112)	(30)
<b>Controlled Parking Expenditure Total</b>	<b>(227)</b>	<b>(148)</b>
<b>TOTAL VARIANCE</b>	<b>10,924</b>	<b>11,234</b>

<b>Table 4 - Savings Delivery</b>					
		<b>MTFS Target</b>	<b>On Track</b>	<b>Partially Deliverable</b>	<b>Undeliverable</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>		750	750		
<b>Schemes not On Track</b>	<b>£000s</b>	<b>Reason</b>			

<b>Table 5 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 4 £000</b>
A second wave of COVID-19 lockdown reducing income.	10,000	10,000
<b>TOTAL RISKS MANAGED</b>	<b>10,000</b>	<b>10,000</b>

<b>Supplementary Monitoring Information</b>
Risks and effects factored into the income forecast - Civil Enforcement Officer deployment hampered by social distancing and other Covid-19 related issues (£750,000). Suspensions lost revenue due to statutory companies (utilities) bringing work forward during the period suspensions were not being charged for, including some building works (£298,000). Covid-19 related issues and moving the team from the town hall has reduced CCTV monitoring capabilities (£1.1m). Key worker permits, allowing free parking taking up space for paying customers up to 31st July (£100,000).

**APPENDIX 4: FINANCE**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

Subjective	Revised budget £000	Variance month 6 £000	Variance month 4 £000
Employees	6,706	56	23
Premises-related expenditure	0	0	0
Transport-related expenditure	2	0	0
Supplies & services	2,460	0	72
Third party payments	11	0	0
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	(46)	0	12
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(546)	0	22
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(5,016)	0	0
<b>Total</b>	<b>3,572</b>	<b>56</b>	<b>129</b>

Table 2 - Variance by departmental division					
Departmental division	Revised budget	Forecast variance month 6	Forecast variance month 4	Forecast variance due to Covid M6	Forecast variance (non - Covid) M6
	£000	£000	£000	£000	£000
Assurance, Programmes & Analytics	992	201	218	0	201
Audit, Fraud, Risk and Insurance	1,036	17	(10)	0	17
Chief Executives Office	547	(61)	0	0	(61)
Finance	3,976	(101)	(79)	0	(101)
Managed Services	2,037	0	0	0	0
<b>SUB -TOTAL</b>	<b>8,588</b>	<b>56</b>	<b>129</b>	<b>0</b>	<b>56</b>
Departmental non-controllable budgets	(5,016)				
<b>TOTAL</b>	<b>3,572</b>	<b>56</b>	<b>129</b>	<b>0</b>	<b>56</b>

Table 3 - Variance analysis		
Departmental division	Month 6 £000	Month 4 £000
<b>Assurance, Programmes &amp; Analytics</b>		
Assurance, Programmes & Analytics - The Business Intelligence (BI) service is forecasting a pressure on staffing costs mainly due to unfunded posts and additional resource brought in to address critical roles required to meet	201	218

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
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. The overspend is partially offset by forecast underspends on vacancies held within the Programme Management Office.		
<b>Assurance, Programmes &amp; Analytics Total</b>	<b>201</b>	<b>218</b>
<b>Audit, Fraud, Risk and Insurance</b>		
Small staffing overspends	17	(10)
<b>Audit, Fraud, Risk and Insurance Total</b>	<b>17</b>	<b>(10)</b>
<b>Chief Executives Office</b>		
Staffing budget underspends	(61)	0
<b>Chief Executives Office Total</b>	<b>(61)</b>	<b>0</b>
<b>Finance</b>		
Underspend on staffing	(101)	(79)
<b>Finance Total</b>	<b>(101)</b>	<b>(79)</b>
<b>Hampshire IBC</b>		
	0	0
<b>Hampshire IBC Total</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>56</b>	<b>129</b>

<b>Table 4 - Savings Delivery</b>					
		<b>MTFS Target</b>	<b>On Track</b>	<b>Partially Deliverable</b>	<b>Undeliverable</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>		544	544		
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>			

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
None to report		
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>



**APPENDIX 5: RESOURCES**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees	12,980	(704)	(375)
Premises-related expenditure	196	7	6
Transport-related expenditure	16	(12)	(6)
Supplies & services	12,551	133	89
Third party payments	435	4	3
Transfer payments (e.g. Housing Benefits, Schools funding transfers)	0	0	0
Support services (Internal Trading Services)	26	1,472	848
Items excluded from the cost of services (Debt management and Capital Charges)	0	0	0
Income	(7,872)	0	(85)
Non-controllable expenditure Technical Accounting Adjustments e.g. overhead redistribution)	(13,710)	0	0
<b>Total</b>	<b>4,622</b>	<b>900</b>	<b>480</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Communications and Policy	617	569	535	200	369
Democratic Services, Coroners & Mortuaries	2,286	544	185	761	(217)
Digital Services	13,035	(311)	(300)	89	(400)
Legal Services	(423)	0	0	0	0
Members Support	268	58	60	17	41
People and Talent	2,206	41	10	10	31
Procurement	343	(1)	(10)	0	(1)
<b>TOTAL</b>	<b>18,332</b>	<b>900</b>	<b>480</b>	<b>1,077</b>	<b>(177)</b>
Departmental non-controllable budgets	(13,710)				
<b>Revised Variance</b>	<b>4,622</b>	<b>900</b>	<b>480</b>	<b>1,077</b>	<b>(177)</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Communications and Policy</b>		
Communications - The forecast overspend is as a result of additional expenditure on Covid-19 signposting, an underachievement of traded income within the print service and difficult to achieve savings.	569	535
<b>Communications and Policy Total</b>	<b>569</b>	<b>535</b>
<b>Democratic Services, Coroners &amp; Mortuaries</b>		
Democratic Services, Coroners & Mortuaries - Overspend due to mortality management costs in response to the Covid-19 outbreak. This is partially mitigated by underspends in governance and coronial services. The increase in forecast from month 4 is due to Wave 2 Covid-19 planning costs for pan-London mortality management.	544	185
<b>Democratic Services, Coroners &amp; Mortuaries Total</b>	<b>544</b>	<b>185</b>
<b>Digital Services</b>		
Digital Services - Renegotiations with suppliers on several key business application contracts and a new programme approach to future contract awards has resulted in a forecast reduction of contract costs within the service. There have also been further cost reductions from decommissioning of network servers and a decrease in print volumes as council offices have been largely vacant due to Covid-19.	(311)	(300)
<b>Digital Services Total</b>	<b>(311)</b>	<b>(300)</b>
<b>Legal Services</b>		
	0	0
<b>Legal Services Total</b>	<b>0</b>	<b>0</b>
<b>Members Support</b>		
Small overspends on staffing	58	60
<b>Members Support Total</b>	<b>58</b>	<b>60</b>
<b>People and Talent</b>		
Small overspend as a result of difficult to achieve savings	41	10
<b>People and Talent Total</b>	<b>41</b>	<b>10</b>
<b>Procurement</b>		
Procurement - Small underspends on staffing	(1)	(10)
<b>Procurement Total</b>	<b>(1)</b>	<b>(10)</b>
<b>TOTAL VARIANCE</b>	<b>900</b>	<b>480</b>

<b>Table 4 - Savings Delivery</b>				
	<b>MTFS target</b>	<b>On track</b>	<b>Partially deliverable</b>	<b>Undeliverable</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>	300	300		
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>		

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
None to report		
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>0</b>

**APPENDIX 6: SOCIAL CARE  
BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees	13,462	40	(30)
Premises-Related Expenditure	547		
Transport-Related Expenditure	49		
Supplies & Services	991		
Third Party Payments	74,001	635	1,402
Transfer Payments	12,336		
Support Services	4		
Items Excluded from the Cost of Services	0		
Income	(54,132)		
Corporate Charges (SLAs and Capital Charges)	8,154		
<b>Total</b>	<b>55,412</b>	<b>675</b>	<b>1,372</b>
Covid-19 cost		5,205	4,084
<b>Revised Total</b>	<b>55,412</b>	<b>5,880</b>	<b>5,456</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Quality, Safety & Performance	20,805	(936)	(382)		(936)
Learning Disability, Mental Health and In-House Services	22,414	1,587	1,786		1,587
Commissioning	4,429	25	(32)		25
Resources	7,228	0	0		
Social Care Directorate	535	0	0		
Public Health	0	0	0		
<b>TOTAL</b>	<b>55,412</b>	<b>675</b>	<b>1,372</b>	<b>0</b>	<b>675</b>
Social Care Covid-19	0	5,205	4,084	5,205	
<b>Revised Total</b>	<b>55,412</b>	<b>5,880</b>	<b>5,456</b>	<b>0</b>	<b>675</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Quality, Safety &amp; Performance</b>		
<p>We have commenced this year with social care savings of £2.465m for 2020/21. The forecast is caveated with the many unknowns in the budget from the on-going impact of Covid-19 such as: 1) more work will need to be undertaken to analysis the impact of Phase 3 of the NHS Covid-19 plan of the Hospital discharges placed by Health and requiring reassessment of care which is likely to lead to additional costs, 2) the impact on the care market providers for on-going additional costs from Covid-19 (the department has provided a package of measures to support providers to date), 3) the impact to achieve the full delivery of savings, 4) market instability following Covid-19.</p> <p>The Division is projecting an overall (£936,000) underspend with the main reasons due to the full year effect of 54 net reductions in Placements costs due to Covid-19 deaths in care home which amounts of (£1,146,000). This is partly offset by a net income shortfall of £663,000 in placements for the same reasons. The other main variances are in Direct Payments with 8 fewer residents of (£388,000) and PFI homes (£319,000). There continues to be a projected overspend of £772,000 due to the full year effect of home care packages and further increases in price, which is partly offset by costs of (£518,000) for Home First recharge to the Hospital discharge Covid-19 claim. The main reason for the change in the forecast in this Division is the continued support, robust monitoring and telephone support for people who use social care services which has seen a reduction in costs.</p>	(936)	(382)
<b>Quality, Safety &amp; Performance Total</b>	<b>(936)</b>	<b>(382)</b>
<b>Learning Disability, Mental Health and In-House Services</b>		
<p>The projected overspend of £1,587,000 is a similar position to the 2019/20 outturn. The main pressures are in LD services due to a full year effect of new or returning people commencing from 2019/20 and higher market costs with a projected overspend comprising of Placements £798,000, Home Care £875,000 and Direct Payment £46,000. The level of growth funding requested was lower than provided in the budget which is also a contributing factor to the projected overspend. There is also a staffing pressure of £156,000 for transitional workers to meet the additional demand and some offsetting underspends in day care services of (£371,000). In Mental Health services a similar position of the full year effect of new or returning people since April 2019, with a resultant projected overspend of £282,000 in Placements, £98,000 in Home Care and some offsetting underspend in Direct</p>	1,587	1,786

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
Payments of (£36,000). The In-house services are projecting an underspend resulting from a different model of day care provision of (£145,000) and reduced staffing costs of (£116,000). Mitigation plans are in place to address the overspends.		
<b>Learning Disability, Mental Health and In-House Services Total</b>	<b>1,587</b>	<b>1,786</b>
<b>Commissioning</b>		
A projected overspend of £57,000 in meals services due to additional referrals following the re-provision of the day care services. This is partly offset by an underspend of (£25,000) in the lower contract value for the Healthwatch contract.	25	(32)
<b>Commissioning Total</b>	<b>25</b>	<b>(32)</b>
<b>Resources</b>		
	0	0
<b>Resources Total</b>	<b>0</b>	<b>0</b>
<b>Social Care Directorate</b>		
	0	0
<b>Social Care Directorate Total</b>	<b>0</b>	<b>0</b>
<b>Public Health</b>		
The Public Health grant for the financial year is £22.1m. This funding has been allocated to improve Public Health outcomes for residents and the current forecasted spend is £22.068m with the estimated balance of £0.032m to be allocated to PH reserves.	0	0
<b>Public Health Total</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>675</b>	<b>1,372</b>
<b>COVID-19 Expenditure Comment</b>		
The department has charged actuals of £3.651m to the Covid-19 cost centre to date and is projecting total costs of £5.205m in 2020/21. The main change in the variance is the additional support to care market providers longer than the three months previously planned. The department is assuming all the costs will be funded from a combination of the LA Covid-19 government funding, Hospital discharge funding via the CCG's, from the Infection Control grant round 1 and the MHCLG income loss funding. However, to date the expected Covid-19 grant funding is not currently sufficient to meet the Council's additional costs and lost revenues. The DHSE have recently announced further infection control funding round 2	<b>5,205</b>	<b>4,084</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
of which £0.970m is for LBHF. The department is preparing a plan for the use of the funding to support providers as part of the winter plan.		
<b>REVISED VARIANCE</b>		

<b>Table 4 - Savings Delivery</b>				
<b>Dept</b>	<b>MTFS target</b>	<b>On track</b>	<b>Partially deliverable</b>	<b>Undeliverable</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>	2,465	1,227	1,238	
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>		
The £2.465m is the departmental total for new savings.	1,238	At this stage of the year the department is forecasting a full delivery of savings. There remains £1.238m (50% of the total savings) to be delivered over the next 6 months and the department has flagged a risk due to the focus on Covid-19 service delivery some savings may be delayed in implementation.		

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
There is the potential for contract market inflation and wage pressures to be greater than budget due to Covid-19. The risk has been reduced since month 4 with the expectation the further Infection control funding will support social care providers.	350	950
Year on year savings programmes are increasingly difficult to deliver and the focus is on the delivery of the Covid-19 services.	600	600
Early Hospital discharge into Community Health Care Placements	640	640
Increasing LD transitions residents	244	160
Individual Service Fund contractual claim	585	585
<b>TOTAL RISKS MANAGED</b>	<b>2,419</b>	<b>2,935</b>

### Supplementary monitoring information

The Department continues to experience significant budget pressures. The Department is projecting an overspend of £675,000 as at month six, reduction of (£697,000) in the overspend compared to month four of £1,372,000. In addition, Social Care has estimated Covid-19 related costs for residents and providers of £5,205,000, which the department is expecting to be fully reimbursed from Government Covid-19 funding. The budget pressures are mainly as a result of the full year implications of resultant price increases due to market pressures and reductions of care budgets for MTFs savings. In arriving at the forecast for month 6, there are several additional risks of £2.4m mainly from unknown on-going factors from Covid-19. On-going analysis is being undertaken, the budget forecast for 2020/21 will be volatile and likely to increase during the winter period. Historically, the Department's budget has had underlying budget pressures, which have been partly mitigated in the last three years by using a combination of management action to control the budget, one off reserves and from last three year with the Improved Better Care Funding. The Department is proposing additional funding to Social Care of £380,000 to recognise the support provided to the HRA (Housing Revenue Account) as a contribution towards Careline services.



**APPENDIX 7: CENTRALLY MANAGED BUDGETS**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Table 1 - Forecast variance by subjective</b>			
<b>Subjective</b>	<b>Revised budget £000</b>	<b>Variance month 6 £000</b>	<b>Variance month 4 £000</b>
Employees (historic past service costs)	3,596	0	0
Premises-related expenditure	269	0	0
Transport-related expenditure	160	0	0
Supplies & services	6,788	0	1,500
Third party payments	92	0	0
Transfer payments (e.g. housing benefits, schools funding transfers)	112,116	0	0
Support services (internal trading services)	0	0	0
Items excluded from the cost of services (debt management and capital charges)	4,520	0	0
Income	(120,712)	848	300
Non-controllable expenditure (technical accounting adjustments e.g. overhead redistribution)	5,852	0	0
<b>Total</b>	<b>12,681</b>	<b>848</b>	<b>1,800</b>

<b>Table 2 - Variance by departmental division</b>					
<b>Departmental division</b>	<b>Revised budget</b>	<b>Forecast variance month 6</b>	<b>Forecast variance month 4</b>	<b>Forecast variance due to Covid M6</b>	<b>Forecast variance (non - Covid) M6</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate & Democratic Core	942	0	0	0	0
Housing Benefits	(328)	0	0	0	0
Levies	1,545	0	0	0	0
Net Cost of Borrowing	2,915	307	0	0	0
Other Corporate Items	1,879	541	1,800	388	1,653
Pensions & redundancy	5,728	0	0	0	0
<b>TOTAL</b>	<b>12,681</b>	<b>848</b>	<b>1,800</b>	<b>388</b>	<b>1,653</b>
Balance of unapplied unallocated contingency		(1,256)	(3,000)		
<b>Revised Variance</b>	<b>12,681</b>	<b>(408)</b>	<b>(1,200)</b>	<b>388</b>	<b>1,653</b>

<b>Table 3 - Variance analysis</b>		
<b>Departmental division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Corporate &amp; Democratic Core</b>		
<b>Corporate &amp; Democratic Core total</b>	<b>0</b>	<b>0</b>
<b>Housing Benefits</b>		
<b>Housing Benefits total</b>	<b>0</b>	<b>0</b>
<b>Levies</b>		
<b>Levies total</b>	<b>0</b>	<b>0</b>
<b>Net Cost of Borrowing</b>		
Historically low interest rates have led to reduced investment returns on cash balances	307	0
<b>Net Cost of Borrowing total</b>	<b>307</b>	<b>0</b>
<b>Other Corporate Items</b>		
Historic Commercial Management savings shortfall funded from contingency	0	1,500
Commercial advertising - management responsibility is being transferred between departments and the financial monitoring for this area is temporarily being reported in Centrally Managed Budgets. There is currently a forecast underachievement of income in this area of £391,000 of which £238,000 is attributable to Covid-19 factors.	391	391
Land charge income is forecast to be under budget due to market conditions caused by the Covid-19 pandemic.	150	300
<b>Other Corporate Items total</b>	<b>541</b>	<b>2,191</b>
<b>Pensions &amp; redundancy</b>		
<b>Pensions &amp; redundancy total</b>	<b>0</b>	<b>0</b>
<b>TOTAL VARIANCE</b>	<b>848</b>	<b>2,191</b>

<b>Table 4 - Savings Delivery</b>					
<b>Dept</b>		<b>MTFS target</b>	<b>On track</b>	<b>Partially deliverable</b>	<b>Undeliverable</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total savings</b>		2,945	1,695	1,250	
<b>Schemes not on track</b>	<b>£000s</b>	<b>Reason</b>			
Employee Savings	1,250	Employee savings budgets to be rolled out to departments and analysis of impact of savings initiatives to be determined			

<b>Table 5 - Key risks - detail items over £250,000</b>		
<b>Risk Description</b>	<b>Risk at month 6 £000</b>	<b>Risk at month 4 £000</b>
Pay award risk resolved	0	640
<b>TOTAL RISKS MANAGED</b>	<b>0</b>	<b>640</b>

<b>Supplementary monitoring information</b>
<p>The majority of the overspend reported in Centrally Managed Budgets this month relate to areas that are outside of Centrally Manged budgets control. The management of advertising hoardings is being transferred between departments and performance is being temporarily reported in CMB. Land charge income is managed by the environment department but has being historically reported within CMB. The £1.5m shortfall in contract savings this year has being funded from unallocated contingency. This has produced a reduction in the overspend in other items equal to the reduction in the balance of the unallocated contingency.</p>

**APPENDIX 8: HOUSING REVENUE ACCOUNT**  
**BUDGET REVENUE MONITORING REPORT MONTH 6**

<b>Subjective</b>	<b>Budget £000's</b>	<b>Variance Month 6 £000's</b>	<b>Variance Month 4 £000's</b>
Employees	22,335	(1,256)	(1,021)
Premises-Related Expenditure	17,780	3,716	3,663
Transport-Related Expenditure	260	(99)	0
Supplies & Services	13,009	(3,290)	(3,131)
Third Party Payments	1,211	192	(15)
Transfer Payments	0	0	0
Support Services	464	127	62
Items Excluded from the Cost of Services	0	70	70
Income	(80,708)	329	324
Non-Controllable Expenditure	33,573	(736)	(958)
<b>Appropriation From (+)/To (-)HRA General Reserve</b>	<b>7,924</b>	<b>(948)</b>	<b>(1,006)</b>

<b>Departmental Division</b>	<b>Revised Budget</b>	<b>Forecast Variance Month 6</b>	<b>Forecast Variance Month 4</b>	<b>Forecast Variance due to Covid</b>	<b>Forecast Variance (non - Covid)</b>
	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£000</b>	<b>£000</b>
Housing Income	(77,474)	(318)	392	158	(476)
Finance & Resources	9,241	(3,399)	(3,379)	15	(3,414)
Housing Management	6,337	707	430	200	507
Property & Compliance	9,618	(101)	0		(101)
Void & Repairs	10,768	585	0		585
Long Term Repairs Model	0	2,555	2,555		2,555
Adult Social Care	48	0	0		0
Safer Neighbourhood	712	(83)	0		(83)
Place	10,354	(133)	(57)	22	(155)
Growth	877	(59)	(22)		(59)
Operations	3,754	17	20		17
Direct Delivery	879	(45)	(59)		(45)
Capital Charges	25,180	(744)	(956)		(744)
Corporate Support Service Recharges	7,630	70	70		70
<b>Appropriation from HRA General Reserve</b>	<b>7,924</b>	<b>(948)</b>	<b>(1,006)</b>	<b>395</b>	<b>(1,343)</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Housing Income</b>		
A review of historic garage rent arrears and lower levels of income than originally budgeted for are expected to result in an adverse variance of £79,000. The effect of the general downturn in the economy on commercial property rents is expected to result in a higher void rate (forecast of 15% vs budget of 5%) and an adverse variance of £155,000. The impact of the Covid-19 pandemic is projected to include an under-recovery of income from advertising sites of £83,000 and on estate parking income of £5,000. Bad Debt Provision: It is expected that this budget will have an underspend of (£640,000).	(318)	392
<b>Housing Income Total</b>	<b>(318)</b>	<b>392</b>
<b>Finance &amp; Resources</b>		
This relates to a release of a provision for risk (£3.297m) and an underspend due to staffing vacancies (£102,000).	(3,399)	(3,379)
<b>Finance &amp; Resources Total</b>	<b>(3,399)</b>	<b>(3,379)</b>
<b>Housing Management</b>		
An underspend of (£215,000) on staffing costs is mainly due to vacant posts within the Neighbourhood Services division, downsizing grant expenditure because of lower take up (£25,000) and maintenance of communal equipment and furniture underspend of (£26,000), totalling (£266,000). This is expected to offset an increase in temporary accommodation and disturbance allowance cost due to the upward increase in number of decants with forecast overspend of £393,000.	127	(150)
Careline service additional costs of £380,000 following a review of the apportionment of costs between the General Fund and the Housing Revenue Account.	380	380
Covid-19 related costs mainly due to enhanced cleaning of Sheltered Block £200,000.	200	200
<b>Housing Management Total</b>	<b>707</b>	<b>430</b>
<b>Property &amp; Compliance</b>		
A review of the Technical support budget provision is expected to result in a favourable variance of £101,000. The reduced expenditure on technical support is expected to be ongoing, therefore will be offered up as saving to meet the HRA savings plan.	(101)	0
<b>Property &amp; Compliance Total</b>	<b>(101)</b>	<b>0</b>

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
<b>Long Term Repairs Model</b>		
This relates to the increased costs associated with the procurement of new repairs and maintenance contracts as part of the long-term repairs model.	2,555	2,555
<b>Long Term Repairs Model Total</b>	2,555	2,555
<b>Void &amp; Repairs</b>		
Due to an amendment to the Landlord and Tenant Act 1985 & The Homes (Fitness for Human Habitation) Act 2018 in March 2020, the Repairs Team have seen a significant increase in disrepair claims. As a result of the increased number of claims, an overspend of £585,000 on the disrepair provision is expected.	585	0
<b>Void &amp; Repairs Total</b>	585	0
<b>Adult Social Care</b>		
No variance expected	0	0
<b>Adult Social Care Total</b>	0	0
<b>Safer Neighbourhood</b>		
An underspend of (£123,000) is expected mainly on staffing costs due to delay in recruitment/retention of the agency employees. This underspend is offset by overspend of £40,000 mainly on body worn camera and other security equipment.	(83)	0
<b>Safer Neighbourhood Total</b>	(83)	0
<b>Place</b>		
A net underspend of (£133,000) on staffing costs is forecast due to delayed recruitment. There is a staffing overspend of £183,000 in the Concierge Team but this is offset by staffing underspends within the other teams of the Place Division.	(133)	(57)
<b>Place Total</b>	(133)	(57)
<b>Growth</b>		
This relates to a net underspend of on staffing costs.	(59)	(22)
<b>Growth Total</b>	(59)	(22)
<b>Operations</b>		
This relates to a net overspend on senior management costs.	17	20
<b>Operations Total</b>	17	20
<b>Direct Delivery</b>		

<b>Table 3 - Variance Analysis</b>		
<b>Departmental Division</b>	<b>Month 6 £000</b>	<b>Month 4 £000</b>
Business Support Team - several vacancies within the business support team (£106,000) are offset by overspends on professional and legal fees of £29,000 and other minor variances of £16,000.	(45)	(60)
<b>Direct Delivery Total</b>	<b>(45)</b>	<b>(60)</b>
<b>Capital Charges</b>		
This relates to an increased depreciation charge of £450,000 following a revaluation of the Council's housing stock which has determined that values have increased on average since last year by 5.4% - more than double the rate expected when the budget was set; a reduction in interest payable on HRA debt of (£864,000) has been possible following a revision to the borrowing strategy to take advantage of considerably lower interest rates than originally budgeted; and following the decision to increase HRA borrowings, it is expected that interest savings of £330,000 will arise as the HRA does not need to internally borrow from the General Fund to meet its capital financing requirements.	(744)	(956)
<b>Capital Charges Total</b>	<b>(744)</b>	<b>(956)</b>
<b>Corporate Support Service Recharges</b>		
Additional corporate recharges for the apprenticeship levy.	70	70
<b>Corporate Support Service Recharges Total</b>	<b>70</b>	<b>70</b>
<b>TOTAL VARIANCE</b>	<b>(948)</b>	<b>(1,006)</b>

<b>Table 4 - Savings Delivery</b>					
		<b>MTFS Target</b>	<b>On Track</b>	<b>Partially Deliverable</b>	<b>Undeliverable</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total MTFS Savings</b>		500	500		
<b>Schemes not On Track</b>	<b>£000s</b>	<b>Reason</b>			

<b>Table 5 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 4 £000</b>
<b>Council homes rent collection risks</b> – risk reduced and forecast updated based on latest analysis.	0	900
<b>Council homes relets and void risks to income</b> – Risk reduced and forecast updated based on latest analysis.	0	400

<b>Table 5 - Key Risks - Detail Items Over £250,000</b>		
<b>Risk Description</b>	<b>Risk At Month 6 £000</b>	<b>Risk At Month 4 £000</b>
<b>Income from commercial property</b> – Risk reduced and forecast updated based on latest analysis.	0	155
<b>Advertising hoardings income</b> – Risk reduced and forecast updated based on latest analysis.	0	160
<b>Capitalisation of staffing costs</b> - Due to the impact of Covid-19, there is a risk of slippage on the capital programme this year, and this will cause staff capitalisation to be lower than budgeted, resulting in unbudgeted charges to revenue. Officers are currently monitoring this, and should the risk crystallise, it will be shown as a variance.	768	768
<b>Repairs and Maintenance</b> - The impact of the Covid-19 could see an increase in costs such as contractual claims, extended preliminaries, storage and inflated material costs. Social distancing measures create challenges in meeting statutory responsibilities such as carrying out gas safety checks which could lead to regulatory penalties and health and safety incidents. In addition, following the demobilisation of the Interim Repairs Model, a claim for disputed works costs has been filed by one of the repairs contractor for £1m. Management is currently reviewing the legitimacy of the claim and will update accordingly.	1,710	1,200
<b>TOTAL RISKS MANAGED</b>	<b>2,478</b>	<b>3,583</b>

<b>Supplementary Monitoring Information</b>
A set of proposed mitigations and savings to financially sustain the Housing Revenue Account in the long term and to manage pressures such as the additional funding required from the procurements associated with the Long-Term Repairs Model have been identified and are being considered as part of the Council's budget setting process.



**APPENDIX 9  
VIREMENT REQUESTS**

<b>Details of virement</b>	<b>Amount (£000)</b>	<b>Department</b>
<b>GENERAL FUND:</b>		
Greater London Authority (GLA) Homebuilding Capacity Fund (HCF)	230	The Economy
	(230)	The Economy
Additional funding for the Careline service to reflect the volume of work carried out on behalf of the Council Sheltered housing scheme tenants to be funded from the HRA. These costs equates to 50% of the Careline Services cost.	380	Social Care
	(380)	Social Care
<b>Total of Requested GF Virements (Debits)</b>	<b>610</b>	

# Agenda Item 8

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Defend Council Homes Policy

**Report of:** Councillor Lisa Homan - Cabinet Member for Housing

**Report author:** Daniel Miller - Resident Involvement & Service Improvement Manager

**Responsible Director:** Mark Meehan - Chief Housing Officer (Economy)

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### Summary

The Council established the Residents' Commission on Council Housing in 2015 to find a way to protect the Council's housing stock for the long term from unwanted redevelopment. The Residents' Commission looked at several options and recommended that the Council transfer its housing stock to a new community gateway housing association. The Council accepted this recommendation and took steps towards its implementation. Ultimately, government policy prevented the idea from proceeding, as the government no longer provides the debt support that such a stock transfer would have required.

Therefore, in February 2017, the Leader of the Council asked three former members of the Commission to form the resident-led Defend Council Homes Unit to explore other ways of safeguarding Council homes against the threat of unwanted redevelopment. The interim report of the Unit, making recommendations for a way forward, was presented to Cabinet on 5 February 2018. Cabinet approved a process for the further development of the Defend Council Homes Policy and subsequent consultation with all Council housing residents on the draft Policy.

After exploring a number of novel legal provisions, the Unit produced a draft of the Policy that, following legal validation by counsel, was put out to resident consultation in line with the requirements of housing legislation.

This report now presents the Defend Council Homes Policy for Cabinet approval, having taken account of feedback from involved resident representatives and responses from the wider consultation.

An update on the Defend Council Homes Policy consultation outcomes and proposed changes to the Policy was given to the Economy, Housing and the Arts Policy & Accountability Committee on 10 November 2020. The committee acknowledged the high response rate in the consultation and endorsed the principles of the Policy.

This report also sets out for Cabinet approval the proposed next steps and timetable to implement the Policy.

## Recommendations

That Cabinet:

- 1) Carefully considers all responses to the section 105 consultation on the Defend Council Homes Policy and notes the significant level of support for the Policy from residents living in Council homes.
- 2) Agrees that the Defend Council Homes Policy, attached as Appendix 1, be formally adopted as a policy of the Council and that all necessary steps, including but not limited to entering into any necessary documents, be taken to implement the policy.
- 3) Authorises the Head of Law to register a restriction on title with HM Land Registry of all freehold titles within the Housing Revenue Account (HRA) as follows: “No disposition of the registered estate by the proprietor of the registered estate is to be registered without a certificate signed by Hammersmith and Fulham Council [or their conveyancer] that the provisions of the Defend Council Homes Policy (in the terms in effect as at the date of certificate) have been complied with or that they do not apply to the disposition”.
- 4) Approves that the one-off costs of implementation of up to £140,000 are funded from:
  - a. the current balance of £46,700 held in the earmarked reserve for “Protecting the future of Council homes”;
  - b. existing revenue budgets of £93,300 within the Place division of the Housing Revenue Account.
- 5) Agrees the timetable for implementation set out in the next steps and timeline section.

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**Wards Affected:** All

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Creating a compassionate Council	Policy will ensure that residents who live in Council housing will be informed and listened to and will provide extra protection if a redevelopment proposal would significantly affect their homes.
Doing things with local residents, not to them	Policy promotes a strong resident voice in decision-making and representation through the formation of local Steering Groups in any area where redevelopment is proposed.
Being ruthlessly financially efficient	Policy will ensure the Council’s approach to any future redevelopment

	proposals on Council housing land has resident engagement as a core principle, ensuring best use of resources to secure outcomes that can be supported locally.
Taking pride in H&F	Policy promotes strong communities and that the Council follows Good Practice at all times in terms of redevelopment proposals.
Rising to the challenge of the climate and ecological emergency	Policy will promote sustainable and responsible future redevelopment proposals.

### **Financial Impact**

The costs of implementing the policy through the registration of 1,261 HRA freehold titles with the Land Registry and officer time to prepare titles is anticipated to be up to £140,000.

These costs will be funded in part from the earmarked reserve set aside for the purpose of protecting the future of the Council's homes. The reserve holds £46,700 of funding and the remaining £93,300 will be funded from existing Housing Revenue Account budgets within the Place division.

These are one-off project implementation costs. Ongoing annual reporting to the Housing Representatives Forum and the creation of local steering groups as and when required as a result of implementing this policy will be administered by existing staff and funded from existing Housing Revenue Account (HRA) budgets within the Place division.

Any other obligations under the policy which may result in unbudgeted expenditure in future, such as supporting residents' involvement in a redevelopment proposal, would need to be approved in accordance with the Council's financial regulations and this may require a further report to the relevant decision maker.

### **Legal Implications**

In implementing the Defend Homes Policy the Council is making a specific and direct commitment to residents of council housing in the borough that it will comply with the policy if contemplating a redevelopment that it considers may have a significant effect on their homes. The policy also requires the Council to consult with residents of council housing if significant changes are made to the policy.

This is intended to give residents of council housing a 'legitimate expectation' that that the Council will comply with the policy. It is considered that the creation of a legitimate expectation is a sound method of safeguarding the interests of these residents and that, in principle it will enable any member of the protected class of residents to enforce the expectation by way of judicial review.

The policy is underpinned by a restriction on title which will be entered onto the title of on all freehold titles held within the Housing Revenue Account (HRA). No registerable disposition of this land will be able to take place without the Council first certifying that a) the disposal is in accordance with the provisions of the DCH policy or b) the disposal is exempt.

A restriction is an entry in the land register regulating the circumstances in which a disposition of a registered estate or charge may be the subject of an entry in the register (section 40(1) of the Land Registration Act 2002). Where a restriction is entered in the registry, no entry in respect of a disposition to which the restriction applies may be made in the register otherwise than in accordance with the terms of the registration.

Section 42(1)(a) of the Land Registration Act 2002 provides that the Registrar may enter a restriction for the purpose of 'preventing...unlawfulness in relation to dispositions of a registered estate...' It is considered that the disposal of land in breach of a legitimate expectation would be unlawful and could be prevented by judicial review.

The proposal to register a Restriction on Title and the wording of the restriction have been approved, in principle, by the HM Land Registry.

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**Background Papers Used in Preparing This Report**

Defend Council Homes Policy (Appendix 1)  
Defend Council Homes Policy Consultation Report (Appendix 2)

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## DETAILED ANALYSIS

### Proposals and analysis of options

1. The Defend Council Homes Policy represents a major landmark in delivering a 2014 manifesto commitment of the present administration, namely to “protect Council homes now and in the future”. The Policy has three main aims:
  - To make sure residents are fully involved from the outset in any redevelopment proposals that are likely to affect their homes.
  - To commit the Council to meet the most up-to-date standards of Good Practice when consulting residents about any redevelopment proposals and when carrying out any redevelopment that affects residents.
  - To give residents effective protection against the Council failing to meet its commitments and obligations under the Policy.
2. The Council’s obligations under the Policy will be to:
  - Fully involve residents in any Redevelopment Proposal in accordance with the most up-to-date standards of Good Practice at the time.
  - Ensure that a Residents’ Steering Group is set up for each Redevelopment Proposal.
  - Provide each resident affected with full information at every stage if a Redevelopment Proposal goes ahead, explaining what they can expect from the Council.
  - Provide residents with effective means of appeal and redress if the Council should fail to meet any of its commitments and obligations under the Policy.
3. The Policy creates a ‘legitimate expectation’ for residents that the Council will comply with the Policy. Residents will be able to rely on this and take action in the courts if the Council fails to comply with the Policy.
4. As a key safeguard, the Policy requires the Council to register a Restriction on Title on all titles within the Housing Revenue Account (HRA) where the Council owns the freehold. The wording of the restriction on title will be: “No disposition of the registered estate by the proprietor of the registered estate is to be registered without a certificate signed by Hammersmith and Fulham Council [or their conveyancer] that the provisions of the Defend Council Homes Policy (in the terms in effect as at the date of certificate) have been complied with or that they do not apply to the disposition.”
5. The effect of this restriction will be to require the Council to certify that it has complied fully with the Policy before any of its registered titles can be disposed of as part of any redevelopment, unless they are exempt disposals.

6. As a further safeguard, the Policy provides for residents to make a Compliance Referral to the Council if they believe that the Council has failed or is failing to comply with the Policy. If dissatisfied with the Council's initial response to their Compliance Referral residents may then refer the matter to the Council's Monitoring Officer.
7. To ensure the Council always continues to work transparently with residents, the Policy requires the Monitoring Officer to make an annual report to the Housing Representatives' Forum, or any successor body set up to represent the interests of residents of Council housing, on the activities carried out by the Monitoring Officer during the year under the provisions of the Policy.
8. Once the Policy has been adopted, its provisions, including the obligations on the Council and the legal safeguards for residents, will continue into the future and may only be altered or withdrawn after full consultation with residents.

## **Consultation**

9. A consultation under section 105 of the Housing Act 1985 was carried out with all Council housing tenants between 1 September – 2 October 2020. The consultation was widened to seek the views of all residents of Council housing in the Borough.
10. The consultation was delivered online via the Council's website and the Commonplace consultation platform. In addition, a postal pack was sent to every household and the consultation was promoted on Nextdoor.
11. The DCH project group acknowledged that the consultation was taking place during times of unprecedented challenge, given the prevalence of Coronavirus, with no public meetings or face to face consultation being possible. It sought to deliver a new form of accessible and inclusive consultation. The offer included four online video presentations on aspects of the draft Policy; live online information sessions; a dedicated phonenumber for questions and comments; and extensive work with the borough's network of thirty plus tenants' and residents' associations.
12. In total, 1003 individual responses were received. 92% of respondents supported the introduction of the Policy and 86% of respondents were confident that the Policy will protect residents' homes and ensure the Council meets very high standards in redevelopment. Appendix 2 provides a detailed breakdown of the consultation results.
13. The following changes have been made to the draft Policy as a result of the consultation:
  - The circumstances in which a redevelopment proposal can be said to 'significantly affect' a resident's home have been clarified. This was a concern of a number of consultation respondents.

- An amendment has been made to the Policy to require that a copy of the Policy and a summary of the Policy be included with the First Notice to ensure that residents living in an area of proposed redevelopment are made fully aware of the Policy and how it is intended to operate at all times.
  - New wording has been added to clarify the role of Residents' Steering Groups and the requirement for such groups to be properly trained and resourced to carry out their role.
14. Some concern was expressed in the consultation feedback about how the Policy would be implemented in practice. These concerns will be addressed by the preparation of a Defend Council Homes Implementation Guide.
15. The consultation feedback analysis and proposed Policy amendments were discussed and agreed at the Policy & Accountability Committee meeting on 10 November 2020.

### **Next steps and timelines**

16. All officers of the Regeneration and Redevelopment team have been briefed and trained on the Defend Council Homes Policy and its implications for existing and future redevelopment schemes.
17. A Defend Council Homes Implementation Guide will be produced, which will include procedure documents, process maps and checklists. This Implementation Guide will be signed off by the Housing Representatives Forum and in place by 31 January 2021.
18. All current redevelopment proposals, schemes and programmes will be reviewed for compliance with the Defend Council Homes Policy and steps will be taken to ensure they meet the standards of good practice required by the Policy. This review will be complete by the time the Policy is implemented.
19. The recent officer training, Implementation Guide, and review of compliance will ensure the Defend Council Homes Policy is embedded into working practices.
20. The specific duty of reviewing compliance referrals and producing an annual report for the Housing Representatives Forum will be added to the duties of the Monitoring Officer position. This will be in place by the time the Policy is implemented.
21. The terms of reference for the Housing Representatives Forum will be updated to include the Forum's continued and ongoing annual oversight of the Defend Council Homes Policy and its implementation. This will be in place by the time the Policy is implemented.
22. Subject to Cabinet approval, it is anticipated that the restriction (cited at 4.4 above) on all freehold HRA titles will be registered with HM Land Registry by



30 September 2021. But this will be dependent on turnaround times at HM Land Registry.

23. In 2017 the Leader of the Council commissioned the Defend Council Homes Unit (DCHU) to find a way of safeguarding the Council's housing stock against unwarranted and unwanted redevelopment now and in the future.
24. The DCHU comprised a resident Chair, Shirley Cupit, and independent advisors, Peter Bevington and Anthony Mason. They were supported by independent legal advice to explore the legal possibilities for safeguarding Council homes. The Leader of the Council appointed the members of DCHU on the basis of their expertise in housing, policy, legal and financial matters and their previous experience as members of the Residents' Commission on Council Housing, established by the Council in 2015.
25. The DCHU made its initial report to the Council's Cabinet in February 2018, recommending the development of a Defend Council Homes Policy. With the Cabinet's approval, DCHU and Council officers have worked collaboratively as part of a project group since then to develop the Policy. The Policy has been produced in consultation with the Housing Representatives Forum, which is the central body for resident involvement in Council housing. It comprises elected representatives from tenants and residents associations (TRAs), sheltered housing schemes and small blocks.
26. In early 2020, the Council sought a comprehensive review of the Policy and its aims from Ashley Underwood QC. Counsel provided a thorough evaluation of the Policy wording and approved further amendments concerning the safeguards for residents within the Policy before it went out for consultation with residents.

### **Equality Implications**

27. There are no equality implications.

*Implications verified/completed by: Fawad Bhatti, Policy & Strategy Officer, 07500 103617*

### **Risk Management Implications**

28. There are no risk management implications.

*Implications verified/completed by: Mike Sloniowski, Risk manager and Being Ruthlessly Financially Efficient Lead, 020 8753 2587*

### **Other Implications**

#### **Consultation**

29. The draft Policy was the subject of a section 105 consultation (i.e. on matters of housing management) with Council tenants and leaseholders throughout September 2020.

30. Over 1000 individual responses were received, which is a reflection of the inclusive and accessible consultation approach and the level of support for the Defend Council Homes Policy.
31. To put this into context, the Mayor's 'Homes for Londoners' consultation in 2018 across all 32 London boroughs elicited 133 direct responses: 70 from organisations and 63 from members of the public. The Defend Council Homes Policy consultation response of 1003 returns is for one London borough.
32. Further detail on the consultation analysis is contained in Appendix 2.

**List of Appendices:**

Appendix 1 Defend Council Homes Policy

Appendix 2 Defend Council Homes Policy Consultation Report

## **Appendix 1 - The Defend Council Homes Policy**

**(draft dated 4 December 2020)**

### **Introduction**

This policy has been devised for the purpose of binding the Council to the following principle of good administration: namely, that residents of council housing in the Borough can expect the Council to honour its commitments and obligations to them under this policy, acting in accordance with Good Practice in any circumstances where their homes are significantly affected by redevelopment.

The Council will give residents further assurance that this policy will be upheld by registering a Restriction on Title on its Housing Land, preventing any disposals of Housing Land except where the Council certifies to HM Land Registry that it has complied with this policy or that this policy does not apply to the disposal.

### **Aims of the Policy**

The primary aim of this policy is to provide residents of council housing in Hammersmith & Fulham with extra protection if a Redevelopment Proposal would significantly affect their homes.

The extra protection consists of a set of written commitments by and obligations on the Council to follow certain procedures in the event of any Redevelopment Proposal that would significantly affect any council housing in the Borough. Any disposal of Housing Land required as part of a Redevelopment Programme shall be subject to formal certification by the Council that it has complied with this policy or that it does not apply to the disposal.

For the purposes of this policy, a resident's home would be significantly affected by a Redevelopment Proposal if the proposal would result in:

- the resident's home being demolished or rebuilt; or
- the redesign of the estate or building in which the resident's home is situated to increase housing density and/or the overall supply of affordable housing; or
- the loss of common areas and/or amenities on Housing Land, such as green space or other community facilities, that benefit the resident's home.

## Definition of Terms

*Compliance Certificate:* A certificate approved by the Monitoring Officer provided to HM Land Registry confirming that the Council has complied with the provisions of this policy or, a certificate approved by the Monitoring Officer (or an officer authorised by the Monitoring Officer) provided to HM Land Registry confirming that the disposal is an Exempt Disposal and Transaction

*Compliance Referral:* a formal representation made by a resident to the Council to the effect that this policy is not being or has not been complied with or that this policy should be brought into operation with respect to a Redevelopment Proposal significantly affecting their home. A Compliance Referral may also be made to the Monitoring Officer should the referrer not be satisfied with the Council's initial response

*Exempt Disposals and Transactions:* the disposals and transactions that this policy does not apply to, as described in Appendix B

*First Notice:* a written communication by the Council giving residents relevant information about a Redevelopment Proposal

*Good Practice:* practice in matters of estate redevelopment or regeneration that conforms to the highest possible standards from time to time followed by or required of local authorities, for example, such as is set out in the Mayor's Good Practice Guide To Estate Regeneration published in February 2018 and in force at the time of the introduction of this policy

*Housing Land:* all land, houses and other buildings held and accounted for within the Council's Housing Revenue Account

*Monitoring Officer:* council officer appointed under Section 5 of the Local Government and Housing Act 1989, responsible for ensuring lawfulness and fairness of decision-making in the Council

*Redevelopment Proposal:* an outline plan to redevelop any Housing Land in which there is a realistic prospect of any resident's home being significantly affected

*Option Appraisal:* the formal evaluation of different options for delivering a Redevelopment Proposal or alternative plans for the housing in a given area

*Redevelopment Scheme:* an agreed plan (e.g. the preferred option emerging from an Option Appraisal) to redevelop any Housing Land

*Redevelopment Programme:* the implementation plan and timetable for delivering a Redevelopment Scheme

*Residents' Steering Group:* a group of local residents who agree to liaise and work with the Council on all aspects of a Redevelopment Proposal, Redevelopment Scheme and/or Redevelopment Programme, having regard to the best interests of all the residents affected and to the Council's compliance with Good Practice

*Restriction on Title:* an entry in the official copy of the register of title held by HM Land Registry that prevents a change in ownership being registered unless certain stipulated conditions have been met

*Second Notice:* a written communication by the Council containing a clear and unequivocal statement of commitments and obligations to residents in relation to a Redevelopment Programme that will significantly affect their homes

*This policy:* the Defend Council Homes Policy

## **Scope of the Policy**

This policy is intended to cover the full range of circumstances in which a Redevelopment Proposal may arise including:

- *Strategic asset management considerations* – for example where factors such as low demand, poor condition, outdated housing type etc indicate that a block, estate or individual property may be reaching the end of its useful life and may need to be replaced
- *Strategic opportunities to provide more/better affordable housing* – for example where, perhaps in addition to asset management considerations, there is scope to redesign an estate or area to increase housing density and/or the overall supply of affordable housing
- *Health and safety considerations* – for example where structural or design problems indicate a health and safety risk to residents if they remain in situ
- *Infrastructure projects* – for example where a road or rail scheme requires a land acquisition affecting council homes
- *Commercially-driven development initiatives* – for example where a regeneration initiative affecting council homes is brought forward as a planning proposal by a private developer, a consortium of interests or even by the Council itself

This policy shall apply to all residents of Housing Land allowing for the fact that different types and levels of protection may apply in different tenures. For the purposes of this policy a resident is any council tenant or leaseholder of council housing included in the Housing Revenue Account and any tenant of a council leaseholder.

This policy shall not compromise or prejudice other protections available to residents such as those provided by their tenancy agreement or lease and those provided by law.

## **Policy Responsibility**

The Cabinet Member for Housing shall hold political responsibility for this policy and its implementation. The Lead Director for the Economy Department shall hold executive responsibility for this policy and its implementation. The Council's senior officer responsible for housing shall hold operational responsibility for this policy and its implementation.

## **Key Principles**

This policy is based on a number of Key Principles that have been endorsed by the Council, as follows:

- That residents are entitled to expect the Council to comply with this policy with respect to any Redevelopment Proposal and throughout any of the subsequent stages in which this policy is in operation
- That disposals of the Council's Housing Land in respect of any Redevelopment Proposal will not be permitted unless and until the Council has certified to HM Land Registry that it has complied with this policy or that it is an Exempt Disposal and Transaction
- That residents are entitled to full relevant information, and to be kept informed, about any Redevelopment Proposal that could significantly affect their homes and throughout any of the subsequent stages in which this policy is in operation
- That residents are entitled to participate fully and in a timely manner in all decisions having a bearing on their interests that arise from a Redevelopment Proposal that could significantly affect their homes and throughout any of the subsequent stages in which this policy is in operation
- That residents are entitled to fair and equitable treatment throughout the stages in which this policy is in operation
- That the Council will follow Good Practice in all its dealings with residents throughout the stages in which this policy is in operation
- That any significant variations to this policy (including its full revocation) can only be made following full consultation with residents

## **Operation of the Policy**

### ***Restriction on Title***

The Council shall, on adopting this policy, apply to HM Land Registry to register a Restriction on Title on Housing Land where the Council is freeholder, using the wording of the non-standard form of restriction attached as Appendix A. The effect of this will be to prevent any disposal of Housing Land except where the Council provides a Compliance Certificate to HM Land Registry to confirm the policy has been complied with, or that it is an Exempt Disposal and Transaction.

A list of Exempt Disposals and Transactions is attached as Appendix B.

### ***Redevelopment Proposals***

This policy shall not pre-empt or prevent initial discussions between the Council and residents about the possibility, for whatever reason, of redevelopment that may affect their homes. The policy shall only apply and come into operation when there is a Redevelopment Proposal.

For a Redevelopment Proposal to be deemed to fall within the scope of this policy the Lead Director for the Economy Department (or equivalent officer of the Council) will need to have reasonable cause to be satisfied that:

- there is a realistic prospect that the redevelopment could significantly affect residents' homes and
- there is a realistic prospect of the proposal becoming a Redevelopment Scheme within the following twelve months

Any resident who has reason to believe that a Redevelopment Proposal that could significantly affect their home exists and that this policy should be brought into operation may submit a Compliance Referral to the Council.

Within 30 days of a decision of the Lead Director for the Economy Department (or equivalent officer of the Council) that this policy applies, a First Notice, a copy of this policy and a summary of this policy shall be issued to every resident whose home could be significantly affected by the Redevelopment Proposal,

### *First Notice*

The First Notice shall provide relevant information such as:

- Nature, scope and status of the Redevelopment Proposal
- A statement of current Good Practice guidance in relation to taking the Redevelopment Proposal forward and the identity of the source and authority for the Good Practice guidance
- Timetable and arrangements for determining the result of the Redevelopment Proposal, including any formal Option Appraisal process
- Arrangements for residents to be involved in determining the result of the proposal including arrangements for informal and formal consultation
- Arrangements for establishing a Residents' Steering Group and the role of the Residents' Steering Group
- The procedure for residents to make a Compliance Referral including the role of the Monitoring Officer
- Appointment of independent advisers (as applicable)

### *Residents' Steering Group*

A Residents' Steering Group shall be established for each Redevelopment Proposal. The composition, terms of reference and working practices of a Residents' Steering Group shall be determined with regard to local needs, circumstances and preferences. However, as a guiding principle the members of a Residents' Steering Group shall be expected to have regard at all times to the best interests of all residents affected by the Redevelopment Proposal and to the Council's compliance with Good Practice.

The Council shall ensure that each Residents' Steering Group is adequately trained and resourced to carry out its role at all times.



## ***Redevelopment Schemes***

If, following a formal Option Appraisal and/or consultation, a Redevelopment Scheme emerges as the preferred option, the Council shall carry out further discussions and consultation with residents as necessary to determine levels of support for the scheme.

In certain circumstances it may be appropriate to determine levels of support for a scheme by holding an estate ballot. A note on estate ballots is attached as Appendix C.

If the Council decides to proceed with a Redevelopment Scheme, a number of further stages will be involved. These will include such of the following as necessary to comply with this policy and the particular requirements of the Redevelopment Scheme:

- Development partner procurement
- Masterplanning
- Obtaining outline planning permission
- Developing a funding plan
- Drawing up an implementation plan for the scheme

The Residents' Steering Group established for the purposes of the Redevelopment Proposal, or an equivalent body, shall have the same or an equivalent role with respect to the Redevelopment Scheme.

Arrangements for residents to be involved in each of these stages shall be made in accordance with the Key Principles and agreed with the Residents' Steering Group and shall be set out in a communications and engagement plan for the Redevelopment Scheme in question. A copy of the communications and engagement plan shall be given to every resident whose home would be significantly affected by the scheme.

At the point where each of the above stages, such as may be required, have been completed and an agreed implementation plan is in place, the Redevelopment Scheme shall be deemed to have become a Redevelopment Programme.

## ***Redevelopment Programmes***

At least 30 days prior to the start of any Redevelopment Programme, the Council shall prepare and issue a Second Notice.

### *Second Notice*

The Second Notice shall be issued to every resident whose home will be significantly affected by the Redevelopment Programme.

The Second Notice shall include a clear and unequivocal statement of commitments and obligations to residents in accordance with the Key Principles in relation to relevant matters such as:

- Timing and phasing of the Redevelopment Programme
- Programme management and resident involvement arrangements, including the role of the Residents' Steering Group
- The procedure for residents to make a Compliance Referral including the role of the Monitoring Officer
- Appointment of independent advisers
- Communications, engagement and consultation
- Rights and entitlements of tenants and leaseholders
- Temporary and permanent rehousing
- Rehousing, compensation and disturbance packages
- Decanting arrangements
- Health and safety, site conditions and security
- On-site communications and complaints
- Community support, community facilities and community legacy
- Programme monitoring, review and evaluation

The Second Notice shall also include a statement of current Good Practice guidance in relation to the above matters and the identity of the source and authority for the Good Practice guidance.

The Residents' Steering Group established for the purposes of the Redevelopment Proposal, or an equivalent body, shall have the same or an equivalent role with respect to the Redevelopment Programme.

### **Implementation**

If a Redevelopment Programme proceeds to implementation, the Council shall nominate a Programme Manager with overall responsibility for the Redevelopment Programme and the delivery of each of the Council's commitments and obligations under this policy.

### **Compliance Referrals**

Any resident who has reason to believe at any stage that the Council has not complied with this policy or has not applied the policy to a Redevelopment Proposal, Redevelopment Scheme or Redevelopment Programme shall be entitled to refer the matter in the first instance to the Council and, if not satisfied with the Council's response, to the Monitoring Officer.

### **Annual Report**

The Monitoring Officer shall make an annual report to the Housing Representatives' Forum, or any successor body set up to represent the interests of residents of council housing, on the activities carried out by the Monitoring Officer during the year under the provisions of this policy.

### **Consultation**

This policy has been approved following full consultation with residents and in accordance with the requirements of s105 of the Housing Act 1985.

### **Variations to this Policy**

Any significant variations and/or amendments to this policy may only be made following full consultation with residents on the nature and implications of the proposed variations and/or amendments.

### **Revocation of this Policy**

This policy may only be revoked following full consultation with residents on its proposed revocation.

## **Appendix A**

### **Wording of the Restriction on Council Freehold Title**

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a certificate signed by Hammersmith and Fulham Council [or their conveyancer] that the provisions of the Defend Council Homes Policy (in the terms in effect as at the date of certificate) have been complied with or that they do not apply to the disposition.”

## Appendix B

### Exempt Disposals and Transactions

- (a) exercise of Right to Buy
- (b) commercial leases, other than those relating to the development of housing land
- (c) statutory undertakings – utilities, highways authority etc and electricity sub-station leases
- (d) grant of a tenancy (e.g. in the context of shared ownership) by the Council
- (e) compulsory purchase orders
- (f) 'compliance' disposals (e.g. disposals to comply with legislation such as that which would have required councils to sell their higher value voids)
- (g) any other disposals or transactions required by statute
- (h) disposals for the "community benefit" (public land, sports facilities etc.)
- (i) lease extensions (voluntary and statutory)
- (j) collective enfranchisements (voluntary and statutory)
- (k) academy leases (leases granted to schools that have been converted to academies)
- (l) grant of a lease to a community building or amenity space
- (m) grants of deeds of easements and rights of way
- (n) 'de minimis' disposals and transactions with a monetary value below £10,000 assessed on an open market basis
- (o) deeds of variation and deeds of rectification relating to any of the above

## **Appendix C**

### **Estate Ballots**

Where it is reasonably necessary to do so, the Council shall ask residents to vote on a Redevelopment Scheme in a ballot.

In deciding whether or not a ballot is reasonably necessary the Council shall consult with the Residents' Steering Group.

In all cases where a ballot is held the Council shall follow the guidance on resident ballots set out in section eight of the Greater London Authority Capital Funding Guide (or any subsequent guidance).

## **Appendix D**

### **Related Policies**

#### *Council-wide*

- Planning policies
- Local development framework/local development scheme

#### *The Economy Department*

- Borough housing strategy
- Building homes and communities strategy
- Homelessness strategy
- Asset management strategy
- Procurement policy (e.g. procurement of development partners)
- Introductory tenancies
- Allocation scheme
- Other housing management policies
- Tenancy and lease agreements
- Resident involvement policy/strategy
- Policies on redevelopment/regeneration
- Policies on the rights and entitlements of tenants and leaseholders

#### *Nation-wide & London specific*

- The London Plan
- London Housing Strategy
- The Mayor's Good Practice Guide to Estate Regeneration
- Greater London Authority (GLA) capital funding guide

## **Appendix 2 - Defend Council Homes Policy Consultation Analysis of Feedback Results**

### **Background**

Since the outbreak of coronavirus, Hammersmith & Fulham has seen an amazing response from residents to support their communities and become volunteers. Mutual Aid Groups (MAGs) formed in the majority of the borough's sixteen wards.

H&F has worked in partnership with the MAGs, tenants and residents associations, and other third sector organisations to deliver help and support to those who need it most. It has been driven from grass roots ideas and involvement and is a powerful example of community empowerment.

What it means to be part of a community has taken on a very practical new purpose. Despite the separation of social distancing and the stay at home advice, many people now feel closer together and better connected.

### **Connecting and Protecting Communities**

The Defend Council Homes Policy consultation connected with this message of what it means to be part of a community and the importance of nurturing and safeguarding this.

The Defend Council Homes Policy is about protecting communities by giving residents a voice and a key role to work with us to deliver change as and when there is an identified need for this in a particular area.

The consultation reflected the council's aim of working with residents and key stakeholders to co-produce new approaches and to keep listening and responding to feedback.

### **Consultation Channels**

Consultation activities included:

- A consultation pack was sent to all 17,500 council housing households with freepost return envelope for hard copies of the survey.
- A consultation page was launched on Commonplace, with links from the Council's website. This page contained all of the key documents, such as the policy, one-page summary, frequently asked questions, Residents Voice meeting videos, and consultation survey.
- Dedicated telephone helpline and facility to provide consultation feedback by phone.
- Promotion through the Get Involved mailing list and TRA and service improvement group mailing lists.
- Promotion through housing notice boards and on Nextdoor, sent to only residents with H&F borough boundaries.



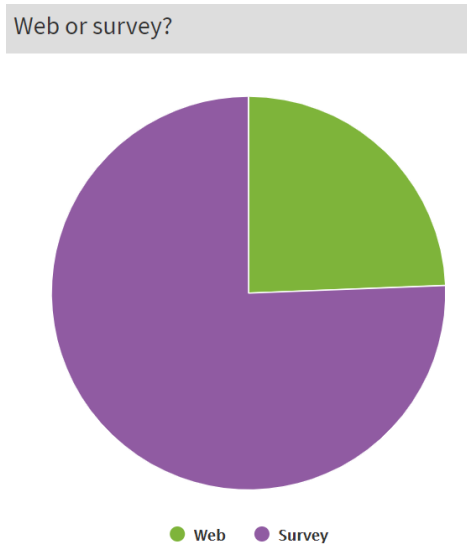
- Four online information sessions.
- Online attendance at Housing Representatives Forum.

The Defend Council Homes Policy consultation was open for feedback between 1 September 2020 – 2 October 2020. A consultation pack was sent to every council housing household in Hammersmith & Fulham.

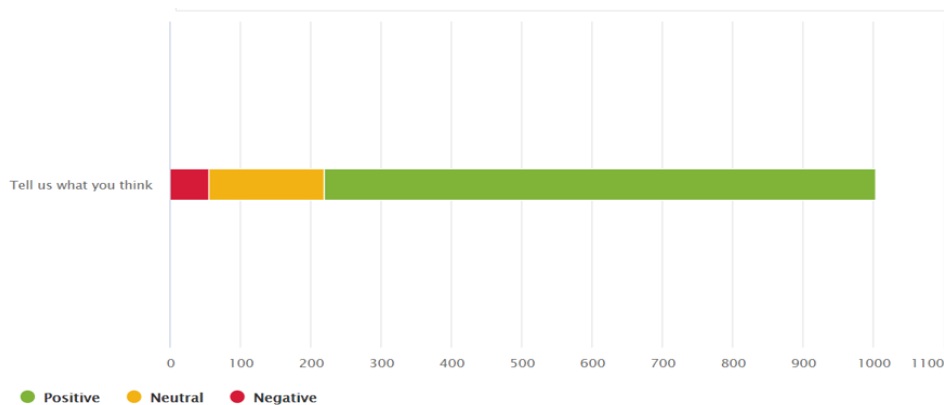
1003 individual responses were received either directly online to the Commonplace consultation platform, or by postal return which was then inputted onto Commonplace.

Three of total responses have not been included as part of this analysis because the respondent has declared they are not a council tenant, leaseholder, freeholder, or private tenant of a council leaseholder.

Over 75% of responses were by postal return and under 25% were online.

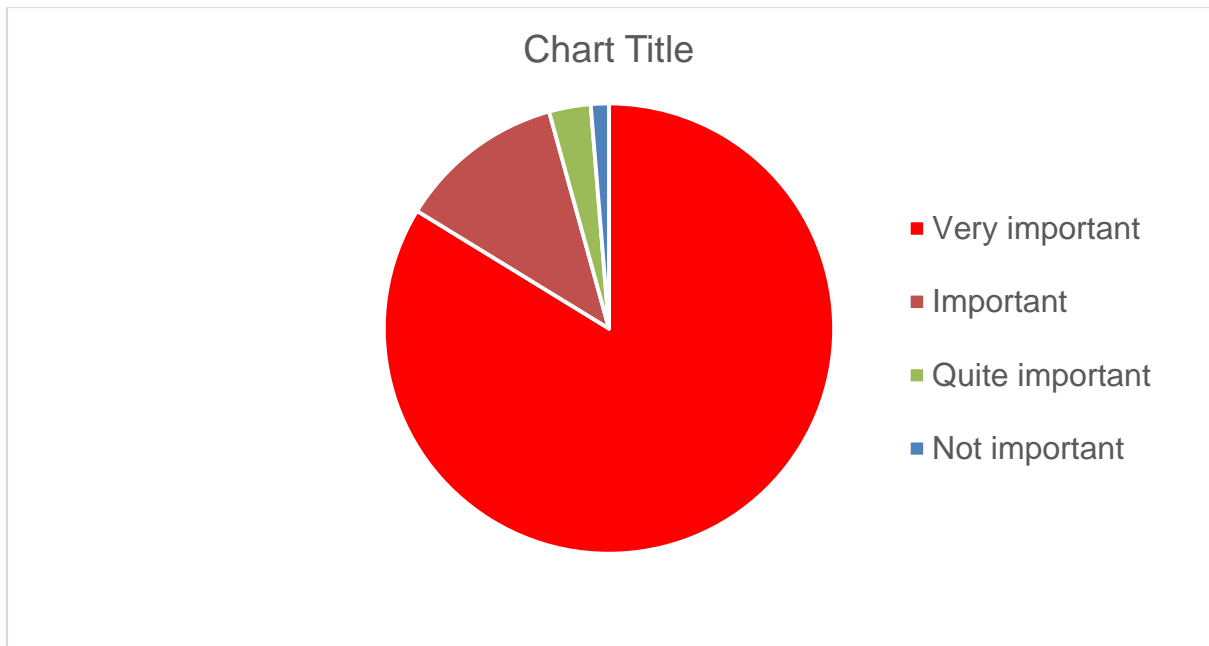


On the first consultation question of how much do residents like living in their home, 78% of those who responded positively, a further 16% were neutral and 6% responded negatively.



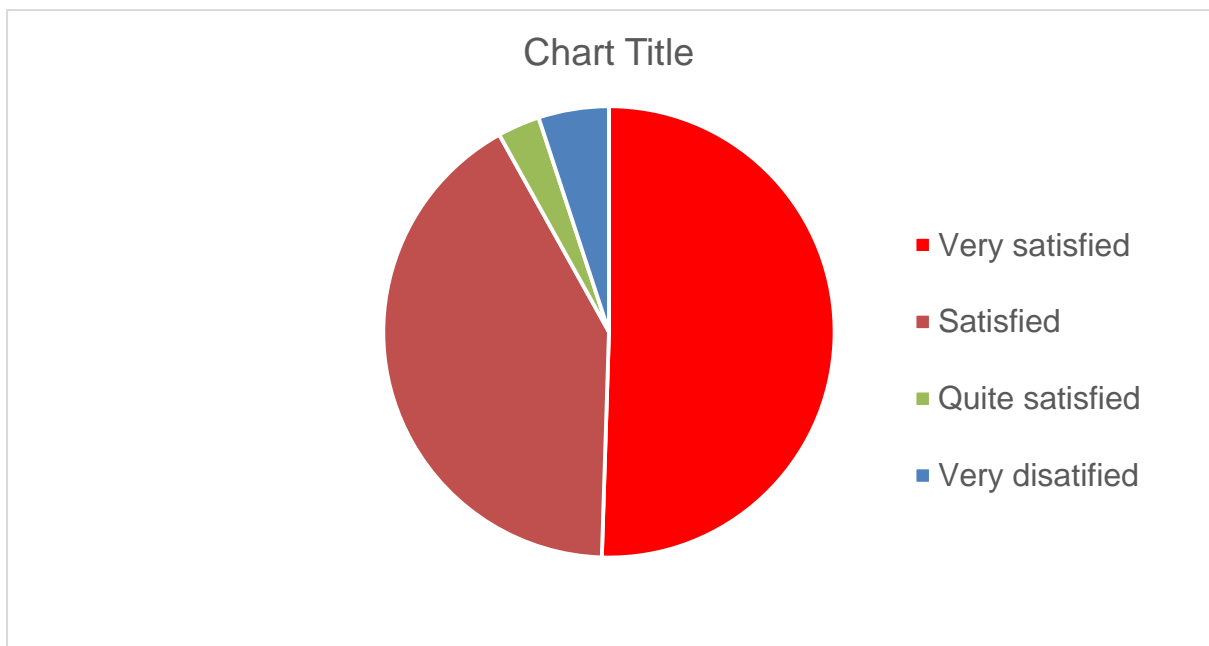
How important it was to residents to be involved in redevelopment decisions that could affect their homes.

**99%** of respondents said important or very important.



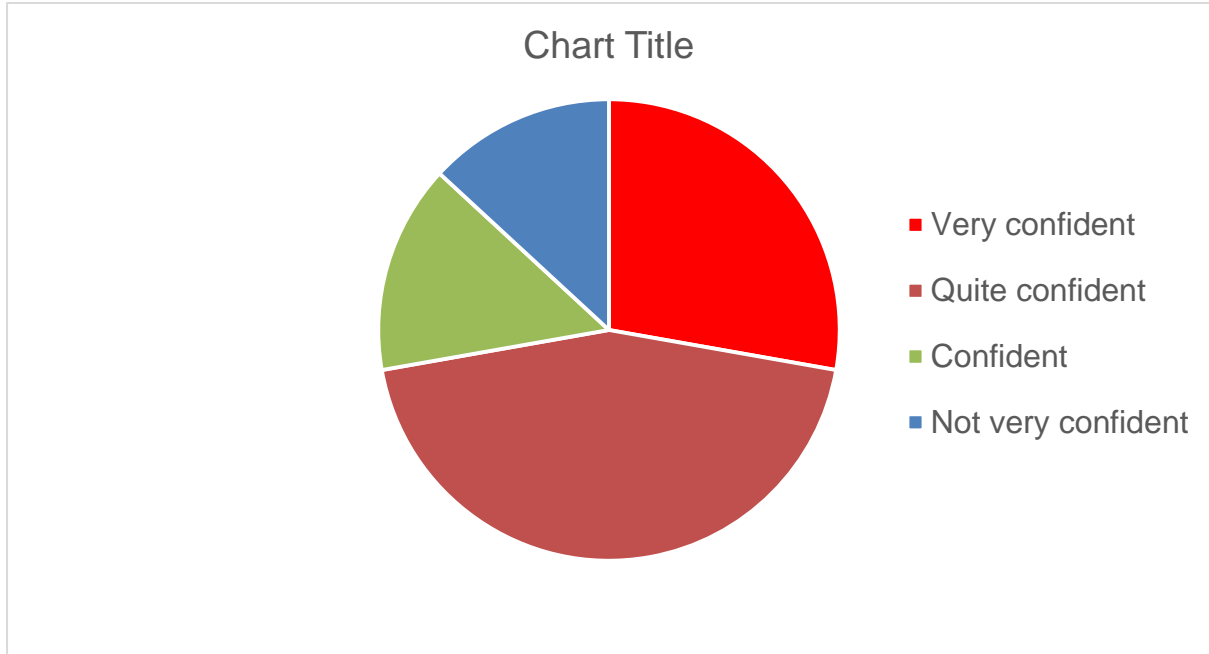
How satisfied residents were that the DCH Policy would mean the Council must involve them in such decisions.

**91%** were satisfied or very satisfied.



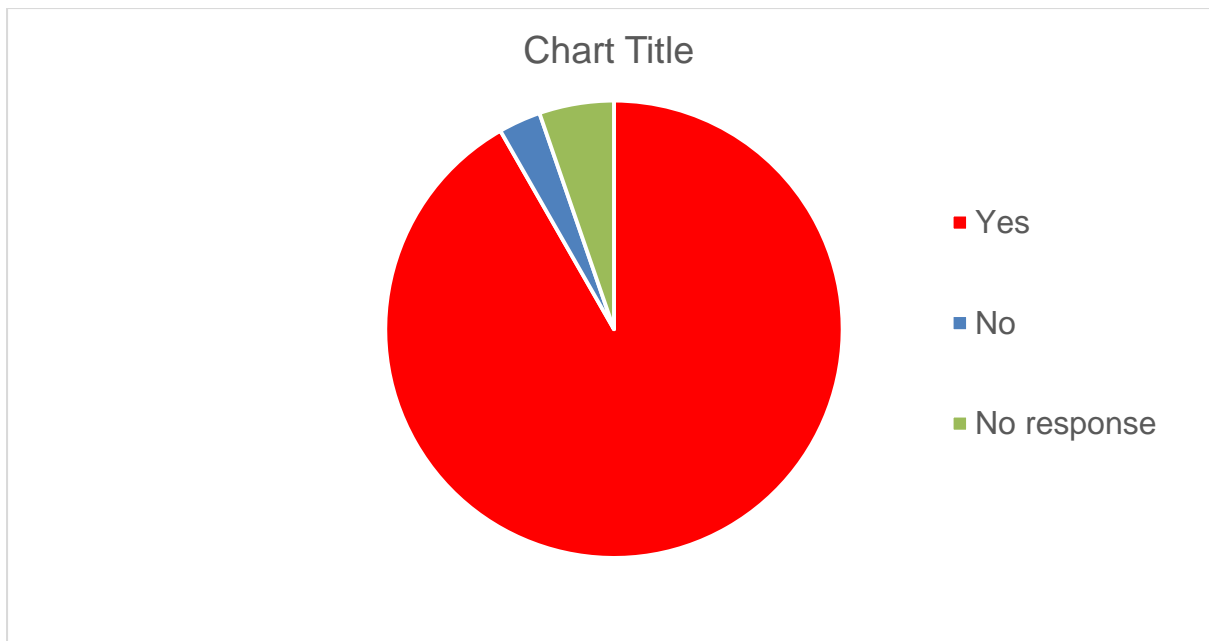
How confident residents were that the DCH Policy would protect their homes and ensure the Council would meet very high standards in any redevelopment.

**87%** were confident or very confident



Whether residents supported the introduction of the DCH Policy.

**92%** supported its introduction.



**Most additional comments were positive:**

Here is a snapshot of comments by common theme:

“Council homes must stay as council homes, to support generations after me.”

“As a Council tenant, the DCH policy gives me a sense of being valued and security regarding the involvement in any decisions making of my home.”

“We as a community must not go through the selling off of council estates / land and property. If this Policy is implemented for the protection of our future rights, then I am for it.”

**Key questions and concerns raised by residents in terms of themes, with our responses:**

**Q. *Whether the Policy would be fully implemented in practice.***

- The Council will develop a DCH Policy Implementation Guide, subject to Cabinet approval, in order to embed the Policy in redevelopment processes. Already talking to the Regeneration Team about this.
- Made a Policy amendment to require that a copy of the Policy and plain English summary is sent to residents in a proposed redevelopment area, to make them fully aware of the Policy.

**Q. *How the term ‘redevelopment’ might be interpreted.***

- The definition of “redevelopment” to be further clarified in the Policy to reduce the risk of future ambiguities.

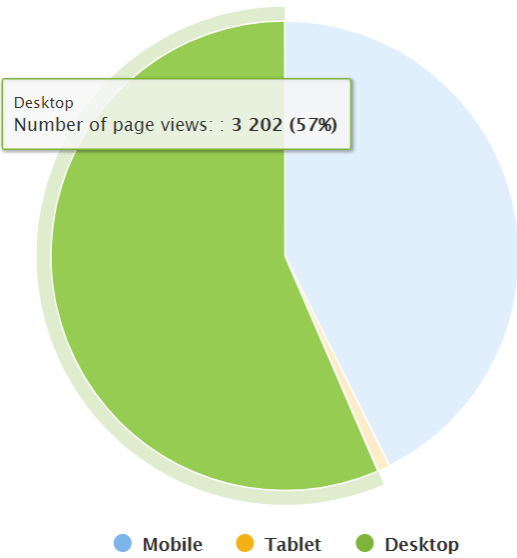
**Q. *How Residents’ Steering Groups that would be established to represent the interests of all residents.***

- Policy amendment to clarify the role of Residents’ Steering Groups and require the Council to properly resource and train such groups to carry out their role.

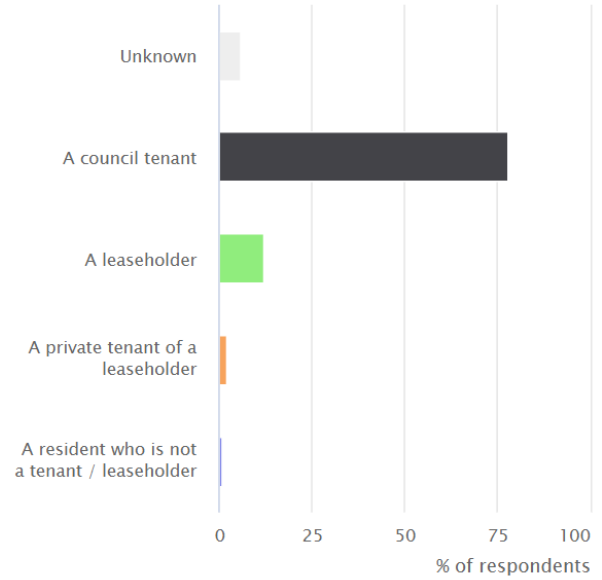
The full list of all the comments can be found on the Commonplace consultation platform at: [Look Back At | Tell Us What You Think \(commonplace.is\)](#)

# Analysis of Respondents

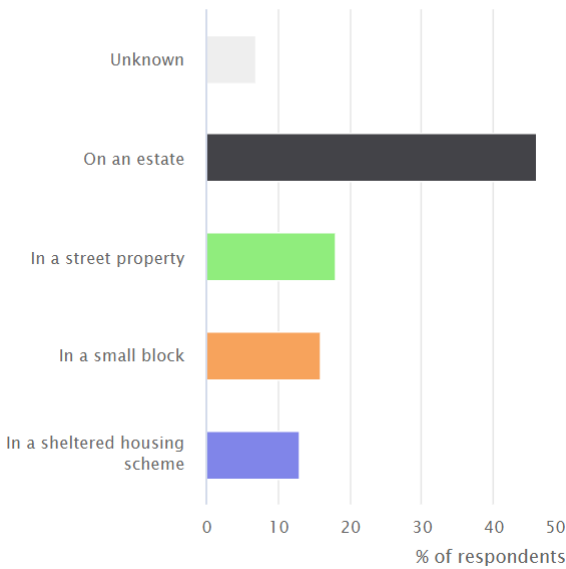
## Devices



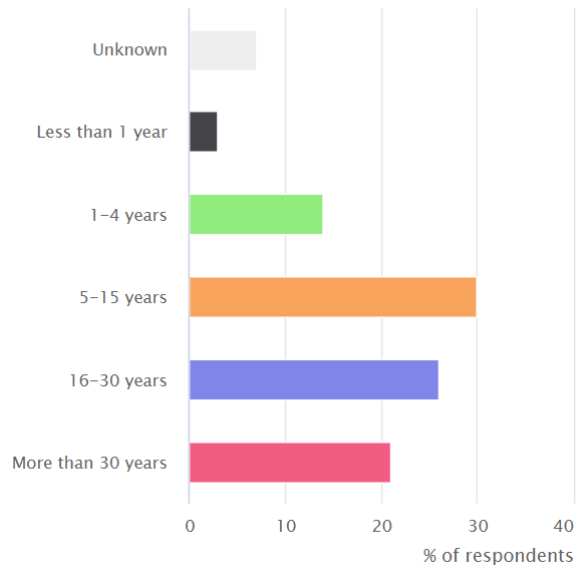
## Are you.....?



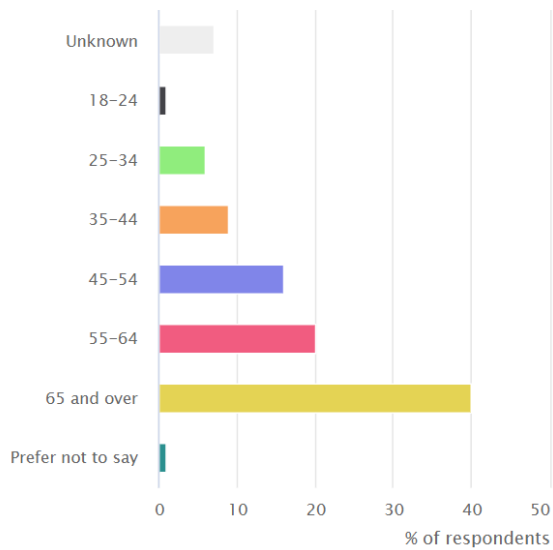
## Where do you live?



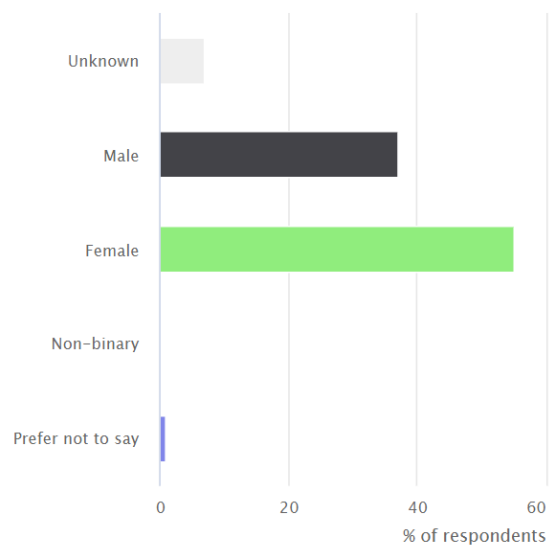
## How long have you lived in your home?



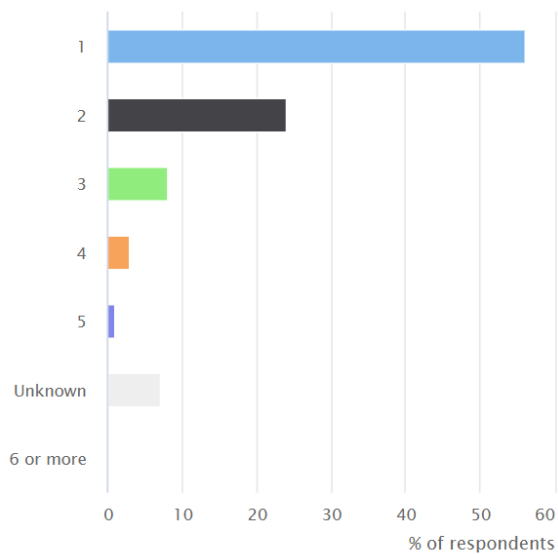
### What is your age group?



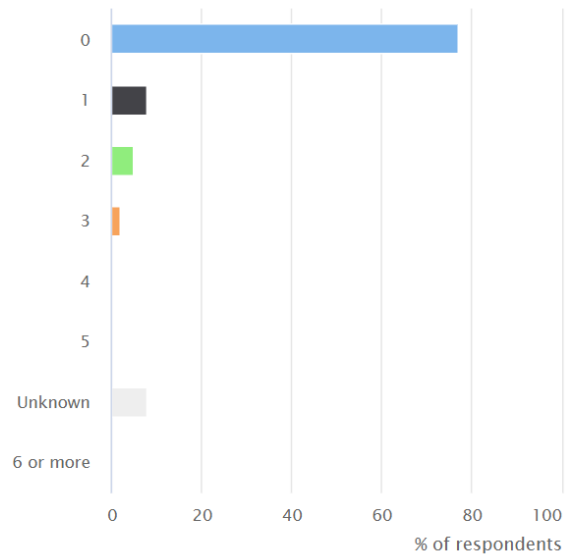
### What is your gender?



### How many adults aged 18 or over live in your household?



### How many children under 18 live in your household?



## Endorsements for the Policy from the Housing Representatives Forum

*The Housing Representatives Forum endorsed the consultation process that was used to consult residents about the DCH policy.*

*The Housing Representatives Forum strongly endorsed the DCH policy and recommended its introduction by H&F Council.*

## **Endorsements from Tenants & Residents Associations & Sheltered Housing Tenant Representatives**

*Dear Fellow Residents, it is with real pride that I express my wholehearted support for the **Defend Council Homes Policy** as presented and distributed on 4<sup>th</sup> August 2020. Significantly this policy was the culmination of years of consultation and discussion throughout the many Resident Working Groups within the Borough's commitment to involve residents in any future policies that would affect the Leaseholders and tenants in the Borough.*

*As Chairman of the Housing Representative's Forum, I can confirm that the DCH Policy is unique in that it protects us all for the future whereby no administration can impose a policy of purchase, change in our estates without our agreement and approval, and this is enshrined with legal protection for us all.*

*I recommend this DCH Policy to all residents and ask for your support in making this a legally binding obligation on the Council, to consult with us as residents.*

*Adriaan van Zyl*

*Chair Housing Representative's Forum*

*To the London Borough of Hammersmith,*

*We, on behalf of Wormholt Residents Association, support the Defend Council Homes Policy's adoption by Council as soon as possible. We are of the opinion that the Policy will provide residents with additional safeguards in the event of redevelopment proposals that affect their homes. It will also ensure that some level of essential, affordable housing is preserved for future generations in the borough.*

*Wormholt Tenants & Residents Association*

*We, on behalf of Queen Caroline TRA, support the DCH Policy's adoption by Council as soon as possible. We are of the opinion that the Policy will provide residents with additional safeguards in the event of redevelopment proposals that affect our homes. As Resident and Vice chair of Queen Caroline Estate TRA, we have lived through the uncertainty and worry when our estate was offered to developers and I know that our Residents will whole heartedly welcome this policy if it provides some assurance that our homes and community will not be taken away and any needed redevelopment will be undertaken only after proper and thorough consultation.*

# Agenda Item 9

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Procurement Strategy for Travel Care Taxi Services

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

**Responsible Director:** Jacqui McShannon - Director of Children's Services

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### Summary

This report seeks approval of the procurement strategy for Travel Care Taxi Services for services from May 2021 for a period of four (4) years.

In June 2017 Hammersmith and Fulham (H&F) set up a framework agreement for the provision of travel care taxi services for a term of four years. The combined quality and commercial scores determined suppliers' appointment and position on the Framework by a "league table" ranking for each vehicle type with call offs completed on an annual basis. This framework expires in May 2021 with no options to extend. It has in general delivered the Council's needs and so the procurement of a replacement framework is recommended on a similar basis.

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### Recommendations

1. That Cabinet approves the procurement strategy, attached as Appendix A, to run an open procedure to establish a framework for the provision of travel care taxi services for a period of 4 years from May 2021.
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**Wards Affected:** All

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### H&F Priorities

<b>Our Priorities</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
<ul style="list-style-type: none"><li>• Building shared prosperity</li></ul>	Employment of local residents on essential frontline services
<ul style="list-style-type: none"><li>• Creating a compassionate council</li></ul>	Procuring services that have care at the forefront of delivery for some of the most vulnerable residents in the borough.
<ul style="list-style-type: none"><li>• Doing things with local residents, not to them</li></ul>	Maintaining high standards of existing contracts following lessons learnt experience from previous procurements.



<ul style="list-style-type: none"> <li>• Being ruthlessly financially efficient</li> </ul>	Frameworks that are appropriately structured and weighted to meet demand as well as need and drive competitiveness in the market.
<ul style="list-style-type: none"> <li>• Taking pride in H&amp;F</li> </ul>	A high-quality service supporting some of our most vulnerable residents to access education and social care provision.
<ul style="list-style-type: none"> <li>• Rising to the challenge of the climate and ecological emergency</li> </ul>	The Contractors must comply with the requirements specified by Transport for London for the London Emission Zone (LEZ) including any current or future legislative requirements including Ultra Low Emission Zone (ULEZ)

### Financial Impact

1. This paper recommends the establishment of a fully OJEU compliant taxi framework.
2. The forecast for Transport costs 2020/21 for the current cohort of children and young people is £3.839m for Special Educational Needs (SEN) and £0.556m for Looked After Children (LAC). The SEN forecast includes £0.06m for the personal budget cohort and £2.092m taxis costs. The impact of demand growth in has not been factored into this costing and hence is flagged as a risk to be noted with work required to manage demand.
3. There has been a reduction in spend in the 2020/21 financial year due to the impact of Covid-19 and there has been renegotiation of rates for the reduction in service and journey lengths. However, this reduction in spend is considered as non-recurring from 2021/22 financial year. There is potential fragility around the market due to Covid-19, however these risks are largely unknown.
4. The spend is demand driven and reflects the complex cohort of children and young people often requiring transport to distant placements. Significant budget growth has been agreed in recent years to partially mitigate the demand led growth but to date an unmitigated pressure exists on the Travel Care and Support budget, with a forecast year end overspend of circa £0.73m as in the table below.
5. There is no substantive change to the SEN provision therefore costs are expected to remain broadly the same. There may be slightly lower prices in Looked after Children as the procurement for this lot is weighted 60% price and may result in marginally lower unit costs however it is difficult at this stage to understand how the market will respond to this until tender responses are received. Any increase/ decrease in prices achieved through the procurement will increase/ decrease the forecast overspend based on the same level of demand/ complexity of demand.

## WHOLE TRANSPORT BUDGET

	Annual Budget	Full Year Effect of Current Cohort	Variance
	£m	£m	£m
SEN Travel Care and Support	3.397	3.839 Of which: 2.092 relates to taxi spend 0.06 relates to personal budgets	0.443
LAC Transport	0.270	0.556	0.286
<b>Total</b>	<b>3.667</b>	<b>4.395</b>	<b>0.729</b>

### Legal Implications

1. This report is recommending the procurement of a new multi-provider framework for taxi services for children and vulnerable adults.
2. The value of the framework is estimated to be £11m over four years. According to the public procurement regime set out in the Public Contracts Regulations 2015 (the "PCR"), the Council's requirements are classified as services. The threshold for compliance with the PCR regime is £189,330 for services, and so the framework needs to be procured in accordance with the PCR. It should be noted that post-Brexit, the PCR will continue largely as before, however the obligation to advertise the contract in an EU electronic journal will be replaced by an obligation to advertise on a UK electronic platform.
3. Under the PCR, no framework can exceed 4 years except in exceptional circumstances.
4. For the purpose of Contract Standing Orders, the framework is a "High Value Contract" and needs to be exposed to competition in accordance with the requirements of CSO 19 as modified by CSO 28 for frameworks. Placing an advert in accordance with the PCR, together with an advert in Contracts Finder, complies with those requirements. It is also necessary to set up a Service Review Team for all High Value contracts.
5. The proposed open procurement route, where there is no pre-qualification stage, is compliant with CSOs and is suitable for use where there is a limited or fairly limited market.

6. High Value contracts also require the approval of a Procurement Strategy which has first been reviewed by the Contract Assurance Board (CSO 18). This report is presented to Cabinet on this basis, with all Procurement Strategies for revenue contracts exceeding £5m in value requiring Cabinet approval.
7. The service department are recommended to include in their report at the end of the procurement process, a specific delegation to officers to enable the award of all call off contracts without needing formal governance reports.

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**Contact Officers:**

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Verified by Emily Hill, Director of Finance

Name: Deborah Down  
Position: Senior associate with Sharpe Pritchard LLP, on secondment to the Council  
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**Background Papers Used in Preparing This Report**

N/A

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## DETAILED ANALYSIS

### Proposals and Analysis of Options

1. With the existing framework ending on the 25 May 2021, our ambition is to deliver a service that fulfils the statutory requirements to be safe and appropriate, whilst deriving value for money and maintaining the current robust quality standards.
2. By delivering this vision, we want to ensure this procurement builds upon our current service to permit children access to the best opportunities in education and to enable our vulnerable adults to maintain their independence and engagement within the community.
3. With general high customer satisfaction and a service well-supported through the Council's Travel Care and Support Team, the service will continue to use the same high-quality specification designed in consultation and collaboration with residents for the delivery of services when they were procured in 2017.
4. The specifications will look to enable the service to meet requirements and demand as well as incorporating feedback from stakeholders without driving additional costs.
5. The outcome will be the establishment of a fully OJEU compliant taxi framework, with two lots, one for Regular and Scheduled Journeys and the other for Ad Hoc Journeys.
6. The proposals within this report will deliver these strategic objectives and, critically, establish the mechanism for the delivery of this statutory service for some of the most vulnerable children and adults in Hammersmith and Fulham.
7. We are considering three procurement options and recommending the most suitable option outlined below.
8. **Option 1: A framework (Recommended)**

A framework will provide the flexibility to meet demand through a pool of established providers in a two-lot framework:

Lot 1: Scheduled Journeys

Lot 2: Ad Hoc journeys

The Scheduled Journeys specification will focus on travel assistance for SEN service users from home to school. As with the current service this will stipulate the need for regular transport crews, the need for the same vehicles and staff training requirements to support these young people. The Ad Hoc journeys specification will be used for services where a regular driver is not required, and nor is there need for any consistency in transport crew. Whilst still maintaining high quality through the specification and staff continuing to have a set standard of training, they will not require the enhanced training relevant only for home to

school transport for children with special educational needs and disabilities. Journeys will be one off or for a short period of time.

This approach will enable the service to better match provision to the offer, avoiding overprovision and driving down unnecessary costs.

## 9. Option 2: Dynamic Purchasing System (Not recommended)

A dynamic purchasing system (“DPS”) is a completely electronic system which may be established by a contracting authority to purchase commonly used goods, works or services. It has a limited duration.

The option to establish the use of a DPS was explored for use with the taxi framework, understanding the technology available, how the market might respond to such a move and the impacts on the service. It was determined not to progress with a DPS for the following reasons:

### Technology

- Whilst the Council’s procurement system CapE is capable of delivering the functionality required by a purely electronic purchasing system such as a DPS, this would require focused development – time and cost;
- The Council has access to the West London Alliance’s DPS platform which is used for placements of children; however, transport would place different requirements on this system which again would require focused development – time and cost.

### The Market

- Given that over 90% of the current taxi provisions in H&F is provided by 4 Providers, there is a risk that there may be an insufficient number of Providers to create a competitive enough environment to make a DPS effective. If we do not have a sufficient number, then the risk is that one ends up paying more for services. Lower prices are only achieved when there are multiple bids and ultimately having only one bidder would mean their first bid sets the price.
- Given our understanding of the market, we do not believe there to be a large “churn” of Providers and therefore not a lot of new entrants who would want to join the DPS throughout its existence and keeping it competitive. The ability for new entrants to join the DPS is one of the major benefits of a DPS – and one which may not really be utilized by the market.
- DPS creates transactional relationships with suppliers, as they bid on price for every service they provide. It is one of the ambitions of this procurement to create more strategic relationships with a small number of Providers, rather than by piecemeal transactions.

### The Service

- Effectively DPS creates an open auction and therefore there is always a risk of Providers overextending themselves with this approach, by

- submitting unsustainable prices, which would need careful management and potentially a greater review of the quality of service being delivered.
- As previously stated, DPS works best when there are a lot of suppliers. If this were to be the case, then this may have implications for contract and performance management resource.
- There will be resource challenges for the service to deal with the continual flow of e-auctions and the evaluation of new suppliers wanting to join the DPS
- It is not realistic for the service to wait several days to provide services while the e-auction is being run.

#### **10. Option 3: In house delivery model (Not recommended)**

This option was discounted given the considerable increase in costs (circa 20%), and lack of sufficient structure to accommodate such a model.

Whilst this option would give control to H&F over the direct line management of these employees and the delivery of the service operationally with greater flexibility to maximise utilisation of assets in the commissioning of arrangements, there is not currently a structure nor budget resources in place to accommodate these staff. Furthermore, bringing a taxi fleet in house would not be viable in view of the significant fleet and licensing responsibilities and considerable cost pressures of H&F holding the full cost of overheads which are otherwise spread across multiple authorities by outsourced providers. The Council would also probably require a depot.

#### **11. Option 4: Do nothing (Not recommended)**

This would mean not having a service once the current framework had expired, which is not an option in light of the Council's statutory duties and the nature of services for various vulnerable client groups.

#### **Reasons for Decision**

12. It is proposed to procure a framework of providers that enables the call off of contracts for a range of services from scheduled and regular journeys through to ad hoc requirements. In general, a framework approach has worked well for the current arrangements.
13. The Local Authority has a statutory duty to provide home to school transport provisions as set out in the Education Act 1996. The Council has a Travel Assistance Policy which clearly sets out these duties, together with further information via the Local Offer. The Travel Assistance policies can be found in the background papers published with this report.
14. For Adults, the Care Act 2014 stipulates a duty to Local Authorities to meet assessed needs, and while transport is not prescribed provision, it may be one way of meeting people's assessed needs and preferences relating to their personal outcomes towards independence and engagement with the community.

15. The current framework which services the existing taxi contracts expires on the 25 May 2021. There is no option to extend. The re-procurement provides H&F with an opportunity, through more appropriate service specifications, to formalise current quality standards and to better meet service demands.

### **Equality Implications**

16. The report seeks to maintain the current service specification. There are no direct negative impacts anticipated on protected groups under the Equalities Act 2010.

Implications verified by: Fawad Bhatti, Policy & strategy Officer, tel 07500 103617

### **Risk Management Implications**

17. Specifications for the transport of children must give due regard to any additional guidelines required so as to ensure that vehicles, users, drivers and escorts operate in a Covid safe way. As a consequence of any change in guidelines and approach this may be reflected in an increased cost of transport from the market. Operators must demonstrate a high quality of service in accordance with users' needs and residents' expectations. Risks relating to growth have been included within the Financial comments.

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

### **Consultation**

18. Feedback on the current service is positive. Consultation has been limited due to COVID-19, however Officers attended ParentsActive in September to provide an opportunity for parents to raise any concerns regarding transport. There were no significant concerns raised with feedback positive and queries largely around Personal Budgets and accessing the services available.

### **List of Appendices:**

Appendix A – Procurement Strategy

## **Appendix A - Procurement strategy – Contract for Travel Care Taxi Services**

The following procurement strategy has been produced in collaboration with Andra Ulianov Head of Contracts and Procurement.

### **1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED**

The current Lot 2 Taxi Travel Care Framework is due to expire on the 25 May 2021 with no option to extend therefore a re-procurement of a taxi passenger transport service is required.

The Local Authority has a statutory duty to provide home to school transport provisions as per the Education Act 1996. The Council have a Travel Assistance Policy which clearly sets out these duties, together with further information via the Local Offer.

For Adults, the Care Act 2014 stipulates a duty to Local Authorities to meet assessed needs, and while transport is not prescribed provision, it may be one way of meeting people's assessed needs and preferences relating to their personal outcomes towards independence and engagement with the community.

The re-procurement provides H&F with an opportunity, through a more appropriate framework to better meet demand and reduce off framework spend while still preserving the benefits of the existing framework approach.

This procurement will establish the mechanism for the delivery of this statutory service for some of the most vulnerable children and adults in the borough.

### **2. MARKET ANALYSIS**

The market for taxi providers in London is mature. We have 6 providers on the existing framework, with 4 providers currently providing services. There are a number of other providers however in the market who would be suitable to provide such services. Neighbouring boroughs who have recently procured services had 6 providers appointed to their framework who do not currently exist on H&F's framework evidencing the growth in the market since our service were last procured.

#### Procurement route options and considerations

Consideration has been given to a range of options to commission taxi services with consideration to wider local priorities. The recommended option is to procure a two-lot framework for the provision of Scheduled Journeys and Ad Hoc journeys to meet statutory requirements. The framework will be for a period of four years commencing June 2021. See section 1 of the main report for a full analysis of options.

#### Risks



<b>Category</b>	<b>Risk Description</b>	<b>Mitigation Activity</b>
Tender	Pace of work required to deliver the objectives in time to finalise the procurement in time for mobilisation.	Appropriate officers will work closely together in the preparation of documents and Legal will review prior to release.  A project group will be established to push through actions to ensure risk to service delivery is minimised.
Providers	Stakeholder engagement – risk of not having the right providers/ sufficient number to tender	There is a pool of circa 10-15 providers in the market for such services. Of these only 6 are currently on the H&F framework and 4 are active.
Resource	If key staff working on the project are unavailable at peak times to complete work, programme slippage in timelines is a risk as well as the quality documents available being negatively impacted.	A project board will be established with key stakeholders including the AD for SEND, AD for Children’s Commissioning, Travel Care Team, Procurement and Legal to drive forward actions. A risk register will be established and reviewed by the board.

### **3. FINANCIAL INFORMATION**

Existing spend on home to school transport is broadly comparable to other boroughs. Based on the S251 19/20 net forecasts per capita (DFE data detailing Local Authority education funding and expenditure), when looking at our statistical neighbours H&F sits 7% below the average for Pre 16 SEN transport. For transport post 16 we sit in the higher brackets of spend, however a number of boroughs have varying policies on eligibility which decreases the sample size.

Home to School Transport is funded by the general fund with the budget held by the EHC Planning service. There is an annual budget of £3.8m. Taxi and passenger assistant services equate to circa £2m per annum with the remainder spend on minibus services and personal budgets. This is a demand driven service and reflects the complex cohort of children and young people on transport often requiring placements at a greater distance from home. Based on the age profile of the cohort there is a current bubble of spend at the age of 5 and 12, which indicates there will be ongoing spend at this level.

It is anticipated that by weighting the framework award criteria for ad hoc journeys at 60% price and 40% quality this will drive value for money.

#### **4. COMPETITION PROCESS**

A full and open OJEU compliant procurement exercise will be undertaken. An open process means that there is no separate pre-qualification stage and is suitable where the market is limited.

The proposal is to appoint suppliers to a Framework Agreement for Passenger Transport Taxi services which is split into two Lots, with separate specifications and requirements. Lot 1 for Regular Scheduled Journeys, and Lot 2 for Ad-Hoc Journeys. Suppliers may bid for either Lot 1 or Lot 2 or both Lots.

There are seven specified “driver only” vehicle categories and seven specified “driver and Travel Care Assistant” categories. Tenderers will be invited to bid for between one and fourteen vehicle categories for each Lot.

The procurement will be undertaken in three stages, including qualification (pass/fail minimum standards), technical (quality), and commercial (price). The criteria for award will consist of 60% quality and 40% price (Regular Journeys) and 40% for quality and 60% for price (Adhoc Journeys). Each supplier’s overall quality score will be added to their commercial price score for each vehicle category. The combined quality and commercial scores will determine suppliers’ appointment on each framework. They will also be awarded a position on the Framework by a “league table” ranking for each vehicle type within the lot, using the quality score (common for all vehicle categories within the lot) combined with the price for the vehicle category.

Suppliers will be offered routes according to the direct award call-off process based upon their ranking in the “league table”. The framework agreement will include the ability to stop using a supplier, or suspend their use, in the event of poor performance.

<b>Milestone</b>	<b>Indicative Date</b>
CLT	3 November 2020
CMB	16 November 2020
Contracts Assurance Board	20 November 2020
Political Cabinet	07 December 2020
Cabinet	04 January 2021
Preparation of tender documents	December 2020
Tender release	January 2021
Tender return	January 2021

Evaluation	February 2021
Award decision	March 2021
Service mobilisation	April 2021
Contract start date	May 2021

## **5. SELECTION AND AWARD CRITERIA**

### Procurement Process Stage 1: Compliance

Each tenderer will need to achieve a minimum level of acceptability as defined by H&F's compliance standards relating to matters such as financial and economic standing, insurance, health and safety. The EU regulations also allow assessment of minimum standards of technical capacity on a pass/fail basis.

The Council's set standards for economic and financial standing based on financial accounts that bidders should meet. These standards are set to reassure the Council that, if awarded contracts, suppliers are financially sustainable throughout the lifetime of the contract.

Where one or more of these criteria is not met, the Invitation to Tenderers will advise them that the Council can, if it wishes, use its discretion to pass a tenderer who fails to meet the above criteria, subject to approval of a report to the Section 151 Officer outlining any mitigating circumstances on why a tenderer should pass the economic and financial assessment.

### Procurement Process Stage 2: Quality

The technical quality stage will consist of a number of questions in key areas of the service requirements.

Quality will be ensured by designing detailed questions which list every aspect of the requirements that tenderers will be expected to reference. In addition, the procurement will have a robust scoring criterion of 0 – 5 with the requirement to achieve a minimum score of 3 to pass or otherwise be eliminated from the process. The Council will also stipulated that if any tenderers achieved a 2 for a question then the supplier may be awarded a pass at the discretion of the evaluation panel where the weaknesses in the response were not considered so significant as to jeopardise the tenderer's ability to meet the overall requirements of the service.

The Evaluation Panel will consist of Council Officers and external stakeholder partners. Officers will include Commissioners, Travel Care and Support team members, a safeguarding lead, and representation from special educational needs and adult social care. External stakeholder partners will include parent representatives and a head teacher from a local Special Educational Needs school subject to signing a confidentiality agreement.

There will be a total of 9 quality questions for each Lot, for an assessment of areas including;

- general requirements;
- implementation and mobilisation (Regular and Scheduled provision only);
- rapid response and reaction (Ad-hoc provision only);
- communications and relationships;
- operating requirements;
- staff competence and checks;
- social value;
- vehicles;
- safeguarding;
- and performance, risk management and quality assurance including Business Continuity including appropriate plans in the event of service/supply interruption due to a Covid-19 outbreak.

An outline scoring matrix is included below.

<b>Criteria Regular Journeys</b>	<b>Marks</b>
Minimum Standards: Compliance of bid Insurance levels Turnover Suitability to pursue the professional activity Experience and technical capacity (including Safeguarding)	Pass/fail
Quality <ul style="list-style-type: none"> <li>• general requirements (5%);</li> <li>• implementation and mobilisation (Regular and Scheduled provision only) (5%);</li> <li>• communications and relationships (10%);</li> <li>• operating requirements (10%);</li> <li>• staff competence and checks (13.4%);</li> <li>• vehicles (10%);</li> <li>• safeguarding (15%);</li> <li>• and performance, risk management and quality assurance (15%).</li> </ul> Social value (16.6%) assessed as following: <ul style="list-style-type: none"> <li>• Social Value Quantitative (8.3%)</li> <li>• Social Value Qualitative (8.3%)</li> </ul>	60%
Cost	40%
<b>Total possible marks</b>	<b>100%</b>

<b>Criteria Ad hoc</b>	<b>Marks</b>
Minimum Standards	Pass/fail

Compliance of bid Insurance levels Turnover Suitability to pursue the professional activity Experience and technical capacity (including Safeguarding)	
Quality <ul style="list-style-type: none"> <li>• general requirements (5%);</li> <li>• rapid response and reaction (Ad-hoc provision only) (5%);</li> <li>• communications and relationships (10%);</li> <li>• operating requirements (10%);</li> <li>• staff competence and checks (10%);</li> <li>• vehicles (5%);</li> <li>• safeguarding (15%);</li> <li>• and performance, risk management and quality assurance (15%).</li> </ul> Social value (25%) assessed as following: <ul style="list-style-type: none"> <li>• Social Value Quantitative (12.5%)</li> <li>• Social Value Qualitative (12.5%)</li> </ul>	40%
Cost	60%
<b>Total possible marks</b>	<b>100%</b>

The proposed evaluation criteria will be based on:

- Regular Journeys: 60% for quality with an allowance of 16.6% within quality for social value and 40% for price.
- Ad hoc journeys: 40% for quality with an allowance of 25% within quality for social value and 60% for price.

The Contract Standing Orders (para 37) recommend a quality:price ratio of 60:40 as a standard. It is however proposed to deviate from this for ad hoc journeys. This commissioning exercise has a number of specific quality criteria that bidders are required to pass to proceed in the tender process. Given the focus on quality through the procurement process, a robust mobilisation and communication plan, social value, high quality specification and continued funding of the Travel Care and Support Team to effectively manage the contracts, the 60:40 ratio will deliver a safe and appropriate service that maintains current quality standards.

## **6. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

Providers will be awarded to the Framework which will be valid for a period of 4 years. The framework will be split into two lots:

Lot 1 of the services is for scheduled and regular taxi provision where consistency of driver, vehicle, and (where required) Travel Care Assistant, is critical to the

successful delivery of the services. Regular scheduled journeys are primarily for home to school transport for pupils with special educational needs assessed as requiring transport and vulnerable adults travelling to and from their day activities as part of their agreed social care provision.

Lot 2 specifies those occasions when the Council needs taxi provision on an adhoc basis to transport a range of service users, often at short notice. These occasions may include the need to quickly move a vulnerable child at risk to safety and into care; the need to quickly move a victim of domestic violence and any children they may have to safety and refuge, taking children in care to/from contact visits with family members, short term home to school/day care journeys. The main difference in Lot 2 is that there is not the requirement for the provision of Travel Care Assistant nor the same requirements in respect to mobilisation (N.B. crews meeting passengers prior to the commencement of the service) and consistency of driver or vehicle. Lot 2 taxi suppliers are required to have the requisite flexibility, capacity and sensitivity to work with the Council quickly to provide urgent, unscheduled taxi services. Providers will ideally have online platforms to enable ease of booking and to align to wider Council priorities of digital first approaches.

Officers will call off from the framework on an individual route level as required to meet demand. Pricing is per mile including cost of driver and any travel care assistant.

There will be a number of providers appointed to the framework which the Council will be able to call off from in the case of any default notices being issued as a result of breaching conditions of contract.

## **7. CONTRACT MANAGEMENT**

Contract management will be the responsibility of the Children's Services Commissioning function, responsible for ensuring the contract is effectively managed.

The Council will:

- Hold regular Provider Review Meetings
- Have oversight of provider activity, compliance and performance
- Act as mediator to support both families, schools and providers
- Be available for contract advice and queries
- Undertake KPIs & monitoring
- Ensure that all issues of concern are escalated, and decisions made in a timely fashion.

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Update to collaboration agreement for Children's Social Care

**Report of:** Cllr Larry Culhane - Cabinet Member for Children and Education

**Report author:** Will Parsons - Strategic Lead, Children's Commissioning

**Responsible Director:** Jacqui McShannon - Director of Children's Services

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### SUMMARY

This report seeks approval to vary the Collaborative Delivery Agreement (the "Agreement") between the London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Westminster City Council, by withdrawing the Children's Placements service and the Local Safeguarding Children's Partnership service from that Agreement.

The report also seeks to delegate authority to the Chief Executive Officer to approve any further disaggregation of services or variations to shared services within the Agreement.

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### RECOMMENDATIONS

1. To vary the Collaborative Delivery Agreement dated 5 April 2018 between the London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Westminster City Council from 1 April 2021, unless agreed otherwise, to enable H&F to terminate its involvement with the collaborative delivery of:
    - the Children's Placements Service; and
    - the Local Safeguarding Children's Partnership;
    - and to reduce H&F's financial contribution of £150k per annum towards the Action for Change Programme by approximately 50%;
  2. To delegate authority to the Chief Executive Officer to approve any future variations, extensions or disaggregation or termination (in full or in part) by H&F of the Collaborative Delivery Agreement.
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**Wards Affected:** none

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	To ensure best use of financial resources and improved services for local residents.
Creating a compassionate council	To ensure all children and young people are provided with care and support suitable to their needs.
Being ruthlessly financially efficient	To ensure frontline services are delivered within budget.
Taking pride in H&F	Returning services to sovereign H&F delivery will improve services for residents.

## **FINANCIAL IMPACT**

### **Placements Team**

The recommendation seeks to terminate the collaborative delivery of the Children's Placements Service. The 2020/21 H&F budget for the shared Placements Team is £121,500. This is included within the Children's Commissioning team budget and is based on H&F contributing towards 33% of 6 posts. Activity data from Bi-Borough indicates that for 2020/21 H&F would need to contribute towards 49% of 8 posts in the team which would be approximately £237,000 and lead to an overspend of £115,500.

Moving to a sovereign team integrated into the Children's Commissioning function will enable the service to be brought within the existing budget.

### **Local Safeguarding Children's Partnership**

The recommendation seeks to terminate the collaborative delivery of the Local Safeguarding Children's Partnership. The H&F budget for the Local Safeguarding Children's Partnership staffing is £109,600. This is made up of £84,600 general fund and £25,000 of income (£20,000 from Clinical Commissioning Groups, £5,000 from Mayors Office for Policing and Crime).

The £109,600 funds H&F's 33% share of 6 post holders and an 11% contribution to the Bi-Borough Head of Safeguarding for management costs. This equates to roughly 2 FTEs.

The proposed new structure for a sovereign LSCP will create a shortfall of £65,581 against the existing budget. This will be considered as a growth bid in the annual budget setting process for 2021/22. If not agreed, Children's Services will need to consider other mitigating actions to manage this.

### **Action for Change**

The recommendation seeks to reduce H&F's financial contribution of £150,00 per annum towards the Action for Change Programme by approximately 50%. H&F have



a general fund budget of £149,300 for Action for Change. This is based on posts within the team and the H&F share of each post. The percentage share of costs that each borough incurs reflects the number of referrals for the relevant financial year.

The aim is to reduce H&F's contribution to the service by 50% generating a saving of up to £75,000. This saving will be used to manage other spending pressures within the department.

## **LEGAL IMPLICATIONS**

This report seeks Cabinet approval to vary the Collaborative Delivery Agreement, dated 5 April 2018 between London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Westminster City Council, to enable H&F to terminate and vary the collaborative delivery of:

- the Children's Placements Service; and
- the Local Safeguarding Children's Partnership
- and to reduce H&F's financial contribution of £150k per annum towards the Action for Change Programme by approximately 50%.

All proposed variations above shall be effective from 1 April 2021 unless agreed otherwise.

### **Termination in Part**

The proposed termination in part of the Children's Placements Services and Local Safeguarding Children's Partnership is permitted under the Agreement in accordance with Clause 25.2 (Termination Without Fault). H&F is required to either provide not less than 3 months' written notice to RBKC and WCC of the termination in part, or H&F, RBKC and WCC may agree to the variation of the Agreement in writing. The proposed variations to the Agreement set out above should be formally entered into by way of a deed of variation.

### **Variation to Financial Contribution**

The proposed variation to H&F's annual financial contribution towards the Action for Change programme is in accordance with Clause 27 (Variations) of the Agreement. H&F must serve a Variation Notice setting out the details of the proposal, reasons, and costs and resource implications associated with the variation. The variation to the financial contribution must be agreed by the Collaborative Delivery Board where the contribution change has an impact on the budgetary requirements of RBKC and WCC (Schedule 4, paragraph 10.7). H&F must also obtain approval from the Executive Directors for the Action for Change programme service and approval from the relevant s151 officer (Schedule 4, paragraph 10.8).

### **Delegation Request**

The report also requests Cabinet to delegate authority to the Chief Executive Officer to approve any future variations, extensions or disaggregation or termination (in full or in part) by H&F in relation to the Collaborative Delivery Agreement

The Agreement period is from the 1<sup>st</sup> April 2018 until the 31<sup>st</sup> March 2019, with the option to extend for 'such period or periods as they shall agree', however no

extensions have been agreed by the parties. Provided that the parties have continued the arrangement in a way which is consistent with the terms of the expired Agreement, this supports an argument that the Collaborative Delivery Agreement continues to dictate the relationship of the parties.

Following approval of this report, officers intend to immediately engage with the Bi-Borough partners to extend the Collaborative Delivery Agreement formally, which shall be approved by the CEO in accordance with the recommended delegation under this report.

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### **Background Papers Used in Preparing This Report**

- Leader's Urgency Report – Decision to enter into co-operation agreement with the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) for Collaborative Delivery Services –15 March 2018 - PUBLISHED

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### **PROPOSALS AND ANALYSIS OF OPTIONS**

1. On 15 March 2018 the Leader delegated authority to the Chief Executive to enter into a Collaborative Delivery Agreement (Section 113, Local Government Act 1972) for shared services across Children's Services, Adult Social Care and Public Health with the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC). This decision was exercised on 29 March 2018.

#### **Children's Placements Service**

2. It is proposed that notice be given to end H&F delivery of the shared service of the Children's Placement service, which has responsibility for placing Looked after Children and Children leaving the care system. The placements team provides a single point of contact and duty service for social workers requiring placement for a child entering care or needing a change of placement.
3. The overarching options for future delivery of the Children's Placements service are:
  - Option 1 – Remain as is, with this option the Collaborative Delivery Agreement would need to be varied to reflect increased activity for H&F placements and an overspend is anticipated with this option.
  - Option 2 – Return the function into H&F Children's Services. This is the recommended option and will enable closer scrutiny of placement finance and commissioning. A separate structure is being considered on the option of locating the team within Children's Commissioning.

#### **Local Safeguarding Children's Partnership (LSCP)**

4. It is proposed that notice also be given to end H&F's delivery of the shared service of the Local Safeguarding Children's Partnership under the Agreement. The LSCP is a statutory multi-agency partnership arrangement, of both statutory and voluntary agencies, which coordinates local work to safeguard and promote the welfare of children and to ensure the effectiveness of the member organisations.
5. The LSCP's principal role is one of local scrutiny and governance in respect of all child protection and safeguarding practice, whereby the partners have a statutory responsibility to hold each other to account and improve outcomes for children, families and communities.
6. An independent review of the three borough LSCP was commissioned in August 2020 and the final report has been submitted to Partners<sup>1</sup> and will be published. Whilst the findings do not make clear recommendations about whether to remain as a three borough LSCP, they reflect the recent experience of H&F in concluding that *'there is evidence that the current arrangements, structure and purpose do not meet the demands of an ever-changing landscape'*.
7. The inherent differences in the three boroughs make it difficult to effectively respond to each borough's specific issues and priorities, and the LSCP encounters challenges with ensuring that borough specific issues are addressed. It is evident that Hammersmith & Fulham's relationship with the Bi-Borough is no longer sufficiently connected to ensure a proportionate and equally focused arrangement, which fully addresses H&F agendas and initiatives and for this reason disaggregation to sovereign delivery is recommended. The recommended approach is to return the LSCP function to sovereign delivery in H&F commencing on 1 April 2021.

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<sup>1</sup> Partners include the Met Police, Probation, CAFCASS, London Fire Brigade and the CCG.

### Action for Change Programme

8. The Action for Change programme delivered under this Agreement is a service providing intensive and assertive outreach to assist birth parents who have had their child or children removed permanently from their care, and for pregnant women who have had children removed from their care previously. The service aims to prevent recurrent care proceedings by helping birth parents to have a better understanding of the reasons for the previous removal of their child and to help manage the consequences of having a child removed.
9. The Action for Change team occupies a unique position of being within Children's Services but also separate and independent from individual social work teams. This can offer important opportunities and benefits that enable families and parents to engage in non-statutory support and intervention.
10. Proposals for this programme include a reduction in the overall funding contributions by H&F with a corresponding reduction in referrals made. Revised referral criteria and greater oversight of cases being put forward for the programme will ensure improved use of resources and that those families most likely to benefit from an intervention access the service. The Children's Services permanence panel will serve as the gateway for new referrals and tracking cases from referral through to closure.

### Remaining Services

11. There are no proposed changes to remaining shared services listed in the table below at the current time on the basis they currently represent value for money and would present both financial and operational challenges to deliver on a sovereign basis. In addition to this, services such as fostering have a strong reputation for service delivery and quality following inspections.

Service	Hosting Arrangement
<b>Fostering &amp; Adoption</b> Recruits, prepares and assesses foster carer resource, approved to meet the placement needs of Looked after Children.	LBHF
<b>Multi-agency Safeguarding Hub (MASH)</b> MASH is a multi-agency function that combines agencies from a range of services to coordinate and make use of combined knowledge to safeguard vulnerable children and adults.	WCC
<b>Emergency Duty Social Work Team (EDT)</b> The EDT service is a statutory service designed to provide urgent out of hours referrals for statutory intervention, specifically to protect vulnerable adults and children across all 3 boroughs.	RBKC
<b>Family Services and Education Projects including Centre for Social Work and Music Hub</b> Continuation of services and projects listed in the original Agreement	RBKC

<p><b>Troubled Families Business Intelligence</b> Key to the measurement processes of this service is a single data system (BIDS) which uses data from a range of sources to identify families from all three boroughs to track progress of the families concerned.</p>	WCC
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## REASONS FOR DECISION

12. Returning both the Children’s Placement service and the LSCP to sovereign delivery in H&F will enable greater control and improved integration of services across Children’s Social Care. Returning Placements and reducing Action for Change contributions will also ensure services are delivered within budget and provide financial contributions towards H&Fs Children’s Services savings targets.

## EQUALITY IMPLICATIONS

13. There are no anticipated negative implications for groups with protected characteristics, under the equality Act 2010, by the approval of these proposals.
14. The decision relates to a protected characteristic deemed vulnerable (young people). Officers have indicated that by bringing these services to sovereign delivery by H&F there will be no decommissioning any services, only changing the operational arrangements to deliver them.

*Implications completed by: Fawad Bhatti, tel. 07500 103617.*

## RISK MANAGEMENT IMPLICATIONS

15. Shared Services arrangements should be reviewed periodically to ascertain if performance and value for money is being delivered. The report’s Financial Implications point to several convincing contributing factors that suggest the most appropriate option is to re-establish sovereign based services for the Children’s Placement service, which has responsibility for placing Looked after Children and Children leaving the care system. Additionally, the proposals recommend that the Local Safeguarding Children’s Partnership (LSCP) return to a sovereign service to enhance scrutiny and decision making to fully address local issues.
16. Returning the services to sovereign delivery will enable greater control of service delivery and ensure services are delivered within budget and provide contributions towards the Children’s Services savings targets. Consideration would naturally have to be given to ensure that operational risks, such as information management (data), people and service user are managed within a re-integration project.
17. The Section 113 agreement would need to be amended to reflect the changes as outlined in the report to maintain clear governance of the remaining Shared Services.

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

**List of Appendices**

N/A

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Procurement Strategy for School Meals

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

**Responsible Director:** Jacqui McShannon - Director of Children's Services

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### Summary

This report seeks approval of the procurement strategy for School Meals (Appendix A) for services from 06 June 2021 for a period of two (2) years to 05 June 2023 with the option to extend for a further one (1) year up to 05 June 2024.

School Meals are an essential service used by children and young people in the London Borough of Hammersmith & Fulham (H&F) which ensures that school aged children eat at least one nutritionally balanced meal each day.

### Recommendations

1. Appendix A and Appendix B 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).
2. To approve the procurement strategy at Appendix A of this report to run a mini competition under ESPO Catering Services framework 704\_18 Lot 1 (Education). The estimated contract value is as detailed in Appendix A.

**Wards Affected:** All

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### H&F Priorities

<b>Our Priorities</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
<ul style="list-style-type: none"><li>• Building shared prosperity</li></ul>	Employment of local residents and use of local produce where possible
<ul style="list-style-type: none"><li>• Creating a compassionate council</li></ul>	A range of meal options to suit all students needs
<ul style="list-style-type: none"><li>• Doing things with local</li></ul>	Schools can choose to join the contract or make other arrangements that better suit

residents, not to them	their needs
<ul style="list-style-type: none"> <li>• Being ruthlessly financially efficient</li> </ul>	Cost neutral service to the Council, however economies of scale will help to achieve best value for schools
<ul style="list-style-type: none"> <li>• Taking pride in H&amp;F</li> </ul>	Ensuring students receive a nutritious healthy meal each day and are able to thrive in school
<ul style="list-style-type: none"> <li>• Rising to the challenge of the climate and ecological emergency</li> </ul>	Developing relationships with local suppliers and ethical, sustainable sources and supply chains

### **Financial Impact**

There is no direct financial impact to Hammersmith and Fulham Local Authority (LA) however there are financial implications for schools which will be met by each school's individual schools budget funded from the Dedicated Schools Grant.

Each school that enters into the contract will pay for the service based on the number of staff, overheads and meal prices for their school. Each school will be invoiced directly by the supplier. The model ensures that each school only pays for their own service costs whilst continuing to benefit from the economies of scale generated by being in a large volume contract.

An average cost increase of approximately 11% is expected under the preferred option based on ESPO framework food increases. Any increase in costs is met by schools but should be offset by an increase in meal income that the school would expect to receive from parents and staff. Schools also receive Universal Free School Meal grant and pupil premium grant income which meets a proportion of schools' meals cost within their delegated budgets.

There is no requirement for a school to enter into this new arrangement. If a school decides not to enter into this, it would need to make alternative arrangements which again would be met from their individual school budget.

The current SLA arrangements generate c.£102,000 income for the LA which contributes to posts within the LA commissioning and contract management functions including the School Meal Technical Advisor post. The projected income under the new contract arrangements is c.£84,000 representing a shortfall of c.£18,000 which will require mitigations to be identified to ensure the stability of funding for these LA functions. If mitigations cannot be found, staffing efficiencies will be needed by April 2021 at the latest to offset this loss of income.

### **Legal Implications**

This report recommends that the Cabinet approves the procurement strategy to provide school meals. The value of these services is above the EU threshold for social and other services, which is currently £663,540. The Public Contracts



Regulations 2015 ('PCR') therefore apply in full. As these services fall under the Light Touch Regime, regulations 74-77 PCR apply.

The Council is required by the PCR to undertake a competitive procurement exercise. The use of a framework is permitted in accordance with regulation 33 PCR.

The preferred framework, ESPO Catering Services framework 704\_18, has been reviewed by legal. This framework was procured in accordance with the EU public procurement rules and can be accessed by any local authority. It is therefore a compliant procurement route for the Council. It is proposed that a mini-competition is conducted under Lot 1 (Education). Officers must ensure that the rules for the mini-competition stipulated under the framework are followed.

*Legal implications completed by Natasha Barlow, Paralegal at Sharpe Pritchard LLP on secondment to the Council, [nbarlow@sharpepritchard.co.uk](mailto:nbarlow@sharpepritchard.co.uk) and Hannah Ismail, Solicitor at Sharpe Pritchard LLP, [hismail@sharpepritchard.co.uk](mailto:hismail@sharpepritchard.co.uk)*

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Verified by Emily Hill, Director of Finance

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#### **Background Papers Used in Preparing This Report**

N/A

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## DETAILED ANALYSIS

### Proposals and Analysis of Options

1. Officers have conducted a robust options appraisal and considered all options within the available timescales to ensure that a high-quality school meals service can continue to be delivered to all H&F schools that form part of the current contract arrangements. These options are set out below.
2. The recommended option takes account of the ongoing workstreams including Universal Free School Meals Pilot and Fulham College Boys and Woodlane High School.
3. The strategy includes a number of key priorities:
  - Working with schools to ensure no child is too hungry to learn
  - A service that provides high quality, delicious and nutritious food
  - Developing relationships with local suppliers and ethical, sustainable sources and supply chains
  - A key focus on curriculum including healthy eating, allergy awareness and environmental impact
  - Utilising 'grow your own' opportunities wherever possible and working with local organisations to support this work
  - Understanding the wider impact of healthy eating on achievement, attainment and other social settings
  - A flexible and value-added service
4. Providing employment and education opportunities to residents of the borough is a key priority for H&F. This procurement also proposes to include key social value benefits with particular focus on providers maximising local employment and training opportunities particularly recruitment of H&F care leavers and SEN employment pathway candidates as well as supporting student attendance in schools through accredited training or vocational opportunities. The providers method statement for achieving this will be assessed during the evaluation of tenders. Responses from providers should include but not limited to how many care leavers supported, how many SEN employment pathways students supported, what and how many vocational opportunities delivered per annum or for the total duration of the contract.
5. We are considering three procurement options and recommending the most economically advantageous option outlined below.
6. **Option 1 – Recommended**

To provide schools with the choice of three operating models:

Operating Model 1: H&F conducting a procurement through the ESPO framework (Catering Services – Framework 7014\_18), for a period of two years with the option to extend for a further 1 year. During the two-year contract it is recommended schools should work together with the support

of the Learning Partnership and colleagues in Education to consider alternative delivery models such as informal clusters/federations to procure their own services or insource their provision at the end of the initial two-year period. This model will support the broader Education priorities of developing independent food resilience programmes within the growing network.

OR,

Operating Model 2: For schools who deem it as a viable option, to insource their School Meals provision at the end of the current contract in June 2021. Head Teachers could contract directly with a support organisation of their choice to assist them in bringing their School Meals service in house.

OR,

Operating Model 3: Schools also have the option to make alternative arrangements outside of the above.

7. **OPTION 2 – (Not Recommended) A complete insourcing model for all schools.**

All schools to insource their School Meals provision at the end of the current contract in June 2021 on a phased approach (*to ensure efficiency of the model and reduce risk on the service*). Schools may choose to contract a support organisation to assist them in bringing their School Meals service inhouse.

Given the current COVID-19 pandemic and school resource required to mobilise new services this option is not recommended. Any schools wishing to explore this as a viable option would need to consider the risks and benefits of such a model. It is also anticipated that this option will see an increase in costs to schools as a result of the increased management overheads. Whilst the increase in costs could be negated through schools forming informal federations and clusters to share the overheads, given the other priorities as a result of COVID-19 and the current contract ceasing in June 2021 it is unlikely this will be viable for many schools at this stage.

8. **OPTION 3 – (Not Recommended) – A complete insourcing model for schools, with a council facilitated management element providing training and support to schools and their chefs.**

Kitchen staff to be directly employed by each school. Managers of the head chefs / kitchen managers in each school to be employed by the Council. The Council would contract a support provider through a competitive procurement exercise to assist with this element of insourcing. The Council would essentially be acting as an intermediary in this arrangement.

This option is not recommended for the following reasons:

- It would increase costs for schools as the additional management overheads would be passed to each school in their annual SLA costs.
- There would also be significant increase in risk to the Council as it would have direct responsibility for the management of allergens and health and safety. These risks are currently managed by knowledgeable and experienced outsourced catering providers. There is also a significant lack of sector expertise and management capacity within the existing structure of the Council which would add further risk.
- The structure would also add an unnecessary layer of management, with schools being the employer of the chef but not holding line management responsibility.

### **Reasons for Decision**

9. Option 1 is recommended for schools to join the Council's contract procured via a mini competition under the ESPO Catering Services framework. This option will enable schools to maintain provision whilst providing time for them to explore the opportunities of alternative delivery models and to develop capacity for such models.
10. It is anticipated that only a small number of schools will be in a position to progress with an insourced / alternative delivery model at the end of the current contract in 2021. COVID-19 has significantly impacted schools capacity to consider such models of creating informal clusters and federations to share the additional management overheads of a different model.
11. School Meals are an essential service used by children and young people in the London Borough of Hammersmith & Fulham (H&F) which ensures that school aged children have access to at least one nutritionally balanced meal each day.
12. The provision of free school meals is a statutory provision within the Education Act 2003. Each governing body has a duty to provide free lunches for eligible pupils and to provide the opportunity for other pupils to buy lunch.

### **Equality Implications**

13. There are no direct negative equality implications for protected groups because of this procurement and approval of payments as set out in the Recommendations, under the Equality Act 2010.
14. It is anticipated that there will be a neutral impact on protected groups through the continued provision of school meals, which will enable children and young people to be provided a nutritionally balanced meal according to their dietary requirements with very few changes to the service.

15. Implications verified by: Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617.

### **Risk Management Implications**

16. Proposals are aligned to council priorities and ensuring that the key strategy objective that no child is too hungry to learn. Market testing can provide additional Social Value opportunities to benefit local employment and are referenced in 4. Of the detailed analysis. Contract and performance management of contractors are key requirements of the council's approach to being Ruthlessly Financially Efficient and are outlined in the Procurement Strategy along with the timescales and milestones for delivery. Organisations working with the council must take regard of any applicable laws in respect of food safety and are delivered in a Covid-19 safe manner. This means that organisations are to follow industry, health and safety executive and HM Government guidelines.
17. Implications verified by Michael Sloniowski tel 020 8753 2587

### **Consultation**

18. Early indications from schools suggest that the majority are not currently in a position currently to deliver school meals through an alternative delivery model. A meeting was arranged with an example insourcing support provider and Head Teachers to discuss the concept of an insourced delivery model; however, no responses were received so this was postponed.
19. Officers will relaunch engagement with schools in the development and consultation process to support them in exploring and understanding alternative delivery models.
20. Moving forward we expect that schools will form clusters and federations to procure their own school meals service. The new clusters will enable them to procure services based on local priorities and student demographics to ensure a targeted approach.
21. Consultation has also been undertaken with Adult Social Care Commissioning colleagues to explore the synergy between School Meals and the Meals on Wheels service. It was concluded that the services have significant differences and as such there is not any possible alignment.
22. Colleagues in Public Health have been consulted as part of the development of this strategy. Public Health (PH) are commissioning Healthy Weight and Nutrition services. The PH specification includes a requirement for the contractor to equip the wider community with cooking skills and nutrition education to actively promote healthy eating including Plan, Cook & Eat Cookery Clubs. These services will in turn compliment the School Meals commissioning activities in the promotion of healthy and sustainable eating.

**List of Appendices:**

Appendix A – Procurement Strategy (exempt)

Appendix B – Options Analysis and Financial Analysis (exempt)

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Rough Sleeping Services Procurement Strategy

**Report of:** Councillor Lisa Homan – Cabinet Member for Housing

**Responsible Director(s):** Tony Clements - Strategic Director of the Economy

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### Summary

An independent Rough Sleeping Commission was established in 2017, the recommendations were all accepted and have shaped the development of the procurement strategy proposed in this report. The strategy will play a significant role in delivering the Council's policy of ending rough sleeping and reducing the social exclusion and inequality experienced by rough sleepers.

In Feb 2020, Cabinet approved the procurement strategy for eight existing service contracts for rough sleepers and people with a history of homelessness. The tender opportunity was due to be published in March 2020 but was withdrawn due to the impact of the pandemic. In July 2020, the H&F Rough Sleeping Delivery Board agreed a review of the original procurement strategy was required to assess whether changes were required to address the impact of COVID-19. The findings of the review were reported to that Board in September 2020 and it was agreed changes to the strategy were required. The revised procurement strategy proposes to procure three new contracts for rough sleepers to replace existing contracts.

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### Recommendations

1. Appendix 2 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).
2. That the Business Case & Procurement Strategy for the procurement of three new Rough Sleeping Services contracts as set out in Appendix 1 attached is approved.

**Wards Affected:** All

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## H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"> <li>Creating a compassionate council</li> </ul>	<p>As a compassionate H&amp;F is committed to ending rough sleeping and the harm it causes to individuals and communities. New services will contribute to better outcomes for homeless people.</p>
<ul style="list-style-type: none"> <li>Doing things with local residents, not to them</li> </ul>	<p>The views of over 100 homeless people have been taken into consideration in developing the recommendations in the Rough Sleeping Procurement Strategy. Tenderers approaches to co-production will be assessed.</p>
<ul style="list-style-type: none"> <li>Being ruthlessly financially efficient</li> </ul>	<p>By issuing a tender with a fixed envelope for the lifetime of the contracts, we are ensuring contracts are delivered whilst minimising the risk of any unexpected increases in costs. This means the successful bidder will be expected to accommodate LLW and deliver efficiencies to accommodate any uplifts to LLW over the proposed duration of the contract.</p>

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## Financial Impact

### Funding

This report recommends undertaking a procurement strategy to consolidate nine existing rough sleeping contracts into three as set out in Appendix 1. The contract costs will be based on a fixed price but there is currently an expected funding shortfall for 2021/22 of £100,000.

This funding shortfall will increase from 2022/23 to £213,000 as the current funding arrangements include a contribution of £113,000 from an earmarked reserve which will be exhausted by the end of the 2021/22.

Significant cost mitigation work has already been carried out and this includes procuring fixed cost contracts to ensure service delivery whilst minimising the risk of any unexpected increases in costs, the consolidation of contracts to enable economies and cost reductions and the expectation that contractors will need to deliver efficiencies in order to accommodate the London Living Wage.

### Resolving the shortfall

Officers have identified a number of options to enable the £100,000 shortfall to be funded in 2021/22. These include an expectation that income collection performance on the Council's temporary accommodation portfolio will continue to be sustained



thereby releasing up to £100,000 from the increase in bad debt provision budget, and the drawdown of up to £100,000 from the Council's allocation of Homelessness Prevention Grant which has not currently been allocated to committed spend. Assuming income collection performance remains at the current level and that MHCLG funding levels are sustained, it should be possible to contain the additional funding shortfall from 2022/23 onwards (a further £113,000, so £213,000 per year in total) as it will be possible to release a further £63,000 of General Fund revenue budget following the expiry of a contract for a Rough Sleeper Day Centre from 1<sup>st</sup> November 2021. Further mitigation actions regarding consolidation options are also being considered as the post Covid-19 financial environment becomes clearer.

### Other risks

There is a risk of overspend in future years should any of the MHCLG funding (Rough Sleeping Initiative grant of £93,000 plus Rough Sleeping Accommodation Programme grant of £60,000) be withdrawn or reduced. The Council would expect at least a year's notice of this to allow time for the contracts to be modified to ensure they are affordable. In the event, that an affordable variation is not possible, the contracts include a six month no fault break clause.

There is a further risk of overspend / curtailment of the service should the Council need to make further reductions in spend as a result of the financially challenging conditions that continue to be faced.

### Procurement

A further decision report will be required to enable the award of contracts and this will set out the detailed financial implications including the funding options identified to eliminate the shortfall.

Finance officers will work closely to support the service to confirm the cost and funding sources, as well as appropriate comments to mitigate financial risk, confirm the financial status of contractors and assess value for money and affordability.

Implications completed by: Danny Rochford, Head of Finance (Economy), 020 8753 4023. Implications verified by: Emily Hill, Director of Finance

### **Legal Implications**

The proposed contracts relating to supported housing (Contract 1), street outreach (Contract 2) and homeless health inclusion (Contract 3) services fall under the category of "Social and other Specific Services" under the Public Contracts Regulations 2015 (PCR). This is known as the "Light Touch Regime" as it has more flexible procedural requirements than the standard requirements. The existing EU threshold for such contracts under the PCR is £663,540. As the value of Contracts 1 and 2 exceed this threshold the Light Touch Regime provisions under the PCR apply in full. In the absence of a suitable framework agreement, a procurement exercise must be undertaken in order to comply with the PCR. However, under the `Light Touch Regime` regulations 74-76 of the PCR only requires that a contract notice is placed and that some form of competitive exercise is undertaken which follows the principles of fairness and transparency.

In practice it is often the case that in order to demonstrate fairness and transparency, it is easiest to adopt one of the standard procedures that apply to contracts not covered by the Light Touch Regime. The PCR require some sort of competitive award process to be undertaken, here it is proposed to adopt a process which mirrors the competitive procedure with negotiation for Contract 1 and the restricted procedure for Contracts 2 and 3. This complies with the PCR. Two separate contract notices must be published in the Official Journal of the European Union prior to the procurement process followed by two contract award notices at the conclusion of the procurement process. The justification for treating Contract 1 differently is set out in the Strategy at Appendix 1.

In relation to Contract 3, the estimated value falls below the existing EU threshold set out above. Nonetheless, the Council is required to comply with the Public Contract Regulations 2015 and to comply with the general principles of transparency, equal treatment, non-discrimination and proportionality, therefore undertaking a competition exercise would be encouraged in order to adhere to these principles.

The proposal is to amalgamate Contracts 2 and 3 services into one procurement in the form of two separate lots in accordance with Regulation 46 of the PCR. This is considered in the procurement strategy at Paragraph 1.2 below.

The total value of the proposed contracts in accordance with CSO 16.1 is considered a high value contract. CSO 18.1 provides that for a high value contract the approval process for the Procurement Strategy lies with Cabinet (as the value of the total value of the proposed contracts are in excess of £5m). Further, CSO 36 outlines the requirements for the Procurement Strategy which have been complied with in preparing this report.

*Implications completed by Hannah Ismail, Solicitor, Sharpe Pritchard LLP, external legal advisers seconded to the Council tel 0207 405 4600*

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## Background Papers Used in Preparing This Report

NONE

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### DETAILED ANALYSIS

#### Proposals and Analysis of Options

1. A Service Review Team undertook a comprehensive service review of existing rough sleeping services in 2019/20 in accordance with CSO 17.2. A further review was undertaken in July-September 2020 to assess the impact of COVID-19 on future services.
2. It is proposed to procure three new contracts as follows:

<b>Contract</b>	<b>Type of service</b>	<b>Procurement method</b>
<b>Contract 1</b> – five plus two years with an annual contract value as set out in the exempt part of the agenda	135 Units of high quality, high support accommodation for rough sleepers and other vulnerable homeless people	Competitive procedure with negotiation
<b>Contract 2</b> – three plus two years with an annual contract value as set out in the exempt part of the agenda	Rough sleeper street outreach support and Housing First <sup>1</sup> services.	Restricted procedure. Amalgamate contracts 2 and 3 into the same procurement in the form of two lots.
<b>Contract 3</b> – three plus two years with an annual contract value as set out on the exempt part of the agenda	Homeless health inclusion services including peer support/co-production, screening, information and advice services to improve health & well-being outcomes.	Restricted procedure. Amalgamate contracts 2 and 3 into the same procurement in the form of two lots.

3. All the relevant factors and options are set out in detail at sections 1.3 to 1.20 and 3.1 to 3.2 in Appendix 1, including the business case and procurement options.

#### Reasons for Decision

4. A robust procurement strategy is necessary to ensure an effective use of council resources and the delivery of strategic priorities and objectives. The aim of the Rough Sleeping Services Procurement Strategy is to deliver better outcomes and value for money and contribute significantly to the delivery of the Council's policy objective of ending rough sleeping in the borough.

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<sup>1</sup> Housing First is an internationally recognised innovative service for rough sleepers with multiple and complex needs. Evidence indicates the model achieves good outcomes and potential savings from other public service budgets.

### **Equality Implications**

5. An Equality Impact Assessment indicates there will no negative impact on protected groups resulting from the recommendations in the report. The new provider of Contract 1 is expected to demonstrate how they will organise local services to better meet the needs of vulnerable women which is expected to have a positive impact.
6. The completed Equality Impact Assessment is detailed in Appendix 3.

Implications verified by Fawad Bhatti Social Inclusion and Policy Manager Tel: 07500103617

### **Risk Management Implications**

7. Being ruthlessly financially efficient means the Council must review the effectiveness of contracts regularly to ensure objectives are being delivered to the highest quality for service users and taxpayers. Regular review of the procurement strategy helps to shape future policy thus ensuring the service continues to meet its objective of creating a compassionate council. All contracts must be monitored both for value for money and quality of service delivery throughout. These are consistent with the corporate risk register entries, specifically commercial contract management and procurement risks, rules, outcomes, social value, management of spend and performance of contractors. All contracts to demonstrate assurance on the safe operation of services including management of any Covid related risk, compliance with Health and Safety Executive and HM Government applicable guidelines.

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

### **Consultation**

8. Full details of all the stakeholders consulted is included at paragraphs 1.19 to 1.22 in Appendix 1.

### **Local Business Implications**

9. Having efficient rough sleeping and single homelessness services will contribute to a better environment in the borough, including for local businesses. The service could also explore any opportunities to work with local businesses on any relevant issues and solutions. Providers will be encouraged to work with the Work Matters team to identify local residents who could take up any vacancies.

Implications verified by Albena Karameros Programme Manager 07739 316957

### **ICT Implications**

11. No IT implications are considered to arise from this report as it seeks approval for a commissioning and procurement plan for homelessness services.
12. IM implications: a Privacy Impact Assessment(s) should be carried out to ensure that all the potential data protection risks (e.g. in sharing service user data with providers) arising from this model are properly assessed with mitigating actions agreed and implemented – for example, ensuring that any IT

suppliers to any providers have completed (Cloud) Supplier Security Checklists to ensure the systems used by the providers comply with H&F's regulatory and information security requirements.

13. Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
14. Any suppliers appointed as a result of this model will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.

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

### **HR IMPLICATIONS**

15. It is considered that TUPE (Transfer of Undertakings, Protection of Employment) will apply, in terms of existing staff transferring to a new provider (if the incumbent provider is not the successful tenderer) but this does not involve any council staff or staff with council terms and conditions.

### **List of Appendices:**

- Appendix 1 - Rough Sleeping Services Procurement Strategy
- Appendix 2 – Exempt Information
- Appendix 3 – Equality Impact Assessment

## Appendix 1

### Procurement strategy - Contracts for Rough Sleeping Services Strategy Approved by Andra Ulianov – Head of Procurement & Contracts

#### 1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED

##### Procurement Scope

- 1.1 We are proposing to procure three new contracts to deliver a range of rough sleeping services; these contracts will replace nine existing contracts outlined below at section 1.7. The three new contracts will deliver the following services:

<b>Contract 1</b> – five plus two years with an annual contract value as set out in paragraph 1.0 in the exempt part of the agenda	135 Units of high quality, high support accommodation for rough sleepers and other vulnerable homeless people
<b>Contract 2</b> – three plus two years with an annual contract value as set out in paragraph 1.0 in the exempt part of the agenda	Rough sleeper street outreach support and Housing First <sup>2</sup> services.
<b>Contract 3</b> – three plus two years with an annual contract value as set out in paragraph 1.0 on the exempt part of the agenda	Homeless health inclusion services including peer support/co-production, screening, information and advice services to improve health & well-being outcomes.

- 1.2 The contracts are intended to benefit the Council and residents in the following ways:

- achieve better outcomes for rough sleepers and those at risk of rough sleeping;
- improve the health and well-being of vulnerable residents;
- increase social inclusion and engagement;
- promote independence and reduce demand for more intensive health and social services;
- provide added and social value;
- contribute to the policy objective to end rough sleeping in the borough;
- a consolidation of services to reduce management overheads and transactional costs and re-direct resources into front-line services;
- stimulate the market to develop innovative solutions to rough sleeping;
- ensure a ruthlessly efficient use of financial resources; and
- meet homeless people’s aspirations.

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<sup>2</sup> Housing First is an internationally recognised innovative service for rough sleepers with multiple and complex needs. Evidence indicates the model achieves good outcomes and potential savings from other public service budgets.

### **Business case – why the procurement is needed**

- 1.3 On 3.12.18, Cabinet approved the policy direction for reforming specialist housing. The report set out how a transformed supported housing offer can contribute to the Council's strategic priorities as set out below. This procurement strategy is aligned with the policy framework approved by Cabinet in December 2018.

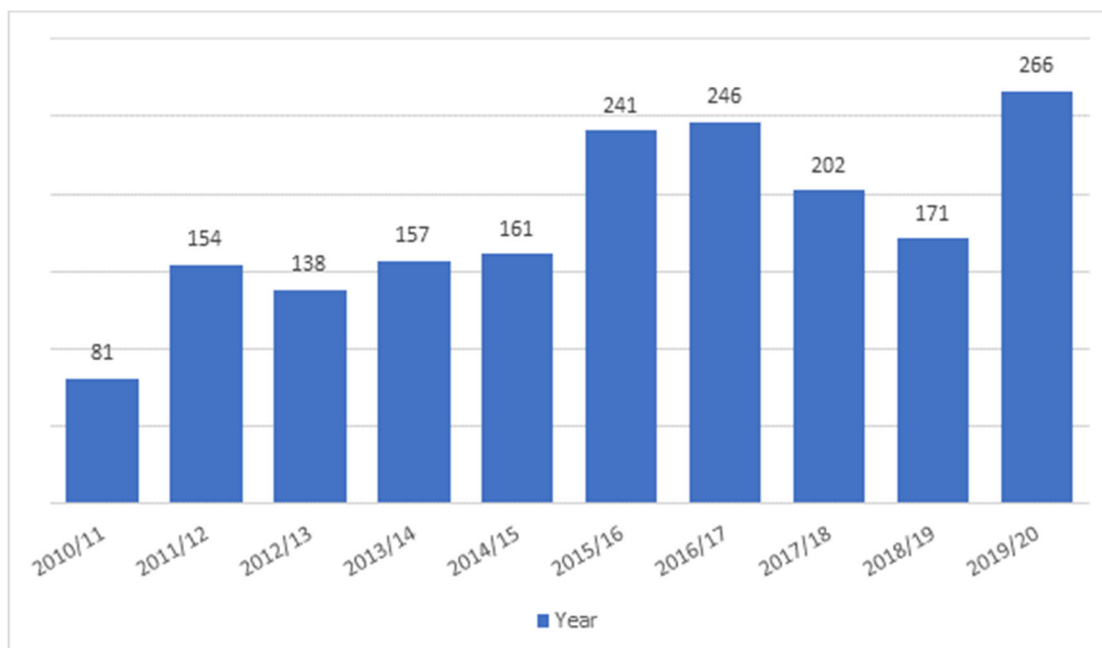
In February 2020, Cabinet approved the procurement strategy for rough sleeping services expiring in 2020. The tender opportunity was withdrawn in March 2020 due to the pandemic. A recent review of the original strategy indicates some changes are required to address the impact of COVID-19; these are set out in the exempt Appendix 2.

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

### **The Policy Drivers**

- 1.4 H&F is determined to end rough sleeping in the borough and address the harm it causes to individuals and communities; this procurement strategy aims to improve local services to meet the needs of vulnerable homeless people; improve health and well-being and to contribute to the Council's strategic priorities.
- 1.5 In 2017-18, an independent Rough Sleeping Commission was established to review local services and make recommendations to help the council deliver our policy objective of zero rough sleeping. A Rough Sleeping Partnership Board, involving residents with lived experience of homelessness, and statutory and voluntary agencies acts as a critical friend to the Council. The Commission's recommendations and the Partnership Board's views have shaped the procurement strategy.
- 1.6 Rough Sleeping continues to rise in London; 8,855 rough sleepers were seen by outreach workers in London during 2018-19, an **18% increase** compared to 2017. There was evidence our strategy is having an effect in H&F as rough sleeping in the borough reduced by 15% in 2018-19 compared to 2017-18 and a 30% reduction since 2016-17. However, as Table 1 below indicates rough sleeping rose by 56% in H&F in 2019-20.
- 1.7 In addition, during the period 15.3.20 to 1.11.20 H&F has offered emergency accommodation to over 340 rough sleepers and people at risk of rough sleeping during the pandemic under the *Everyone In* initiative.

**No. people seen rough sleeping in Hammersmith & Fulham 2008/09 to 2019/20**  
**CHAIN DATA – Table 1**



- 1.8 Currently, the council commissions ten contracts for rough sleepers and people with a history of homelessness and complex health and social needs as described in Tables 2-4. Details of the tenth contract are set out in the exempt Appendix 2. A service review has demonstrated the importance of these services to the Council's response to rough sleeping; reducing health inequalities and improving social inclusion and well-being of vulnerable residents.

**Table 2 Supported Housing**

No.	Contract Name	Provider	Type of services
1	The Old Theatre	St Mungo's	Very high support accommodation for 12 men and women with multiple & complex needs
2	Edith Rd	St Mungo's	High support accommodation for 24 men with a range of needs including offending, substance use, mental health
3	Hope Gardens	St Mungo's	High support accommodation for 31 men and women with a range of needs including offending, substance use, mental health.
4	Assessment Centre	Look Ahead	High support accommodation for 27 men and women with a range of needs including offending, substance use, mental health.
5	Shepherds House	London Cyrenians	High support accommodation for 10 men and women with a range of needs including offending, substance use, mental health.



**Table 3 Rough Sleeper Street Outreach Service & Housing First**

No.	Contract Name	Provider	Type of services
6	Street Outreach Services	St Mungo's	Shifts at night/early morning to respond to sightings of rough sleepers and to support people to find a route off the streets. Team has good knowledge of individuals, hotspots and works in partnership with multiple agencies.
7	Housing First	St Mungo's	Intensive support for rough sleepers and people at risk of rough sleeping with multiple and complex needs.

**Table 4 Homeless Health Inclusion services**

No.	Contract Name	Provider	Type of services
8	Homeless Health Peer Support	Groundswell	Peer support to access health services, peer advocacy, co-production
9	Health & Homelessness Project	St Mungo's	Health screening, information and health promotional events

### **Demand**

- 1.9 Demand for all existing services is high.

### **Supported Housing**

Period	Supported housing occupancy levels
2017-18	97.8%
2018-19	97.2%
2019-20	98.7%

- 1.10 In the last three years, occupancy of the supported housing services has exceeded the contract key performance target of 95%. In 2019/20, 194 people were accommodated in the 135 bedspaces.
- 1.11 At November 2020, there are over twenty people in temporary and emergency COVID accommodation waiting for a place in supported housing. We want new services to help us reduce the need to place people into temporary accommodation and reduce the length of time people have to spend in temporary accommodation. Without supported housing services there would be significant pressures on temporary accommodation, health and social care services, including extra care and residential placements and the numbers of rough sleepers in the borough would increase significantly.

### **Added Value/Best Practice**

- 1.12 In addition to providing accommodation and an immediate relief from rough sleeping, the supported housing services listed in Table 2 above provide a range of person-centred interventions, support and other activities promoting social inclusion, independence and reducing risk. These include:
- asset-based support planning focusing on people's strengths not deficits;
  - co-produced support plans and risk assessments.

- tailored independent living skills programmes.
- signposting to health, social care, social inclusion and other services.
- support to access volunteering, education and employment opportunities.
- health and well-being programmes.
- managing risks to individuals and the community.

### Outcomes

- 1.13 Outcomes are measured for every resident at the point of leaving the supported housing services in table 2 above. Table 5 below shows the positive outcome rates for residents requiring help with the selected outcome domains.

**Table 5**

	<b>2017-18</b>	<b>2018-19</b>	<b>2019/20</b>
<b>Outcome domain</b>	% of positive outcomes achieved	% of positive outcomes achieved	% of positive outcomes achieved
Managing mental health better	69%	84%	71%
Managing substance use better	61%	50%	67%
Has avoided harm to others	86%	86%	77%
Managing physical health better	67%	70%	67%
Established contact with friends/families	93%	92%	96%
Secured settled accommodation	56%	66%	70%

- 1.14 **Street Outreach Service** - the street outreach team provides a statutory service. The current team consists of outreach workers and a manager and is considered to be relatively small for an inner London council. Any reduction in staff would significantly compromise the service's ability to respond to the needs of rough sleepers. While the number of rough sleepers has reduced in H&F in the last two years, the demand for the street outreach team services remains high. In 2019/20, they supported 266 verified<sup>3</sup> rough sleepers, and the team worked with an additional 50-60 people.

### Health & Well-being and Inclusion

- 1.15 There is strong evidence that people who have a history of homelessness have significantly higher levels of premature mortality and poor physical and mental health than the general population<sup>4</sup>. Our own needs assessment of people living in supported housing at July 2019 indicates the following levels of needs.

<sup>3</sup> MHCLG defines rough sleeping as "People sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down, in the open air (such as on the streets, in tents, in doorways, parks, bus shelters, ore encampments). People in buildings or other places not designed for habitation".

<sup>4</sup> Homelessness it makes you sick. St Mungo's 2008

<b>Domain</b>	<b>Prevalence rate</b>
Poor physical health	62%
Poor mental health	80%
Harmful Alcohol use	59%
Harmful substance use	78%

Case studies in the exempt Appendix 2 further highlight the complexity of need of rough sleepers and people living in supported housing and the importance of these services in addressing their needs.

- 1.16 H&F has been at the forefront of developing innovative services to reduce health inequalities. It is challenging for supported housing and outreach staff to assist homeless people to move from entrenched and chaotic lifestyles to less risky behaviours and lifestyles to improve their health outcomes in relatively short timescales.
- 1.17 While it is difficult to attribute direct causation to a specific service, our service review of the homeless health inclusion services indicates their high value. In 2017-18, a joint review with HF CCG demonstrated the services were delivering the following positive outcomes:
- reduced use of emergency/crisis services;
  - reduction in health inequalities;
  - increased resident engagement;
  - reduction in missed health appointments; and
  - improved self-care and self-esteem.
- 1.18 The full details of recent supported housing resident engagement are included in section 1.20 below, but overall residents are very satisfied with the services they are getting. However, there are areas for improvements in some of the services which will be addressed in the future service specifications, contract performance indicators and monitoring.

### **Summary**

- 1.19 The review of existing services has demonstrated the following issues to be addressed in the procurement strategy:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• High demand for services</li> <li>• High levels of resident engagement in many services</li> <li>• Good partnerships in place</li> <li>• Good move-on resources</li> <li>• Residents greatly value the support they receive in most services</li> <li>• Most residents feel safe</li> <li>• Strength-based and trauma-informed support models work well where they are embedded</li> </ul>	<ul style="list-style-type: none"> <li>• Health outcomes to be improved</li> <li>• Gap for women with complex needs</li> <li>• Throughput to be increased</li> <li>• Turnover of staff in some services is very high and this adversely affects service continuity</li> <li>• Providers face recruitment challenges</li> <li>• Residents are concerned about the slowness of landlord repair services and lack of feedback they get.</li> </ul>

<ul style="list-style-type: none"> <li>• Services divert people from more intensive health and social care settings</li> </ul>	
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### Stakeholder Consultation

1.20 A range of stakeholders' views have been sought and their feedback has been central to the development of the strategy. These include:

**Residents** - Over the last two years, we have undertaken three separate engagement projects with residents and homeless people. In 2017-18 as part of the Rough Sleeping Commission, 108 residents with experience of rough sleeping were interviewed by peer researchers. Residents told us:

- No one wanted to sleep rough
- For some people living in hostels can be challenging
- People wanted more support
- The benefits system is perpetuating homelessness

In 2018, Groundswell carried out a peer research project with supported housing residents. The main conclusions were:

- Quality of staff is paramount.
- Residents value stable staff teams; frequent turnover of staff can disrupt the continuity of support.
- Residents value the opportunity to get involved in activities that help develop their daily living skills e.g. cooking and budgeting.
- Well-maintained supported housing buildings are important to residents and help encourage people to take better care of their living environment.
- Hostels can be noisy, difficult places to live and residents would like to see staff dealing effectively with other residents' behaviour when it affects other residents.
- Most residents want to move on and live independently.
- There is considerable anxiety about the impact of Welfare Reform on day to day experiences and ability to budget.

In July 2019, officers sought the views of current residents about their services. 49 residents (47%) completed a questionnaire and/or attended one of five focus groups. We received detailed, qualitative feedback from residents which will greatly assist the service specification development and how we monitor and involve residents in the future. The headlines are:

- 63% of residents find their accommodation to be good or excellent; 33% rated it satisfactory; 2% poor and 2% very poor;
- 67% of residents rate the quality of the support they receive as either excellent or good; 25% find it to be satisfactory and 8% poor;
- 39% of residents reported they always feel safe; 61% feel they are mostly safe; no residents reported feeling unsafe.
- residents do not always feel they kept informed by support staff and landlords about repairs;

- residents report a decline in quality of the repairs' services;
- residents greatly value the support they receive.

### **Existing Providers**

- 1.21 All existing providers have been consulted on the proposed tender timetables.

### **Landlords**

- 1.22 All the landlords of the supported housing buildings have been consulted on the proposed tender timescales. All have confirmed their willingness for the properties to continue to be used. Feedback from residents has been provided to the landlords about the need to improve their responsive repairs performance. Their performance will be monitored in future contracts.

## **2 MARKET ANALYSIS**

- 2.1 The supplier markets are different for each of the proposed three contracts. A market engagement event in July 2019 was attended by 21 people from twelve organisations. There was considerable interest in bidding for services in H&F and some potential interest in partnership bids.
- 2.2 **Contract 1 - supported housing.** Currently there are four provider organisations delivering accommodation and support services to single homeless people with complex needs and rough sleepers in H&F. An analysis of organisations delivering similar services in neighbouring boroughs indicates an additional seven providers delivering similar services. An H&F tender in 2018 attracted twelve expressions of interest. We estimate between 10 to 15 provider organisations may express an interest in delivering the services. However, by consolidating contracts, the proposed new contract will be relatively large and therefore some of the interested organisations may not meet the required financial thresholds.
- 2.3 **Contract 2 – Housing First & Outreach Services.** There are fewer organisations delivering these types of services compared to Contract 1; most also deliver contract 1 services. A market analysis indicates there are between 5 -7 providers who are likely to tender for contract 2. While over 75% of London councils have a commissioned street outreach team, fewer commission Housing First services. However, at least two other local authorities have also combined the services into one contract with good effect; the rationale being; a pooled resource enables cover for Housing First outside of office hours; both services work with people with very complex needs and individuals are often known to both services and a reduction in management overheads.
- 2.4 **Contract 3 – Homeless Health Inclusion Services.** Fewer councils commission peer support and health inclusion services. The supplier market is smaller than for contracts 2 and 3 but we anticipate interest from up to approximately five organisations.

### **Market Trends**

- 2.5 Through our market analysis and engagement we have learned:

- the number of organizations providing the types of services we are looking to deliver has reduced considerably in the last five years. Causal factors include: organizational financial sustainability; fewer commissioned contracts; service decommissioning;
- most organizations are experiencing front-line staff recruitment and retention issues in London, and inner London areas especially;
- an increased focus on individuals with complex and multiple needs which presents resourcing, risk, and reputational issues;
- partnership working is critical to the delivery of successful services;
- providers are concerned about the impact of shrinking budgets on their ability to deliver good outcomes and quality services within the available resources;
- providers welcome the fixed financial envelope pricing element as it helps provide clarity about costs;
- longer contracts provide continuity of service but there are some provider concerns about the implications of longer contracts with no provision for cost of living increases;
- providers understood the rationale for the competitive procedure with negotiation for contract 1;
- there is significant market concern about the impact of Welfare Reform on the demand for supported housing services but also its affordability for vulnerable people;
- the general upkeep and maintenance of supported housing buildings by landlords (mostly Housing Associations) is under focus, as this impacts on residents' well-being – this was borne out in our engagement with residents.
- The importance of these types of services in the wider health and social care system is becoming more widely understood but NHS investment in services for homeless people is generally very low or non-existent and we need to explore the opportunities for NHS investment to ensure the future sustainability of these services, as outlined in the Rough Sleeping Commission's recommendations.
- COVID-19 has placed significant pressures on the sector, not least financial. Overall the sector has responded flexibly and agilely to the new challenges and have helped keep vulnerable people safe.

### **3 PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS**

- 3.1 The Service Review Team considers the Council doesn't have the experience of directly delivering these services itself and because there are well-established markets in place, it is recommended we externally source these services. There are several procurement options available to the Council for the provision of the future contracts.

#### **Procurement Options**

- A. Do nothing – allow existing contracts to expire.
- B. Procure fewer services.
- C. Establish a multi – provider Framework Agreement to enable the Council to call off contracts.

- D. A two-stage Restricted Tender, with an initial qualification stage to shortlist a pre-determined number of organizations to proceed to the second stage of the evaluation process.
- E. An Open Tender for the future contract.
- F. Competitive Procedure with Negotiation.

3.2 There are different market and business considerations for each contract. These differences are reflected in the options appraisals below.

Option	Advantages	Disadvantages/Risks	Recommended YES/NO
A	<ul style="list-style-type: none"> <li>• Significant savings will be delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Considerable risks to policy objective of ending rough sleeping.</li> <li>• Alternative accommodation and support will need to be found for 110 residents, many of whom have been assessed as not able to live in general needs housing.</li> <li>• Cost transfer to other council budgets.</li> <li>• Increased risk to individuals and the community.</li> </ul>	NO
B	<ul style="list-style-type: none"> <li>• Savings will be achieved</li> </ul>	<ul style="list-style-type: none"> <li>• The number of units of accommodation has reduced over recent years and it is assessed any further reduction at this stage will adversely impact on rough sleeping numbers.</li> </ul>	NO
C	<ul style="list-style-type: none"> <li>• ASC has experience of using Frameworks.</li> <li>• Services can be divided up into Lots.</li> <li>• Universal specification requirements supplemented at call-off to meet individual service requirements.</li> <li>• Streamlines procurement effort and processes for Council and providers.</li> </ul>	<ul style="list-style-type: none"> <li>• A Framework is likely to take 3-4 months longer to establish and it is unlikely new contracts will be in place in time.</li> <li>• Frameworks are time limited so are only beneficial if there are several procurements required in a 4-year period.</li> <li>• Can be unwieldy for smaller providers.</li> <li>• Would require the same procurement approach for each contract which is unlikely to suit our requirements.</li> </ul>	NO
D	<ul style="list-style-type: none"> <li>• The Council can restrict the number of organizations it wants to shortlist, while ensuring enough quality bids</li> </ul>	<ul style="list-style-type: none"> <li>• By restricting the number of Tenders, the Council may limit competition.</li> </ul>	YES, for contracts 2 and 3

	<ul style="list-style-type: none"> <li>• Services can be divided up into lots</li> <li>• Reduces the Council's transactional costs associated with the evaluation of many tenders.</li> </ul>		
E	<ul style="list-style-type: none"> <li>• Increases competition and maximizes the number of tenders available to be assessed.</li> <li>• Services can be divided up into lots.</li> </ul>	<ul style="list-style-type: none"> <li>• A burden on providers that are not able to meet the requirements of the specification who waste time submitting tenders.</li> <li>• Evaluation of a significant number of full tenders will not necessarily produce a better outcome.</li> </ul>	NO
F	<ul style="list-style-type: none"> <li>• Beneficial where the specification cannot be established with sufficient precision.</li> <li>• Can stimulate innovation.</li> <li>• Enables a more informed submission to meet the Council's requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Increases the length of the tender for the Council and tenderers.</li> <li>• Unsuitable for smaller contracts where the full specification requirements are known.</li> </ul>	YES, for Contract 1

#### **4 RISK ASSESSMENT AND PROPOSED MITIGATIONS**

<b>Issue</b>	<b>Risk</b>	<b>Proposed Mitigations</b>
Contract values	Significant area of expenditure. Value for money critical.	Fixed envelope to ensure costs remain within the available budget envelope. Robust contract monitoring to ensure contract outcomes and requirements are met. Contract provisions to withhold payments if KPI's not achieved.
COVID-19 has increased the cost of delivering services	Existing services are already financially lean. There will be cost pressures from the requirement to pay London Living Wage; inflation and additional COVID related costs. Will contractors be able to deliver the services for the available budgets?	Proposed consolidation of contracts to reduce managerial and transactional costs to divert to front line services. Proposed £100K per year increase in total budget envelope (4%)



Ruthless Financial Efficiency	<p>While significant savings have been delivered from the existing services, it is not proposed to reduce the available budget any further at the outset of the contract.</p> <p>An options appraisal indicated without an increase in available budget, service closures would be required.</p>	<p>The successful bidder will be expected to accommodate LLW and deliver efficiencies to accommodate any uplifts to LLW over the proposed duration of the contract.</p> <p>The contracts will be robustly monitored throughout the contract terms. Modification and break clauses will enable the council to vary the contract terms including price as required.</p> <p>It is anticipated that as the impact of the new services and other initiatives are felt there may be an opportunity to review whether we need the same volume of services throughout the duration of the contracts and potential savings delivered.</p>
Proposed procurement approach	It is proposed to use the competition with negotiation option for contract 1. This is a relatively new procurement option and is more resource intensive than other options.	Advice and guidance will be provided by a procurement officer throughout the procurement process. Additional time has been built into the procurement timetable for contract 1.
Length of contracts	A change to H&F's strategic and operational requirements during lifetime of the contracts.	Each contract will include a 6-month no-fault break clause and the option to modify the terms if required.
Consolidation of supported housing contracts	Significant impact of provider failure and less choice.	Robust KPI's and contract monitoring. Person centred service delivery. Contract break clause and default provisions.

## 5 **FINANCIAL INFORMATION**

5.1 The financial information is provided on the exempt Appendix 2.

## 6 COMPETITION PROCESS TIMETABLE

### Indicative Timetable

What	When
<b>Phase 1 – Determine Commissioning Requirements</b>	
Original Service Review	Jan-July 2019
Resident and stakeholder engagement	Nov 2017-July 2019
Market engagement	July/Sept. 2019
Review of original Procurement Strategy	July-Sept. 2020
<b>Phase 2 – Governance All Contracts</b>	
Contract Assurance Board	18.11.20
Cabinet Member Briefings	Before 1.12.20
Political Cabinet	7.12.20
Cabinet Approval of Procurement Strategy	4.1.21
<b>Phase 3 – Procurement Contracts 2 and 3</b>	
Contract documentation drafted	January 2021
Launch Tender – Stage 1	Mid-February 2021
Submission Deadline	Mid- March 2021
Tender Evaluation – Stage 1	End March 2021
Issue Stage 2 Tender	April 2021
Submission Deadline	End April 2020
Tender Evaluation - Stage 2	May 2021
Governance	May 2021
Award Contract	June 2021
<b>Phase 4 – Contract Implementation</b>	
Mobilisation	July/August 2021
Service Commencement	1 September 2021

<b>Phase 3 – Procurement Contract 1</b>	
Contract documentation drafted	January 2021
Launch Tender – Stage 1	Mid-February 2021
Submission Deadline	Mid - March 2021
Tender Evaluation – Stage 1	End March 2021
Issue Stage 2 Tender	April 2021
Submission Deadline	End April 2021
Tender Evaluation - Stage 2	Mid May 2021
Stage 3 Negotiation	June 2021
Evaluation	July 2021
Governance	July 2021
Award Contract	July 2021
<b>Phase 4 – Contract Implementation</b>	
Mobilisation	August- October 2021
Service Commencement	1 November 2021

## 7 SELECTION AND AWARD CRITERIA

### CONTRACT AWARD CRITERIA

- 7.1 It is proposed all three contracts will be awarded to the Most Economically Advantageous Tender based on a Price: Quality ratio of 20:80. The rationale for this ratio is that the quality of the service is critical to delivering the necessary outcomes. Quality will be assessed on the responses to set questions. For the price element tenderers will be invited to submit proposals for the number of hours or other service volumes they can deliver for the fixed price. By setting a financial envelope the Council can control expenditure within the allocated budget while ensuring value for money is secured by evaluating which bid provides the Most Economically Advantageous Tender in terms of volume of hours, hence why we are recommending a 20:80 ratio.
- 7.2 A minimum number of hours and other service volume criterion will be set to ensure safety of services and value for money.

**7.3 Supported Housing Quality Criteria**

<b>Criteria</b>
Locality and community relations
Quality & Outcomes
Psychologically Informed Environment (PIE) Approach
Staffing
Safeguarding and approach to risk
Social value
Involving residents

**7.4 Housing First and Street Outreach Quality Criteria**

<b>Criteria</b>
Locality and community relations
Case study
Partnership working
Quality & outcomes
Staffing
Safeguarding and managing risk
Social Value
Personal budgets
Involving residents

**7.5 Homeless Health Inclusion Quality Services**

<b>Criteria</b>
Peer support
Health promotion
Partnership working
Staffing
Social value
Involving residents

## 8 CONTRACT PACKAGE, LENGTH AND SPECIFICATION

### Contract length

- 8.1 We are proposing different lengths for the three contracts due to different market and service conditions and requirements.
- 8.2 We propose to include a 6-month break clause in each contract to be activated at any point in the contract. Although six months is not very long to put in place new service arrangements, in line with standard business continuity practice in the sector, officers would negotiate short-term provision of the services from another recognised provider pending tendering a new contract. It is considered that overall there is a benefit to the Council of being able to terminate a contract that is not meeting the needs of residents within a 6-month period.

Contract	Proposed Length	Rationale
One	Five years plus 2 X 12- month periods	Consolidating multiple contracts into one will require complex TUPE and building issues that take time to bed in. A longer contract will enable continuity of service provision; stimulate provider financial investment into local services and enable officers to assess savings opportunities in the lifetime of the contract.
Two	Three years plus 2 X 12 months	Sufficient time is required to bed-in the contracts but contract 2 is not as complex as contract 1. However, anything less than a 3-year contract is likely to reduce interest in the contract and may increase costs as tenderers seek to spread the higher costs in the earlier party of a contract over a shorter period.
Three	Three years plus 2 X 12 months	The same reasons as contract 2.

### Service Specifications/Outcomes/Performance Measures

- 8.3 New specifications setting out key performance required and outcomes to be achieved will help drive up quality. Each specification will include the following outcome domains:

Service Aims	Outcomes
<b>CONTRACT ONE</b>	
<ul style="list-style-type: none"> <li>• Reduce rough sleeping.</li> <li>• Increase ability to maintain a tenancy.</li> <li>• Maximize social inclusion and reduce social isolation</li> <li>• Improve health &amp; well-being</li> <li>• Increase access to education, training, employment.</li> </ul>	<p><b>Improved economic well-being through:</b></p> <ul style="list-style-type: none"> <li>• Maximizing income</li> <li>• Reducing debt</li> <li>• Obtaining paid work</li> </ul> <p><b>Improved enjoyment and achievement through:</b></p> <ul style="list-style-type: none"> <li>• Participating in training and/or education</li> </ul>

<ul style="list-style-type: none"> <li>• Minimize risk of self-harm to self and others.</li> <li>• Promote recovery and move-on.</li> <li>• Reduce the use of emergency and crisis services.</li> <li>• Co-production.</li> </ul>	<ul style="list-style-type: none"> <li>• Participating in cultural, leisure and faith activities</li> <li>• Participating in work-like activities</li> <li>• Establishing contact with external service groups, friends, and/or family</li> </ul> <p><b>Improved health through:</b></p> <ul style="list-style-type: none"> <li>• Better managing physical health</li> <li>• Better managing mental health</li> <li>• Better managing substance misuse</li> <li>• Use of assistive technology and aids</li> </ul> <p><b>Improved safety through:</b></p> <ul style="list-style-type: none"> <li>• Maintaining accommodation and avoiding eviction</li> <li>• Complying with statutory orders</li> <li>• Better managing self-harm</li> <li>• Avoiding harm to others</li> <li>• Minimising harm/risk from others</li> </ul> <p><b>Increased positive contribution through:</b></p> <ul style="list-style-type: none"> <li>• More confidence and ability to have a greater choice and/or control and/or involvement.</li> </ul>
<b>CONTRACT TWO</b>	
<ul style="list-style-type: none"> <li>• Reduce rough sleeping</li> <li>• Support rough sleepers to find a safe, sustainable route of the streets.</li> <li>• Prevent a return to rough sleeping.</li> <li>• Improve outcomes for people with complex needs.</li> <li>• Co-production.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in number of rough sleepers</li> <li>• Housing First tenancy sustainment rates</li> <li>• Improved health outcomes</li> <li>• Reduced ASB</li> </ul>
<b>CONTRACT THREE</b>	
<ul style="list-style-type: none"> <li>• Reduce health inequalities</li> <li>• Provide information, training and advice on improving access to health services</li> <li>• Peer support</li> <li>• Capacity building of staff to improve health outcomes.</li> <li>• Co-production.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased engagement and attendance of health appointments</li> <li>• Reduction in use of emergency and crisis services</li> <li>• Volunteer opportunities for people with a history of homelessness</li> </ul>

**Residents’ Priorities**

8.4 Over the last two years we have undertaken three separate engagement projects with homeless people as set out in more detail at section 1.20 above.

## 9 **CONTRACT MANAGEMENT**

9.1 The contract(s) will be managed from within the Economy Department using robust contract management and supplier relationship tools and techniques. The role of the contract manager will include:

- Managing expectations and relationships between stakeholders.
- Ensure residents' views are sought and are fed into the contract management process at all stages of the contract.
- Ensuring the obligations of all parties are met.
- Managing commercial and operational risk (including financial stability, ethical performance, and quality control).
- Managing change and ensuring due governance is undertaken.
- Aligning contract delivery to residents' needs and the commercial and operational objectives of the Council.
- Performance management and reporting.
- Seeking opportunities for increased and added value and fostering innovation.

9.2 In the pre-award phase of the contract during the procurement process, evaluation will focus on bidders' technical expertise and experience of providing and managing the same or similar services. This will include the appraisal of bidders' experience of developing and implementing successful mobilisation plans and risk management. Post award of contract, the successful provider will be required to produce a robust mobilisation plan for approval and monitoring by the contract management team.

9.3 The performance management framework and accompanying key performance indicators will be aligned to ensure delivery of the commissioning objectives and outcomes and have been developed alongside the service specification and contract documents. It will be a requirement for the successful provider(s) to produce regular management reports, submit the key performance indicators and engage in contract performance meetings to appraise performance and success of the contract. The frequency of these meetings will be determined following evaluation of the providers' ability, expertise, and experience during the procurement process, through risk-based contract classification and from regular reporting on performance.

### 9.4 **KPI's**

<b>KPI's Contract 1</b>	<b>KPI's Contract 2</b>	<b>KPI's Contract 3</b>
H&F is notified within 24-hours of all complaints received from a third party; any high risk or complex complaints received from residents.	All complaints received from a third party; any high risk or complex complaints received from residents reported to H&F within 24 hours.	The service provider must report to the Council within 24 hours: all complaints received from a third party; any high risk or complex complaints received from residents.
A survey of Residents' views of the Services, at least annually.	Provide information required by MHCLG	A survey of users' views of the Services, at least annually.

A valid Health & Safety certificate in all required areas (schedule 4) must be submitted within the required time frames	Provide case studies to demonstrate outcomes at regular intervals throughout the contract	The Service Provider must have in place a robust lone working policy that is reviewed regularly.
A programme of Health & Well-being events across the three Services.	All serious incidents (as defined in the specification) notified to H&F within 24 hours. Very serious incidents should be reported on the same working day.	Notify within 24 hours. Very serious incidents should be reported on the same working day.
Serious incidents (as defined in the Service Specification) notified to H&F within 24 hours. Very serious incidents should be reported on the same working day.	A risk assessment to be completed with 24 hours of contact with the Street Outreach service	The service provider must have in place procedures that have been reviewed with the last two years and conform to the standards set out in the service specification.
A locality management plan and policy within one month of the contract start date and regularly review the plan.	Risk assessments to be updated at least every three months (or sooner if the person's circumstances change affecting the level of risk).	The service provider must report any safeguarding concerns or allegations to the Council within 24 hours (as set out in the service specification).
80% of all departures are planned.	a service continuity plan to ensure that the service continues to function following an unforeseen event.	Number of health appointments homeless people are assisted to attend per year (to be populated at contract award) per year
Availability of units.	Carry out a bi-monthly street count of rough sleepers	Number of peer supported health events in homelessness services per year (to be populated at contract award)
Utilisation of units (occupancy).	Rough sleeping numbers to be less than eight per night	Number of health promotion/screening events delivered (not including peer support led events above) per year (to be populated at contract award)
a PIE Implementation Plan within three months of service start-up and report on progress annually thereafter.	New rough sleepers not to have a second night out	Number of volunteer hours per year (to be populated at contract award)
A risk assessment for all new residents, with an action plan to mitigate any risks, within 24-hours of the resident moving into the service.	Housing First residents maintaining their accommodation 6-months after moving in	

Risk assessments reviewed at least every three months (or sooner if the resident's circumstances change affecting the level of risk).	H&F notified within 24 hours of a serious incident (as defined in the specification). Very serious incidents should be reported on the same working day.	
Safeguarding concerns or allegations reported to the Council within 24 hours (as set out in this Specification).	Safeguarding concerns or allegations reported to H&F within 24 hours (as set out in the service specification).	
A service continuity plan made available to H&F within 1 month of service commencement and reviewed regularly throughout the contract.		
Availability of staff contract hours		
A needs assessment and develop a support plan for each new resident within two weeks of move-in.		
Support plans reviewed at least every three months (or sooner if there is a significant change to the resident's circumstances).		
An individualised tenancy training programme in place for each resident.		
The % of Service users with arrears of no more than 6 weeks rent		
Evictions to a minimum.		
The service provider must ensure that appropriate training is given to staff.		



## H&F Equality Impact Analysis Tool

### Conducting an Equality Impact Analysis

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

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

1. **Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under this Act;**
2. **Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
3. **Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

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

### General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should

be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.

2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Policy & Strategy team for support.
6. Further advice and guidance can be accessed from the separate guidance document (on the intranet) or [ACAS - EIA](#). Or you can contact the relevant officer (see below).

Fawad Bhatti (Policy & Strategy)  
[Fawad.bhatti@lbhf.gov.uk](mailto:Fawad.bhatti@lbhf.gov.uk)  
07500 103617

## H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
<b>Financial Year and Quarter</b>	2019/20 QTR 3
<b>Name and details of policy, strategy, function, project, activity, or programme</b>	<p>Title of EIA: Rough Sleeping Services Procurement</p> <p>Short summary: Eight existing services for rough sleepers are expiring in 2020. In line with the Council's CSO's a robust procurement strategy is required to ensure an effective use of resources and to deliver good items for residents.</p> <p>Approval is sought to procure three new contracts for rough sleepers to replace the eight existing contracts. As a compassionate council, H&amp;F is committed to ending rough sleeping. The aim of the strategy is to improve service quality, outcomes, and value for money; to contribute to the Council's ambition to reduce rough sleeping in H&amp;F to zero; provide added and social value; deliver best practice and to manage demand for more intensive health and care settings. The strategy supports the policy principles for specialist housing approved by Cabinet in December 2018.</p>
<b>Lead Officer</b>	<p>Name: Julia Copeland</p> <p>Position: Strategic Commissioner</p> <p>Email: Julia.Copeland@lbhf.gov.uk</p> <p>Telephone No: 020 8753 1203</p>
<b>Date of completion of final EIA</b>	1/10/2019

Section 02	Scoping of Full EIA								
<b>Plan for completion</b>	<p>Timing: 2020-21</p> <p>Resources: Julia Copeland – Strategic Commissioner; Tim Lothian – Procurement Officer</p>								
<b>Analyse the impact of the policy, strategy, function, project, activity, or programme</b>	<p>Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Protected characteristic</th> <th style="width: 60%;">Analysis</th> <th style="width: 15%;">Impact: Positive, Negative, Neutral</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Protected characteristic	Analysis	Impact: Positive, Negative, Neutral			
Protected characteristic	Analysis	Impact: Positive, Negative, Neutral							

	Age	The services for rough sleepers are for adults aged 18 years. 65% of residents accessing the services in 2018-19 were aged 35-65 years.							Neutral
	Disability	25% of residents accessing the services in 2018-19 have physical health issues affecting their mobility. New services will be expected to ensure needs assessments take into consideration a person's disability; appropriate referrals are made to relevant OT and social services; residents to be provided information in a form of communication they understand;							Neutral
	Gender reassignment	There are no identified impacts for gender re-assignment							Neutral
	Marriage and Civil Partnership	There are no identified impacts for marriage and civil partnerships. Accommodation services are for single people.							Neutral
	Pregnancy and maternity	There are no identified impacts for pregnancy and maternity. The services are for single women. If a woman does become pregnant the new service providers will be expected to ensure appropriate referrals to relevant services to meet their needs of individual women.							Neutral
	Race	White British	Black British	Black African	Black Caribbean	White other	Asian	Black other	Mixed W/B Caribbean
	50%	13.2%	9.2%	7.2%	10.5%	3%	2%	2.6%	
	The table above outlines the race of residents using the rough sleeping services in 2018-19. New services will be expected to ensure equality of access and treatment for all residents; provide culturally sensitive services and deal robustly with all incidents of racially motivation harassment, violence and/or abuse.								

	Religion/belief (including non-belief)	There are no identified impacts for religion/belief. All new services will be expected to support residents to practice their beliefs, is appropriate.	Neutral
	Sex	Approximately 20% of residents using the rough sleeping services are women, The new services provider for the accommodation contract is expected to develop a new service for women with complex needs. This will improve outcomes for vulnerable women and therefore the Rough Sleeping Services Procurement Strategy is anticipated to have a positive impact for women.	Positive
	Sexual Orientation	There are no negative impacts for sexual orientation. New services will be expected to ensure equality of access and treatment for all residents; provide sensitive services and deal robustly with all incidents of homophobic harassment, violence and/or abuse.	Neutral
<p><b>Human Rights or Children's Rights</b></p> <p>If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice</p> <p>None</p> <p>Will it affect Human Rights, as defined by the Human Rights Act 1998?</p> <p>No</p> <p>Will it affect Children's Rights, as defined by the UNCRC (1992)?</p> <p>No</p>			

<b>Section 03</b>	<b>Analysis of relevant data</b> Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
<b>Documents and data reviewed</b>	Council data it holds for the purpose of monitoring the use and effectiveness of the services.
<b>New research</b>	Not applicable

<b>Section 04</b>	<b>Consultation</b>
<b>Consultation</b>	Details of consultation findings (if consultation is required. If not, please move to section 06) Extension consultation with key stakeholders
<b>Analysis of consultation outcomes</b>	A detailed description of the consultation is included in appendix 1.

<b>Section 05</b>	<b>Analysis of impact and outcomes</b>
<b>Analysis</b>	<p>What has your consultation (if undertaken) and analysis of data shown? You will need to make an informed assessment about the actual or likely impact that the policy, proposal, or service will have on each of the protected characteristic groups by using the information you have gathered. The weight given to each protected characteristic should be proportionate to the relevant policy (see guidance).</p> <p>The service review has indicated generally high satisfaction rates with existing services. Residents have raised some concerns about the high turnover of staff; the general upkeep of the properties and communication about repairs. None of these issues are considered to have an impact on protected characteristics. But will be addressed through the service specification and future contract monitoring.</p>

<b>Section 06</b>	<b>Reducing any adverse impacts and recommendations</b>
<b>Outcome of Analysis</b>	<p>Include any specific actions you have identified that will remove or mitigate the risk of adverse impacts and / or unlawful discrimination. This should provide the outcome for LBHF, and the overall outcome.</p> <p><b>No adverse impacts are anticipated.</b></p>

<b>Section 07</b>	<b>Action Plan</b>
<b>Action Plan</b>	Note: You will only need to use this section if you have identified actions as a result of your analysis

	Issue identified	Action (s) to be taken	When	Lead officer and department	Expected outcome	Date added to business/service plan

# Agenda Item 13

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Contract award for major refurbishment works to Maystar Estate W14

**Report of:** Councillor Lisa Homan - Cabinet Member for Housing

**Report author:** Vince Conway - Senior Programme Manager, Capital Delivery

**Responsible Director:** Tony Clements - Strategic Director for the Economy

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### Summary

This report seeks approval to award a contract for the major refurbishment of various housing properties comprising the Maystar estate W14. The project is one which the Council has committed to deliver as part of the Asset Management Compliance Strategy and Capital Programme approved at 1st July Cabinet 2019.

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### Recommendations

1. Appendices 1, 2 and 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).
2. That Cabinet approves, subject to completion of consultation with affected leaseholders under Section 20 of the Landlord and Tenant Act 1985, the appointment of Axis Europe PLC via the South East Consortium Internal and External Works Framework ("SEC") Lot 1b: Major Refurbishment over £1m, to undertake major refurbishment works to the Maystar estate W14 for a sum of £5,179,155.65. The project is expected to be awarded on 18<sup>th</sup> January 2021 with a site completion date of 17<sup>th</sup> January 2022.
3. That Cabinet approves a contingency sum detailed in exempt Appendix 3 to deal with any unforeseen works that may arise during the delivery of the project.
4. That Cabinet approves a budget of £20,000 for miscellaneous costs that may arise outside of the contract, generally internal recharges to other council services such as planning or building control fees, parking suspensions, arboricultural advice.



**Wards Affected:** North End

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	Axis' tender includes commitments to social value including providing employment opportunities for local people and using local companies in its supply chain.
Creating a compassionate council	Investment in social housing enables the council to fulfil its landlord function and provide good-quality homes to local people that are safe, secure and genuinely affordable.
Doing things with local residents, not to them	Residents have been consulted in the preparation of this scheme including formal ballots to decide door styles and communal redecorations. The consultation will continue post-award to include site set-up arrangements and further information on the delivery stage.
Being ruthlessly financially efficient	The project has been competitively tendered and awarded on the basis of most economically advantageous tender as set out in the procurement strategy. There will be robust contract management and a strong site presence to ensure quality standards and value for money.
Taking pride in H&F	The evaluation criteria has required contractors to give details of their approach to energy consumption, use of sustainable materials, transport plan, site waste management, and noise pollution.
Rising to the challenge of the climate and ecological emergency	The project includes the installation of LED lighting to all communal areas. LEDs require significantly less power than regular forms of lighting, thereby reducing energy consumption. They are also cheaper to run and have a longer lifespan than traditional luminaires.

## Financial Impact

1. The HRA Asset Management Compliance Strategy and Capital Programme latest budget approved by Cabinet on 12 October 2020 contains an allocation of £5,154,200 for this scheme. The total budget requirement for the works proposed in this report is £5,420,850 plus contingency amount as set out in the exempt Appendix 3. This means there is a current budget shortfall of £266,650 plus the contingency amount.
2. The Asset Strategy Team have provisionally approved, subject to final approval by the Capital Board on 19 November 2020, to fund this shortfall out of the budget currently sitting within Condition Survey budget which can be diverted to fund other capital works subject to approval as the condition survey cost is being funded from revenue budget.
3. A credit report was produced for Axis Europe PLC via CreditSafe on 13 November 2020 which shows they have a very low risk credit score of 92 out of 100. Their average turnover for the two financial years ending 31 March 2020 is £166m, which is well above the minimum required value of twice the proposed contract sum of £5.2m.
4. The Leasehold Services team's estimate of the cost chargeable to Leaseholders for these works is set out in the exempt Appendix 2. Where any of these charges are not borne by the leaseholders, this will have to be funded from borrowing unless alternative funding sources are identified.

## Legal Implications

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

This report requests the approval for the the appointment of Axis Europe PLC via the South East Consortium Fire Remedial Works Framework ("SEC Framework") Lot 1b: Major Refurbishment over £1m, to undertake major refurbishment works to the Maystar estate W14 for a sum of £5,179,155.65. The project is expected to be awarded on 18<sup>th</sup> January 2021 with a site completion date of 17<sup>th</sup> January 2022.

The value of the call-off contract is over the threshold for works, and therefore subject to the full remit of the Public Contracts Regulations 2015 ("PCR"). Legal services evaluated the SEC Framework and confirmed that it is compliant with the PCR and is appropriate for use.

Under Contract Standing Orders, this call-off contract is classed as a High Value contract. Under CSO 19, a call-off from a compliant framework satisfies the Council's procurement requirements for High Value contracts, provided that the rules of the Framework have been followed. In accordance with CSO 21.5, this contract award has been submitted to the Contracts Assurance Board.

The usual decision maker in accordance with CSO 21 is the relevant Cabinet Member. However this report has been submitted to Cabinet for approval, who also have the required authority to be the decision maker in accordance with their delegated authority under the constitution.

The decision-maker needs to be satisfied that the recommended call-off contract award is being made to the tenderer which submitted the most economically advantageous tender on the basis of the criteria set out in the Framework, and an award that is in the best interests of the Council.

The SEC Framework requires the Framework's Call-off Contract to be entered into, and Contract Standing orders requires a formal contract to be drawn up for execution as a deed. Officers shall work with Legal officers to prepare the contract documentation.

As the value of the call-contract is above £300,000, the call-off contract award is a Key decision and must be submitted to Committee Services for publication on the Council's website. In addition, a copy of the completed (dated) call-off contract must be uploaded to the Council's Contracts Register along with a copy of the award report.

As the value of the works exceeds £25,000, Regulation 112 of the PCR requires the Council to publish on Contracts Finder within a reasonable time providing the name of the winning bidder, the date on which the contract was entered into, the value of the contract and whether the contractor is an SME (small or medium-sized enterprise or VCSE (voluntary, community, and social enterprise)).

*Implications verified/completed by: Radhika Devesher, Associate, Sharpe Pritchard LLP, external legal advisers seconded to the Council, tel – 0207 405 4600 [rdevesher@sharpepritchard.co.uk](mailto:rdevesher@sharpepritchard.co.uk).*

### **Contact Officers:**

Name: Vince Conway  
Position: Senior Programme Manager, Capital Delivery  
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Email: vince.conway@lbhf.gov.uk

Name: Sudhir Kafle  
Position: Housing Investment Accountant  
Telephone: 0777 667 2451  
Email: Sudhir.Kafle@lbhf.gov.uk  
Verified by: Andrew Lord, Head of strategic planning and monitoring

Name: Radhika Devesher  
Position: Associate, Sharpe Pritchard LLP, external legal advisers seconded to the Council  
Telephone: 0207 405 4600  
Email: rdevesher@sharpepritchard.co.uk

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### **Background Papers Used in Preparing This Report**

None

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. Works need to be undertaken to maintain a satisfactory standard to the external fabric and communal parts of the buildings and to ensure homes are safe, warm and weathertight.
2. The proposed works consist of structural and concrete repairs to private balconies and public walkways, new FD30/FD60 front entrance doors, roof repairs, works to chimneys and rainwater goods, and general external and internal communal fabric repairs and redecoration. Additional fire safety works such as compartmentation, emergency lighting and new signage are included across all blocks as required.

### **Property**

3. Situated off North End Road, the Maystar estate encompasses 28 blocks and provides 392 homes (excluding two houses sold freehold) in the Fulham North housing area. The main body of the estate was constructed in 1977 to the north of Star Road (hence the estate is also referred to as Star Road Estate). The homes on the upper floors have the address Cheesemans Terrace whilst the ground floor accommodation has other addresses (Shuters Square, Star Road, Sun Road, etc) and include a mixture of flats and houses. One block, 6-13 Orchard Square & 37-52 Cheesemans Terrace, is designated sheltered housing. Passfields is a single five storey 1960's block of 24 flats. Alice Gilliatt Court sits to the south of Star Road and comprises four blocks of between four and six storeys. It was constructed in the late 1950s and provides 77 homes. Browning Court was built in the 1970's and provides 30 flats arranged over two storeys.

### **Tender Process**

4. The procurement has been undertaken through the SEC framework by way of a mini-competition under the Internal and External Works framework Lot 1b (major refurbishment works over £1,000,000). This is an OJEU-compliant framework awarded 23<sup>rd</sup> October 2019 which expires 22<sup>nd</sup> October 2023.
5. The invitations to tender were published on the mytenders portal on 12<sup>th</sup> June 2020 with a closing date for receipt of tenders of 5<sup>th</sup> August 2020. Tender submissions were received from six suppliers.
6. The tender appraisal panel comprised officers from the council's capital delivery team and representatives from Baily Garner, multi-disciplinary consultants for the project, with the SEC taking the role of facilitator. The panel evaluated all submissions in accordance with the mini-competition set out in the ITT using

most economically advantageous tender (MEAT) criterion with a weighting of 60% to qualitative and technical aspects of the tender submission and 40% to price. Quotes were invited and received on a fixed price basis and remain open for acceptance for six months from the closing date.

7. The tender process required the technical and commercial evaluation of all valid tenders. The table below sets out the scores achieved by each supplier as assessed by the evaluation panel. Further scoring information is provided at Appendix 1.

<b>Tender Appraisal</b>							
<b>Overall Ranking</b>	<b>Contractor</b>	<b>Value of tender</b>	<b>Price Score</b>	<b>Price Rank</b>	<b>Quality Score</b>	<b>Quality Rank</b>	<b>Total Weighted Score</b>
1 <sup>st</sup>	Axis Europe PLC	£5,179,756	91.59	4th	89.50	1st	90.33
2 <sup>nd</sup>	Tenderer 2	£4,743,893	100.00	1st	82.00	2nd	89.20
3 <sup>rd</sup>	Tenderer 3	£4,995,498	94.96	3rd	70.00	3rd	79.98
4 <sup>th</sup>	Tenderer 4	£4,928,195	96.26	2nd	60.00	4th	74.50
5 <sup>th</sup>	Tenderer 5	£5,299,820	89.51	5th	41.00	6th	60.40
6 <sup>th</sup>	Tenderer 6	£6,237,144	76.06	6th	44.00	5th	56.82

8. Based on the evaluation process carried out in accordance with the approved procurement strategy and Invitation to Tender officers therefore recommend acceptance of the tender submitted by Axis Europe PLC.

#### **Walkway glazing panel options**

9. The specification included three different options for works to communal walkway glazing panels at Alice Gilliatt Court and Passfields and the suppliers have provided prices for each option within their tender sum.
10. The final option to be taken forward will be formally decided post-award with options not taken forward removed from the contract. Option 2 which proposes the ad hoc replacement of walkway glazing as required is the preferred option and the most likely to be taken forward. The various costs for each option and each block are summarised below.

Block	Option 1	Option 2 (preferred)	Option 3
1-19 Alice Gilliatt Court	£ 9,482.55	£14,597.56	£ 27,079.14
20-39 Alice Gilliatt Court	£ 23,921.88	£23,038.28	£ 30,419.58
40-69 Alice Gilliatt Court	£ 31,895.84	£31,910.93	£ 49,456.87
70-77 Alice Gilliatt Court	£ 4,741.27	£ 366.37	£ 9,325.22
1-24 Passfields	£ 9,482.55	£11,500.82	£ 30,775.20
<b>Totals</b>	<b>£ 79,524.09</b>	<b>£81,413.96</b>	<b>£147,056.01</b>

11. Therefore the most likely scenario is that the contract value will reduce by £226,580.10, the sum of Options 1 and 3.

### Cashflow

12. The estimated cashflow based on the recommended contract sum is as follows:

Element	2019/20	2020/21	2021/22	2022/23	Total
Works	0	£597,664	£4,355,511	£226,580	£5,179,756
Miscellaneous	0	£10,000	£10,000	£0	£20,000
Fees	£49,371	£94,730	£66,508	£11,085	£221,694
<b>Total</b>	<b>£49,371</b>	<b>£702,394</b>	<b>£4,432,019</b>	<b>£237,665</b>	<b>£5,421,449</b>

### Reasons for Decision

13. This project is one which the Council has committed to deliver as part of the Asset Management Compliance Strategy and Capital Programme approved at 1st July Cabinet 2019. The development of the programme has been guided by the principles of the strategy and priorities have been agreed by the Economy Department's Capital Board chaired by the Assistant Director of Operations.
14. The decision above is required to appoint the successful contractor to carry out the works required in these buildings.

### Equality Implications

15. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct negative impact on any protected groups, under the Equality Act 2010.

*Implications verified by: Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617.*

### Risk Management Implications

16. Proposals made are in accordance with the Council's continuing ambition to improve fire safety and security for residents. Works should be undertaken in

full consideration and application of HM Government, Health and Safety Executive, Public Health and Industry guidelines to maintain safe distancing at work and other measures to mitigate risks associated with Covid-19. Ensuring works of this nature happen will form a part of the recovery of the construction industry following the lockdown.

17. Prior to commencement of works the contractor's emergency contact numbers will be checked to ensure they are operating as required by the contract.

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

## **Procurement Implications**

18. The tenders were opened on the mytenders portal in the virtual presence of the council's corporate procurement team and prices recorded on the council's Form B. The evaluation scores have been checked for arithmetical accuracy and have been calculated in accordance with the published evaluation criteria.
19. Although mytenders portal has been used for the submission of tenders all documents will subsequently be uploaded to capital esourcing and the contract will be recorded on the council's contracts register.

Implications verified by: Ilaria Agueci, Procurement Consultant, tel 0777 667 2878

## **Business Implications**

20. The council's new Social Value Strategy became effective on the 15 May 2020 and introduced a mandatory requirement for all procurement activities over £100,000 to generate a minimum 10% in social value.
21. Tenderers were required to complete the council's social value matrix and provide a method statement showing how they would meet the commitments included. Axis Europe PLC's social value commitment includes:
  - Allocating personnel who are responsible for social, training and environmental commitments
  - Generating £120,000 of proxy value through social value commitments as well as £1.5m in local contract spend (proxy value of £2.8m)
  - Providing two full-time equivalent employment opportunities to the local community, with one of these opportunities taken up by a local person who has been unemployed for a year or more.
  - Building relationships with local schools to plan and deliver work placements
  - Providing local community access to funding and support from the Axis Foundation
  - Investing in green technology & sustainable procurement so operations are carbon neutral by 2035
22. The tender process pre-dates the new ITT which sets out how the council will enforce the social value obligation. Officers are discussing with legal the best way to ensure this effectively monitored for this contract.

*Implications verified by: Ilaria Agueci, Procurement Consultant, tel 0777 667 2878 and Kamal Motalib, Head of Economic Development, tel, 07773353914.*

## **Digital Services Implications**

23. IT Implications: No IT implications are considered to arise from the proposal in this report. Should this change, Digital Services should be consulted.



24. IM Implications: A Privacy Impact Assessment will need to be completed to ensure all potential data protection risks arising from this proposal are properly assessed with mitigating actions agreed and implemented.
25. Suppliers appointed as a result of this report will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
26. Any contracts arising from this report will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

*Implications verified by: Karen Barry, Strategic Relationship Manager, Digital Services, tel 07787105687*

### **Consultation**

27. There has been ongoing consultation with residents to explain the nature and scope of the works, programme, and broad timescales. Residents will receive further correspondence prior to work starting on site, updating them regarding the programme, the scope of works and the level of support in place for residents from officers within the Capital Delivery Team.
28. Officers will be mindful of current guidance on Covid-19 during proposed consultation events and will discuss options with the TRA. Remote consultations may include video, telephone, email and mobile messaging. Where face to face meetings are considered essential social distancing will be followed and appropriate PPE worn.
29. Leaseholders have been notified in accordance with statutory consultation legislation. Notices of intent were sent out on and expired 17<sup>th</sup> June 2019. The Notices of Estimate are expected to be issued week commencing 26<sup>th</sup> October 2020 and the consultation period will expire week commencing 30<sup>th</sup> November 2020. The contract will not be issued until expiry of the section 20 notices and the satisfactory conclusion of any observations received.
30. As of 7<sup>th</sup> October 2020 a total of 119 properties have been sold under right to buy legislation with six applications pending.
31. The estimated charges to leaseholders based on the recommended contract sum plus contingency and internal management fees are shown in Appendix 2.

### **List of Appendices:**

- Appendix 1: Details of tender analyses (exempt)
- Appendix 2: Details of leaseholder recharges (exempt)
- Appendix 3: Risk Register Contingency Amounts (exempt)

# Agenda Item 14

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Disposal of Land – Watermeadow Court, Watermeadow Lane, London, SW6 2RW

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

**Report author:** Matt Rumble - Strategic Head of Regeneration & Development

**Responsible Director:** Tony Clements - Strategic Director for the Economy

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### Summary

This report seeks Cabinet approval to dispose of the Watermeadow Court site (“the Site”) (Watermeadow Lane, London, SW6 2RW) (the Land) to Mount Anvil New Holdings Ltd (or other company controlled by Peabody Housing Association and Mount Anvil). The conditions of sale include delivery of 50% affordable homes (108) on the site and that, subject to necessary consents, the scheme starts on site in 2021. This represents a significant improvement on the consented scheme which delivered only 17% (36) affordable homes.

The expectation is that construction of the project will start in the summer of 2021 and complete by summer 2024. The council will have nomination rights to the affordable rent homes ensuring that all homes will be available to residents of the borough.

Sale of the site follows termination of the Land Sale Agreement between the council and Stanhope Plc. The agreement was terminated as Stanhope were unable to meet their contractual obligations to secure funding to deliver the project.

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### Recommendations

1. Appendices 2, 3, 4 & 5 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 and/o information in respect of which a claim to legal professional privilege could be maintained in legal proceedings as set out in paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the disposal of the Land, shown marked in red on the plan attached at Appendix 1, to Mount Anvil New Holdings Ltd or another company controlled

by Mount Anvil and Peabody under a land sale agreement on a 255-year lease at the consideration set out in exempt appendix 2.

3. To delegate authority to the Strategic Director for Economy in consultation with the Head of Law to agree the contracts of sale with Mount Anvil New Holdings Ltd or another company controlled by Mount Anvil and Peabody based on the terms set out in the report and exempt appendix 3 and approve any other necessary documents to complete the sale.

**Wards Affected:** Sands End

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Doing things with local residents, not to them	The redevelopment of the Land will provide economic stimulus within the Borough creating homes, training and employment opportunities and investment in local labour and supply chains.
Being ruthlessly financially efficient	The report authorises the Land to be sold for development ensuring 50% affordable homes with start on site (works) within 12 months of exchange of contracts.

### **Financial Impact**

The sale proceeds will be a General Fund capital receipt.

The Cabinet report in May 2020 approved an increased capital budget of £1,983,904 for various demolition, site security and disposal costs incurred on the site. A separate Cabinet report in May 2020 approved a payment of £3,491,066 to the JV to terminate the Land Sale Agreement. In both reports, it was expected that these costs totalling £5,474,970, would be recovered from future capital receipts arising from the sale of the site.

Costs of disposal, such as marketing, can be funded by capital receipts to a maximum of 4% (£552,000). £144,000 costs of disposal were brought forward at 1 April 2020 and additional costs incurred during 2020/21 will be funded by the capital receipt up to £408,000.

Finally, the council's capital programme included an anticipated receipt for this site of £3,600,000 (less costs of disposal), based on the previous land sale agreement.

The council has opted to tax the site and therefore VAT will need be charged to the buyer of the site. The Heads of Terms include provisions to allow the council to reclaim any VAT incurred and protect the council's partial exemption position.

Further financial implications are contained within exempt appendix 2

## **Legal Implications**

The council is authorised to contract in relation to its functions pursuant to the Local Government Contract Act 1997 and is able to dispose of land held for planning purposes pursuant to s233 of the Town and Country Planning Act 1990. The Council holds the Site for planning purposes and is therefore entitled to dispose in this manner pursuant to these powers.

Section 123 of the Local Government Act 1972 allows the Council to dispose land on such terms as it considers appropriate. It requires the Council to obtain the best consideration reasonably obtainable (or the Secretary of State's consent to disposal at less than best consideration). The Council is entitled to rely on professional valuation advice as to whether best consideration (which is money or money's worth) has been achieved. The Council is obtaining valuation advice to determine whether the consideration is the best consideration reasonably obtainable. If the Council is unable to satisfy itself, having taken such advice, it will seek Secretary of State's consent to dispose prior to disposal.

*Section 1(1) the Localism Act 2011 (The General Power of Competence) empowers the Council to do anything which individuals generally do even if (i) It is unlike anything else the authority may do (ii) It is unlike anything that other public bodies may do (iii) It is carried out in any whatever, including:*

- *anywhere in the UK or elsewhere;*
- *for a commercial purpose or otherwise for a charge, or without charge;*  
*and*
- *for, or otherwise that for, the benefit of the Authority, its area or persons resident or present in its area*

Section 111 of the Local Government Act 1972 allows the Council to do anything (whether or not involving the expenditure, borrowing or lending money or the acquisition or disposal of any property rights) which is calculated to facilitate or which is conducive or incidental to the discharge of any of its functions.

The proposed structure of the transaction is a conditional agreement for lease, where a long lease (255 years) is to be granted to the developer on satisfaction (or waiver by agreement of the parties) of specified conditions. These conditions are as follows:

- i. obtaining a variation (either by way of a s73 or s96 application of Town and Country Planning Act 1990, amended by Planning Act 2008) to the existing satisfactory planning consent for the agreed scheme (we discuss this below) with no onerous conditions (to be defined in the agreement for lease) ("the Purchaser's Condition");
- ii. the Vendor's confirming vacant possession of the Property ("the Vendor's Condition").

The Vendor's Condition is included for completeness and to protect the Council in case of unauthorised access; the site is current vacant.

There is a six-month conditional period for the above conditions to be satisfied, and the agreement may be terminated by the council if it does not become unconditional in this period. Both parties are to use all reasonable endeavours to satisfy their respective conditions.

The developer is to seek to secure a planning consent for the delivery of a residential scheme in accordance with the existing planning permission, with the s106 planning agreement as varied to reflect a revised tenure mix of 50% being affordable units, made up of:

- 64% at London Affordable Rent levels
- 36% at Intermediate Rent / Shared Ownership

For the intermediate housing provision, the intermediate housing options/products are to provide realistic opportunities to people with a range of incomes below the max income thresholds:

- For rent products: £60,000
- For purchase products: £90,000

Further legal advice is contained within exempt appendix 4

#### **Contact Officers:**

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#### **Background Papers Used in Preparing This Report**

None

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#### **DETAILED ANALYSIS**

## **Background**

1. Watermeadow Court site is located on Watermeadow Lane, London, SW6 2RW. It is council owned freehold land located in South Fulham in close proximity to the River Thames. The site measures 0.48 hectares (1.20 Acres) and is currently vacant following demolition November 2019. Prior to demolition the site comprised of 3 and 4 storey buildings constructed in the 1980s that held little architectural value or interest.
2. Watermeadow Court (“WMC”) was one of two development sites under a joint venture agreement between London Borough of Hammersmith and Fulham (“the Council”) and Stanhope Plc (“Stanhope”) which was formed as a Limited Company in 2016.
3. The planning application brought forward by the joint venture company was considered in October 2017 and the Planning Committee gave resolution to grant consent subject to GLA approval. The original scheme was for intended to be 100% private homes (218) Watermeadow Court which was intended to cross subsidise the delivery of the 133 affordable homes at Edith Summerskill House. The GLA ultimately opposed the scheme at planning, considering the WMC scheme a regeneration scheme and requiring the delivery of affordable housing onsite. Following extensive negotiation with the GLA, planning permission was granted on 3rd October 2019 for 36 affordable homes and 182 market homes.
4. Immediately following the issue of the planning permission Stanhope Plc advised the council that they were unable to meet the contractual funding condition in the Land Sale Agreement required to deliver the WMC development scheme. It was therefore agreed to terminate the WMC Land Sale Agreement, enabling the council to pursue alternative development arrangements.
5. On the 11<sup>th</sup> May 2020, Cabinet approved the termination of the Land Sale Agreement and that officers should market the site for sale with planning permission. The Land Sale Agreement was officially terminated on the 10<sup>th</sup> July 2020.

## **The Sale and Marketing process**

6. In August 2020 the WMC site was marketed for sale on behalf of the council by Avison Young supported by lawyers, Evershed Sutherland
7. The headlines of the Opportunity and Terms proposed to bidders included: -
  - Long leasehold interest of 255 years, subject to contract.
  - Delivery of the existing consented scheme with amendments to deliver 50% affordable housing on the site (in line with local plan policy)
  - 100% nomination rights to the affordable rent homes in perpetuity
  - The developer to commence works within 12 months of exchange of contracts.

8. The marketing material was issued to a mix of housing associations and developers. In total 12 expression of interests were received.
9. Full bid information was issued to the market on 26<sup>th</sup> August for eight weeks and on 23<sup>rd</sup> October three offers were received. Each bid and bidding group was subject to due diligence, qualitative and a quantitative evaluation and clarification process. Peabody and Mount Anvil (with their joint submission) were selected as the preferred bidder
10. Peabody Housing Trust have a strong record in the delivery of high-quality affordable housing and will be responsible for delivery of Edith Summerskill House in Fulham Broadway. Together Peabody Housing Trust and Mount Anvil have a history of successful joint delivery projects and are currently working on at Gillender Street E3 and St John's Hill (Wandsworth).
11. The conditions of sale are set out in exempt appendix 2.
12. The accepted timescales:
  1. Legal Exchange - 6 weeks following receipt of full legal pack.
  2. Legal Completion - 4 months from exchange, subject to conditions.
  3. Timescale to achieve planning - June 21 (5 months after exchange)
  4. Timescale to construction start - July 21 (site remediation)
  5. Timescale to construction completion - June 24
13. The Avison & Young – Disposal Recommendation Report can be found in exempt appendix 5.

### **Options and Analysis of Options**

14. **Option 1 - the recommended option** Approve the sale of the Watermeadow Court site to Mount Anvil New Holdings Ltd or another company controlled by Mount Anvil and Peabody on the terms set out in this report. This will deliver a capital receipt to the council (general fund) which will recover costs incurred on this site to date with part of the receipt used to fund capital works on North End Road, deliver 108 affordable homes and an anticipated start on site in 2021. This is in line with Cabinet approved sale strategy set out in May 2020.
15. **Option 2 – not recommended**, do not approve the sale of the site. this would keep the site in council ownership (within the General Fund), however this decision would delay the delivery of 216 new homes, prevent the council from achieving a significant capital receipt to the benefit of the general fund and extend the ongoing cost of site security.

### **Reasons for Decision**

16. The council is committed to maximising the supply of genuinely affordable housing and the Council's Housing Strategy 'Delivering the Change we need in Housing' identifies working with housing providers as a key route to achieving

this. The disposal of Watermeadow Court (Watermeadow Lane, London, SW6 2RW) for this purpose fits clearly within these objectives.

### **Equality Implications**

17. There are no anticipated negative implications for groups with protected characteristics, under the Equality Act 2010, by the approval of recommended option outlined in this report.

*Implications completed by: Fawad Bhatti, tel. 07500 103617.*

### **Risk Management Implications**

18. The Council took control of the Watermeadow Court issue and has secured a good deal, securing 100% nomination rights to affordable homes on this site, that delivers on the supply of genuinely affordable housing and meets the Council's Housing Strategy 'Delivering the Change we need in Housing' by working with housing providers as a key route to achieving this. Opportunity or upside risk includes delivering affordable homes in the local area, providing job opportunities through construction and supply chains whilst ensuring the Council is Being Ruthlessly Financially Efficient through an agreement with a trusted organisation.

*Implications verified/completed by Michael Sloniowski, Risk Manager, tel 020 8753 2587*

### **Property Implications**

19. The Council can sell assets below market value if it uses the statutory powers either s123 LGA Act 1972 or s233 Planning Act 1990.
20. However following discussions with the joint venture company, they were unable to meet the Council's revised proposal of a scheme to accommodate 50% affordable homes and 50% private residential homes on the site. The site has been marketed by way of a private treaty process via an external property consultant (Avison Young) who engaged with the wider market for a reasonable time period.
21. In total, 12 expressions of interest were received from a mixture of Housing Associations and developers. Following the Council's evaluation of the bids, three bidders were considered and the Council's decision to proceed with the highest bidder Mount Anvil (HA - Peabody) who would represent best consideration that can reasonably be obtained in the current economic climate for the site pursuant to s123 LGA Act 1972 .

Implications verified/completed by Henry Azariah, Team Leader – Commercial Property, 020 8753 5191



**List of Appendices:**

Appendix 1 – Indicative Boundary Drawing

Appendix 2 – Financial Implications and Conditions of Sale (exempt)

Appendix 3 – Draft Heads of Terms (exempt)

Appendix 4 – Legal & Procurement Risks (exempt)

Appendix 5 – Avison & Young – Disposal Recommendation Report (exempt)

## Appendix 1 – Indicative Boundary Drawing



## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 04/01/2021

**Subject:** Hartopp Point & Lannoy Point Site – New Council Homes

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

**Responsible Director:** Tony Clements - Strategic Director for The Economy

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### Summary

This report seeks approval to agree a project budget for the development of new council homes at the Hartopp Pont and Lannoy point site.

This budget will allow the development team to consult with local residents, progress design development activities up to and including the submission of the scheme to planning (RIBA Stages 2 & 3) and for the procurement of a construction contractor (RIBA stage 4).

Capacity studies have identified that the scheme could deliver 174 new homes, of which 64% (112) would be affordable, prioritised for local residents.

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### Recommendations

1. Appendix 1 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).
2. To consider, this Stage 1 (Feasibility) Development Appraisal Report and approve progression to Stage 2 (Planning) and Stage 3 (Procurement), for Hartopp Point and Lannoy Point site, Dawes Road, Fulham SW6.
3. To approve a project development budget of £3,715,262 for progression and delivery up to and including LBHF's development stage 2 (i.e.: Planning or RIBA Stages 2 & 3) & stage 3 (i.e.: Procurement or RIBA Stage 4) to be funded from:
  - i. a previously approved budget of £250,000 for early feasibility work
  - ii. underspends of £198,062 and £500,000 from the previously approved CPO and acquisition budgets respectively for Hartopp Point and Lannoy Point
  - iii. a new budget of £2,767,200 from HRA borrowing.

4. To delegate authority to the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy to extend appointments of the consultant teams beyond RIBA stage 1, in line with recommendation 1.2.

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**Wards Affected:** Munster Ward

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**H&F Values**

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
Building shared prosperity	<i>The proposals will lead to the delivery of much needed affordable housing in the borough. The development itself will use the Council's Social Value strategy to ensure that local businesses and residents benefit from the contracts that are procured.</i>
Creating a compassionate council	<i>All schemes will be subject to extensive engagement and have resident involvement built into the process for developing designs as schemes progress from initial feasibility to the development of more detailed designs.</i>
Doing things together with local residents, not to them	<i>Consultation on design and progress of the project will be delivered in line with draft defend council homes policy and co-production principles.</i>
Being highly financially efficient	<i>The schemes will deliver quality additions to the borough in terms housing provision. Homes will be designed to be robust and low maintenance and costs will be closely monitored throughout the design process to ensure schemes are delivered within budget.</i>
Taking pride in H&F	<i>The proposals will lead to the delivery of much needed affordable housing in the borough. The development itself will use the Council's Social Value strategy to ensure that local businesses and residents benefit from the contracts that are procured.</i>
Rising to the challenge of the climate and ecological emergency	<i>The schemes will meet the key environmental challenges in that it will be designed to a London Plan standard. We will encourage inclusion of carbon neutral design proposals and green initiatives where possible.</i>

## FINANCIAL IMPLICATIONS

In September 2019, Cabinet approved the Compulsory Purchase Order (CPO) of properties in Hartopp Point and Lannoy Point, which were being demolished on health and safety grounds. In that decision, Cabinet approved a budget of £250,000 for the initial design work for the redevelopment of the site.

That report also agreed an increase in the property acquisition budget of £859,000 and an additional budget of up to £250,000 in relation to the CPO. Underspends against these budgets of £500,000 and £198,062 will be re-allocated. This budget of £948,062 will enable design work up to RIBA stage 1.

A total project development budget of £3,715,262 to progress this site through to RIBA stage 3 is required and will form part of the Council's Housing capital programme funded from borrowing. The full development cost will be funded from a combination of borrowing, GLA affordable housing grant and the proceeds of sales receipts. This is set out in the finance appendix and summarised in the table below.

Drawdowns of the total budget are delegated to Strategic Director for the Economy in consultation with the Director of Finance and the Cabinet Member for the Economy (on the advice of the Development Board) as the project progresses through LBHF development stages, including updated financial implications on the viability of the scheme. In addition to this it is recommended that as the scheme progresses through each RIBA stage refreshed, development appraisals are produced with the results presented to Development Board.

In the unlikely event the project proves unviable and not proceed, the capitalised expenditure incurred to that point will need to be written off and be charged to revenue budgets. Regular review of the schemes financial viability will ensure that should this risk crystallise, it will be identified at the earliest opportunity to allow for better management and mitigation of abortive costs.

Description	Amount
Pre-development Budget - 6% of total Works costs as per Development appraisal	£3,715,262
Less: Sep 19 cabinet approval for Planning & Design - funded by HRA Borrowings	-£250,000
<b>Approval Request in this report</b>	<b>£3,465,262</b>
<b>Funded by:</b>	
Re-allocation of underspend from Sep 19 cabinet approval of CPO Advice Budget - funded by HRA Borrowings	£198,062
Re-allocation of underspend from Sep 19 cabinet approval of CPO Acquisition Budget - funded by HRA Borrowings	£500,000
HRA Borrowings	£2,767,200
<b>Total Funding</b>	<b>£3,465,262</b>

### Appraisal of the project

The initial appraisal along with a sensitivity analysis has been carried out on the proposed scheme and confirm financial viability and a strong financial return to the Housing Revenue Account from the development. This is detailed in Finance appendix 1. The appraisal will be required to be refreshed with the latest information as the project progresses through LBHF development stages and budgets are released and before the planning application is submitted and ahead of any decision to progress the full scheme by Council Members.

## **LEGAL IMPLICATIONS**

Section 1(1) the Localism Act 2011 (The General Power of Competence) allows the Council to do anything which individuals generally do even if:

- It is unlike anything else the authority may do
- It is unlike anything that other public bodies may do
- It is carried out in any whatever, including:
  - anywhere in the UK or elsewhere;
  - for a commercial purpose or otherwise for a charge, or without charge; and
  - for, or otherwise that for, the benefit of the Authority, its area or persons resident or present in its area

Section 111 of the Local Government Act 1972 allows the Council to do anything (whether or not involving the expenditure, borrowing or lending money or the acquisition or disposal of any property rights) which is calculated to facilitate or which is conducive or incidental to the discharge of any of its functions. The Council has various housing law functions to discharge of which this proposed development can be considered conducive and incidental.

The Council has a commitment to fulfil under the CPO granted in December 2019 (under section 17 of the 1985 Housing Act) requiring the council to deliver a qualitative gain in housing stock on the CPO site within 10 years of the confirmation of the Order.

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## Background Papers Used in Preparing This Report

Cabinet report Hartopp and Lannoy Points - 2 September 2019 - PUBLISHED

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## DETAILED ANALYSIS

### Background

1. The Cabinet has approved clear strategies for the Council to provide new affordable housing to respond to the needs of the community, to benefit existing and future residents and the environment.
2. In June 2019, Cabinet approved entering into funding agreements with the Greater London Authority (GLA), namely:
  - **The Building Council Homes for Londoners (BCHfL) Grant Agreement** - equating to £15,308,000 of non-repayable capital grant to deliver genuinely affordable housing on identified sites throughout the Borough;
  - **The Homebuilding Capacity Fund (HBCF)** - £230,000 (revenue income to deliver assessment of delivering housing in small sites.
  - **Right to Buy Ring-fencing Agreement** - to secure the Council's use of retained Right to Buy (RtB) receipts for a longer period of time and to use it to help deliver genuinely affordable homes.
3. In July 2019, Cabinet also approved **the 'Building Homes and Communities Strategy'** which set out the principles of a self-funding programme of investment in homes and community assets.
4. Through the Building Homes and Communities Strategy, the Council is committed to using its assets to meet its strategic objective of delivering genuinely affordable homes.
5. The Council identified opportunities to deliver up to 1,800 homes over a period of up to ten years and generate long-term income to support the Council's financial challenges. The strategic business case in this strategy sets clear objectives to:
  - Build new, genuinely affordable housing which will help maintain the borough's vibrant social mix;
  - Supports the Council's Business Plan priority of 'Building Shared Prosperity';

- Renew key community assets, including schools and leisure centres; and
  - Generates income to reinvest in frontline services
6. This decision supported the 2018-2022 Business Plan objectives and aspirations and enabled the council to deliver much needed affordable housing at pace.
  7. The Hartopp and Lannoy site coming forward as part of this strategy to deliver much needed affordable housing.

### **Proposals and Options**

8. The financial modelling of the scheme strongly points to a viable and deliverable scheme. The following is an overview of the site.

### **Hartopp and Lannoy site**

9. The Hartopp and Lannoy site is located within the Munster Ward in Fulham and forms part of the Aintree Estate.
10. Following extensive structural surveys and resident consultation, in April 2019, Cabinet resolved to demolish Hartopp and Lannoy Points. These surveys identified serious structural defects with the 14-storey Large Panel System blocks, giving rise to significant Health and Safety issues.
11. The Council worked closely with residents and quickly rehoused all tenants within the borough. At the same time all leaseholder properties were acquired with the support of an uncontested Compulsory Purchase Order approved by Cabinet in September 2019. By February 2020 vacant possession of all 112 homes was secured.
12. In April 2020 CNC Group, a specialist demolition contractor, was appointed to safely demolish both blocks. This work started in May 2020 and is expected to conclude by February 2021. Following demolition, the site will be left hoarded and safe before follow-on redevelopment commences in Spring 2022.

### **The new Hartopp and Lannoy scheme**

13. In November 2020 the Development Team concluded the procurement of an architect-led design team and control team (project management and cost advice) to work with the council and residents on the design of the replacement homes. The architects' team is led by BPTW architects who have extensive experience of similar resident development in London and are also working with the council on the school's development programme. The contracts for the consultant teams are to RIBA stage 1 and are contained within existing approved budgets. These contracts can be extended to take the design to planning and procurement subject to the approval of this report.
14. Last year, the Council commissioned a high-level capacity study of this area to understand the ability of the site to accommodate both the re-provision of lost



social housing and additional housing. The study identified capacity up to 174 new homes. The financial performance has been tested, is viable and could deliver the following mix:

- 112 (64%) affordable rented homes to be retained by the Council, of which
  - 67 homes (38.5%) would be genuinely affordable 'London Affordable Rent' homes (LAR), and,
  - 45 homes (26%) would be for Intermediate rented housing;
- 62 (36%) for private sale which will help offset the costs of the project.
- A minimum of 10% of all homes will be fully accessible.
- *NB: London Affordable Rent is a rent set by the GLA and is their lowest form rent, close to a social rent. Below are the benchmarks they publish every year:*

<b>Size</b>	<b>Rents per week for 2020/21</b>
<i>Bedsit and 1-bedroom</i>	<i>£159.32</i>
<i>2 bedrooms</i>	<i>£168.67</i>
<i>3 bedrooms</i>	<i>£178.05</i>
<i>4 bedrooms</i>	<i>£187.42</i>
<i>5 bedrooms</i>	<i>£196.78</i>
<i>6 or more bedrooms</i>	<i>£206.15</i>

15. The latest reconciliation of the scheme's financial appraisal identifies that an overall budget of £3,715,262 is required for all associated development 'on-costs' (i.e. professional fees, survey costs, statutory application fees) to progress this scheme to planning submission and contractor procurement stages of the development cycle.

16. A high-level timetable of key milestones is set out below:

## Timetable

Milestone	Updated dates
Public engagement event – 1	January 2021
LBHF Gateway 2 Approval	
Dev Board	January 2021
RIBA 1 completion	January 2021
<b>Stage 2: (Planning)</b>	
RIBA Work Stages 2 & 3	February 2021 to August 2021
Public engagement event – 2	March 2021
Public engagement event – 3	May 2021
Planning Submission	August 2021
Planning decision issued	March 2022
Procurement strategy cabinet authority issued.	March 2022
<b>Stage 3: (Procurement)</b>	
Procurement tenders issued out	March 2022 to May 2022
Tender Return & Evaluation	June 2022
<b>LBHF Gateway 3 Approval</b>	
Preparation of tender report	July 2020
Development board	August 2022
Cabinet/Full Council	October 2022
<b>Stage 4: (On Site)</b>	
<b>RIBA Work Stage 5</b>	
Execute Build Contract & Site Possession	November 2022
Contractor Mobilisation & Detail Design	November 2022
Start on site – Main Construction Works	December 2022
Contractor completion (3-year indicative programme)	November 2025

17. The development board will continue to have strategic oversight over the project's deliverability, viability and design. This is in line with the council's gateway process for managing developments.
18. Subject to project viability, resident engagement and following planning submission, Cabinet approval (and Full Council as required) will be sought for construction budget and procurement strategy of a construction contractor in Spring of 2021.
19. The design team will be required to develop options for both traditional construction and off-site modular residential construction, as well as a

combination of the two. There are various potential benefits of off-site construction including speed of delivery, reduced construction cost, quality and sustainability and reducing impact of construction on the residents living close to the site. As part of the design process the consultants will advise the council on the procurement route and timetable for a manufacturer and contractor for an off-site, modular-based construction method. This may result in a Cabinet report to initiate procurement earlier in programme, should this type of construction prove to be deliverable and meet the strategic objectives for the project.

20. Further details are set out in Appendix 1 – exempt report.

### **Working with residents**

21. Successful development projects put existing residents at the centre of the design process. In line with the council’s strategic objectives to do things with residents, the development team will work with residents of the Aintree estate including Chasemore House and Donnelly Court and wider neighbourhood through the design process

22. In January 2021, Cabinet will consider the Defend Council Homes Policy which sets the framework and expectations for working with residents on new developments on housing land. This project will embed the new policy and officers are working with the DCHU to ensure the principles are taken forward.

23. In practice, this means the project team will work with residents of the Aintree Estate and the DCHU to, amongst other things, create a resident panel with an agreed Terms of Reference to shape design development. The will panel ensure that estate residents all have equal opportunity to contribute to the evolution of design.

24. An engagement strategy is being developed and the principles will be agreed with the residents’ panel. This will embed DCHU policy and identify engagement and consultation opportunities throughout the design process.

25. The Council’s co-production team will be involved from the start to ensure the project adheres to the principles of co-production adopted by the council and supports the project to deliver accessible design that meets the needs of existing and future residents.

26. The aim is for an outline concept design to be produced that is then presented to residents and tested by the Council for financial viability and deliverability before the design moves on to the detailed stage of design.

## **5. OPTIONS AND ANALYSIS OF OPTIONS**

### **Option 1 – Do Nothing (not recommended)**

27. The “do nothing” option would either mean (1) not proceeding with this decision or (2) not proceeding with the redevelopment project.

28. Not proceeding with this decision but proceeding with the redevelopment would result in further delay to commencement of design works beyond RIBA 1 resulting in a significant delay of commencement on site and ultimately the timely delivery of much needed affordable housing.
29. Not proceeding with the redevelopment would mean leaving a significant part of a council estate hoarded off following demolition of the existing buildings. This would also increase risks associated with a hoarded site in a council estate that could be subject to trespass and may require additional security costs. This would also not be in line with the Council's commitment to delivering the redevelopment and would result in no re-provision of much needed genuinely affordable housing in the Borough.
30. Not proceeding with the redevelopment would also mean that costs already incurred would need to be written off and additional abortive costs incurred, such long-term site security.

**Option 2 – Approve the budget and proceed with design development (recommended)**

31. This is the recommended option as it will enable this stage of the redevelopment to proceed. The budget approved will enable the continuation of the design work concurrently with the demolition and reduce the gap between the demolition and redevelopment's start on site.
32. This will also enable the council to involve local residents in the concept design and offer them real and measurable influence on the redevelopment as early in the process as possible.
33. Ultimately, approval of this budget will enable the redevelopment of the site for the delivery of much needed genuinely affordable housing. This would also fulfil council's commitments under the CPO justification. That CPO which was granted in December 2019 under section 17 of the 1985 Housing Act, required the council to commit to delivering a qualitative gain in housing stock on Order site within 10 years of the confirmation of the Order.

**REASONS FOR DECISION**

34. The decision is required to allow design work for the redevelopment of the Hartopp and Lannoy site to proceed to planning submission stage (i.e. up to RIBA stage 3) including work to facilitate procurement of a construction contractor).

**EQUALITY IMPLICATIONS**

36. There are no direct implications for groups with protected characteristics, under the equality Act 2010, associated with the budget approvals sought in this report.

*Implications completed by: Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617*

## **RISK MANAGEMENT IMPLICATIONS**

37. The total additional budget requested is £3,465,262 an additional budget of £1,549,086 to fund the pre-construction design works which will be funded by external borrowing from the Housing Revenue Account (HRA). Governance on expenditure is outlined in the report with further drawdowns delegated to the strategic Director for the Economy in consultation with Cabinet Member for the Economy (on the advice of the Development Board) including the financial viability of the schemes.

38. Furthermore, risks to the financial performance of the development are outlined in the exempt. Working with residents, strong programme and financial management are key enablers to the successful delivery of the programme to timescales. The Hartopp and Lannoy site coming forward as part of this strategy will deliver much needed affordable housing.

*Implications verified by Michael Sloniowski, telephone 020 8753 2587*

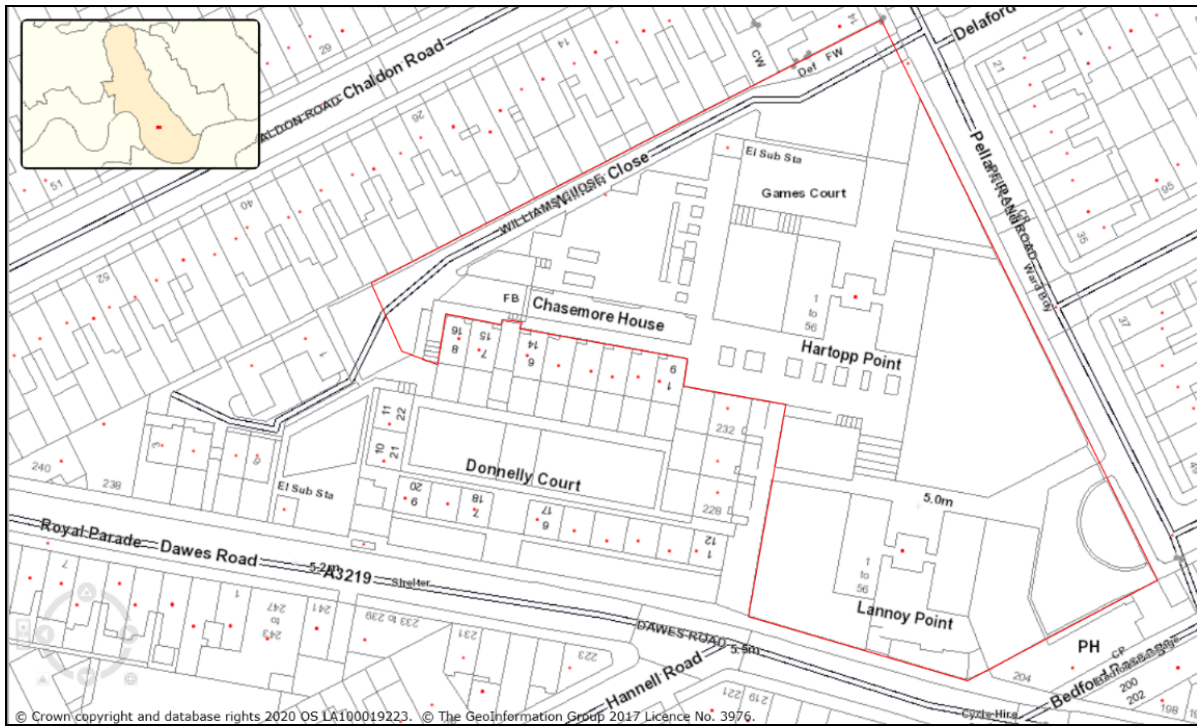
## **CONSULTATION**

37. External consultations will be undertaken as the project progresses.

### **List of Appendices:**

- Appendix 1 – Financial Development Appraisal (Hartopp and Lannoy) - EXEMPT
- Appendix 2 – Location Plan

## Appendix 2- Location Plan





## **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](mailto: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 2020 UNTIL MAY 2021**

The following is a list of Key Decisions which the Authority proposes to take from December 2020. 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](mailto: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](http://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**

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

*Key Decisions List No. 101 (published on 21 December 2020)*



## KEY DECISIONS LIST – FROM DECEMBER 2020

**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)
<b>CABINET MEMBER AND OFFICER DECISIONS</b>				
<b>Finance</b>				
Cabinet Member for the Environment	December 2020	<p><b>Annual Highways Maintenance Programme</b></p> <p>This report seeks approval of the annual highway maintenance work programme for 2020-2021. A key driver for this work is improving the quality of our street scene to give residents and businesses pride in the borough. This work is planned preventative maintenance, aimed at prolonging the life of the Highway infrastructure within the borough.</p> <p>We aim to improve efficiency and provide maximum value for money co-ordinating as far as possible maintenance works with the implementation of LIP projects. We are coordinating footways with the need to plan more trees so use our planned maintenance on footways to increase opportunities for adding tree pits.</p>	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for the Environment	December 2020	<p><b>Highways Planned Maintenance Programme 2020-21</b></p> <p>Highways Maintenance programme to renew a number of carriageways and footways in the borough as part of the asset management of the boroughs highway network. To ensure safety requirements under the Highways</p>	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any
	Reason: Expenditure/Income above £300K - Revenue up to £500k		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	and Capital up to 1.5m	Act 1980.	ian.hawthorn@lbhf.gov.uk	supporting documentation and / or background papers to be considered.
Cabinet Member for the Environment	December 2020	<b>Proposals for the Noise and Nuisance team's revised service hours</b>  Review of the Hours of operation of the borough's Noise & Nuisance service	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for Housing	December 2020	<b>Replacement of Spandrel Panels (Medium and Low Risk Properties)</b>  Replacement of Spandrel Panels at the identified properties covering the stripping out of existing panels and renewing panels including carrying out, as required, all associated works.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Strategic Director of the Economy Department	December 2020	<b>DISPOSAL OF LAND ADJACENT TO JEPSON HOUSE TO A2DOMINION HOUSING GROUP</b>  The land adjacent to Jepson House, Pearscroft Road, SW6 2BS ( the Site has a lapsed planning consent (reference 2016/01960/FR3) for the	Cabinet Member for the Economy	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
	Reason: Expenditure/Income - Revenue between £500,000		Ward(s): Sands End	

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)
	and £5m and Capital between £1.5m and £5m	<p>demolition of the existing structures and redevelopment of the site to provide 33 affordable (social rent) residential units.</p> <p>A tender process using the Framework was carried out in December 2019 and this report sets out the recommendation to approve the disposal of the Site and appoint A2Dominion Housing Group to develop it .</p>	Ayesha.Ovaisi@lbhf.gov.uk	supporting documentation and / or background papers to be considered.
Strategic Director of Environment	Before 18 Dec 2020	<p><b>Climate and Ecological Emergency – Expansion of Lamp Column Electric Vehicle Charge Points</b></p> <p>Having successfully secured £215,175 funding from OLEV for residential lamp column EV charge points, and negotiated the necessary 25% match funding of £72,000 from FM Conway, we are seeking permission to expand the network by a further 152 charge points using the existing LBHF term contract with FM Conway and CityEV.</p>	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Deputy Leader	December 2020	<p><b>Third Sector Investment Fund</b></p> <p>Report to agree forward plan for 3SIF.</p>	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet Member for the Economy	December 2020	<p><b>Approval to commit and draw down Section 106 receipts to fund economic development activity for financial year 2021/22</b></p> <p>Approval to commit and draw down Section 106 receipts to fund economic development activity for financial year 2021/22.</p>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Housing	December 2020	<p><b>Procurement Strategy – Dry to Wet Riser Conversion Works in Six (6) Blocks</b></p> <p>To appoint a Contractor to undertake conversion works of Dry Risers to Wet Risers in Six (6) Blocks to enhance fire safety.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Housing	December 2020	<p><b>Social Housing Decarbonisation Fund Demonstrator bid</b></p> <p>£1.5m Council contribution to receive £0.9m grant contribution to deliver 30 street properties with the innovative energiesprong approach to retrofit social housing (<a href="https://www.energiesprong.uk/">https://www.energiesprong.uk/</a>). For these homes it will mean warmer and more energy efficient homes, a reduction in households' energy bills, and lower carbon emissions.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
<b>Resources</b>				
Director of Finance	December 2020	<b>Banking Services Procurement Strategy</b>  Re-tender for the provision of banking services, as the current contract is due to expire in March 2020. Estimated value is £300k for a 10 year contract.	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Strategic Director of Environment	December 2020	<b>Procurement strategy in relation to the procurement of books and audio materials for the libraries via a framework agreement</b>  For the Council to call off from the new two-year (plus two-year extension) framework agreement for the supply of library books and audio-visual materials at a total estimated cost for the initial two years of £200,000 (plus potentially a further £200,000). The award by WSCC will take place in mid-December 2019 and the new framework agreement will begin 1 April 2020.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Health and Adult Social Care	December 2020	<b>Elmgrove extra care accommodation direct award report</b>  Request to continue the extra care contract at Elmgrove with Notting Hill Genesis beyond the current contract end date for a further one year.	Cabinet Member for Health and Adult Social Care	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
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	£1.5m and £5m		uk	background papers to be considered.
Director Children's Services	December 2020	<p><b>Call-off Contract Extensions for Semi-Independent Living Support Providers</b></p> <p>Decision report recommending short-term extensions of up to six months from 12 April 2020 to 12 September 2020 to 16 call-off contracts to secure continuation of existing provision of semi-independent living (SIL) accommodation arrangements for Looked After Children and Young People leaving care to enable continuity of these valuable services during the current Covid-19 outbreak.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Children and Education	December 2020	<p><b>Centrepoint Contract for Care Leavers Accommodation</b></p> <p>Decision report recommending the extension and modification of an existing supported housing contract delivered by Centrepoint Soho for the provision of accommodation-based support for young people leaving care.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for the Environment	December 2020	<p><b>Procurement Strategy for Land and Property System</b></p> <p>The IDOX Group currently provides the Council's land and property-based IT case management system (Uniform) for multiple regulatory services across the authority.</p> <p>The software is highly embedded within the organisation and underpins a large number of</p>	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	£1.5m and £5m	business processes and casework management. Its contract has expired and needs to be reproced.		background papers to be considered.
Cabinet Member for the Environment	December 2020	<b>Procurement Strategy and Contract Award Approval - GULCS Electric Vehicle Charge Points</b>  To agree to use the GULCS (TfL) Framework for funding EV charge points (The Council has already signed the s159 agreement to access the £233,000 funding from GULCS). Award call-off contract for the supply and operation of charge points.	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Health and Adult Social Care	December 2020	<b>Emlyn Gardens - Adults with disabilities supported living procurement strategy</b>  Report seeks pre-tender approval for the procurement strategy which sets out the intention to tender for the specialist care and support service which will be provided at Emlyn Gardens	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Askew	
Strategic Director of the Economy Department	December 2020	<b>Rough Sleeping Services Contract Awards</b>  Five rough sleeping service contracts expired on 31.10.20. Report will include recommendations about future contracts.	Cabinet Member for the Economy	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
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
				and / or background papers to be considered.
Director Children's Services	December 2020	<b>Approval to agree contract with Family support Service (FSS)</b>  To enable to enter in to a contract with Family Support Service (FSS).	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s):	
Cabinet Member for Children and Education	December 2020	<b>Contract Extensions on Family Support (FS) Framework</b>  To extend a series of contracts on the Family Support Service (FSS) framework and deliver savings required.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for the Economy, Cabinet Member for Finance and Commercial Services	December 2020	<b>Egyptian House - new housing and community facilities</b>  A property transaction that will result in housing units including affordable housing and community facilities  PART OPEN  PART PRIVATE	Cabinet Member for the Economy, Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital		Ward(s): Wormholt and White City	



Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	up to 1.5m	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.		and / or background papers to be considered.
Cabinet Member for Housing	<p>December 2020</p> <hr/> <p>Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m</p>	<p><b>Contract Award, Maystar Estate Refurbishment</b></p> <p>Award of contract to undertake major refurbishment works to Maystar Estate W14</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): North End</p> <hr/> <p>Contact officer: Vince Conway, Richard Buckley Tel: 020 8753 1915, Vince.Conway@lbhf.gov.uk, richard.buckley@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Strategic Director of Environment	<p>December 2020</p> <hr/> <p>Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m</p>	<p><b>VAWG Services Award Report</b></p> <p>Decision to direct award frontline VAWG Services for 12 months</p>	<p>Cabinet Member for the Environment</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Felicity Charles Tel: 02087534311 Felicity.Charles@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet Member for Housing	December 2020	<b>Procurement Strategy for DLO Materials Supplier</b>  Using a 3rd party framework to select a supplier for Merchant Services (Plumbing, electrical and general building goods and material supplies and fire safety materials) and bespoke managed storage services.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Assistant Director for Growth	December 2020	<b>Approval of Procurement Strategies for White City Central Scheme</b>  This report seeks the approval of two procurement strategies relating to the proposed redevelopment of the White City Central area.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Wormholt and White City	
Assistant Director for Growth	December 2020	<b>Procurement Strategies for White City Central</b>  Approval of two procurement strategies for the White City Central scheme.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Wormholt and White City	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Strategic Director of the Economy Department	December 2020	<b>Lift Programme procurement strategy</b>  Lift Programme procurement strategy of repairs and replacement at locations (Lyric Theatre, West London Coroner's Court, 120 Dalling Road (Haven Centre), Hammersmith North Housing Office).	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Hammersmith Broadway	
Strategic Director of the Economy Department	December 2020	<b>Award of contract to lift contractor</b>  To award a contract using the Fusion 21 Framework contractor.  Reason for urgency: To allow the Lyric Theatre to open up earlier.	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): Hammersmith Broadway; Fulham Reach	
Cabinet Member for Finance and Commercial Services	January 2021	<b>MFD Reprourement</b>  The Council has a contract for the provision of multi-functional devices (printers, scanners and copiers) so that its staff can have access to print services in its offices. The contract is due for renewal in 2021.	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	

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Cabinet Member for Housing	December 2020	<b>Procurement Strategy - Renewal of Housing Block Electrical Lateral Mains</b>  Approval of the Procurement Strategy for the appointment of a contractor to renew obsolescent electrical lateral mains to multiple housing blocks.		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for the Economy	December 2020	<b>Mund Street Site - Procurement Strategy for Design Team</b>  Procurement Strategy for Design Team	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): North End	
Cabinet Member for the Economy	December 2020	<b>Mund Street Site - Contract Award for Design Team</b>  Contract Award for Design Team	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): North End	

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Cabinet Member for the Economy	December 2020	<b>Mund Street Site - Procurement Strategy for Control Team</b>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason:	Procurement Strategy for Control Team	Ward(s): North End	
			Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	
Cabinet Member for the Economy	December 2020	<b>Mund Street Site - Contract Award for Control Team</b>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Contract Award for Control Team	Ward(s): North End	
			Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	
Cabinet Member for the Economy	December 2020	<b>Farm Lane Site - Procurement Strategy for Design Team</b>	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	Procurement Strategy for Design Team	Ward(s): Fulham Broadway	
			Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	

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Cabinet Member for the Economy	December 2020	<b>Farm Lane Site - Contract Award for Design Team</b>  Contract Award for Design Team	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Fulham Broadway	
Cabinet Member for the Economy	December 2020	<b>Farm Lane Site - Procurement Strategy for Control Team</b>  Procurement Strategy for Control Team	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Fulham Broadway	
Cabinet Member for the Economy	December 2020	<b>Farm Lane Site - Contract Award for Control Team</b>  Contract Award for Control Team	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Fulham Broadway	

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Cabinet Member for Children and Education	December 2020	<p><b>Procurement Strategy for Young People and Care Leavers Supported Housing</b></p> <p>The purpose of this strategy is to set out proposed changes to in-borough commissioned supported housing services for young people at risk of becoming homeless and or at risk of entering the care system as a result of becoming homeless.</p>	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Health and Adult Social Care	December 2020	<p><b>Community Equipment Call Off Extension Report</b></p> <p>This report seeks agreement to extend the contract to Medequip for the provision of Community Equipment services in Hammersmith and Fulham (H&amp;F).</p>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Health and Adult Social Care	December 2020	<p><b>Contract extension for Floating Support Service</b></p> <p>Agree a contract extension as permitted under the original contract award for plus 2 years to Hestia for floating support services</p>	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	

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Strategic Director of Social Care	December 2020	<b>Day Opportunities Contract awards</b>  Contract awards for three day centres for older people	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Cabinet Member for Housing	December 2020	<b>Procurement Strategy: Stock Condition Surveys</b>  The report seeks approval to procure a specialist supplier to undertake stock condition surveys of the Council's assets and in particular a 100% survey of its HRA dwelling stock programmed over two years, incurring expenditure of up to £1.5m.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Cabinet Member for Public Services Reform	December 2020	<b>Managed services for temporary agency resources - approval to utilise previously agreed one year extension</b>  Managed services for temporary agency resources - approval to utilise previously agreed one year extension	Cabinet Member for Public Services Reform	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	



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Cabinet Member for Housing	December 2020	<b>Procurement Strategy - External Wall Safety Works at Edward Woods Estate</b>  This report seeks approval from the SLT member in consultation with the Cabinet Member for Housing to award a contract for External Wall Safety Works at Edward Woods Estate.  <b>Reason for Urgency:</b> Urgent decision because of potential risk to cause harm to the public.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): Shepherds Bush Green  Contact officer: Dominic D Souza  Dominic.DSouza@lbhf.gov.uk	
Cabinet Member for Health and Adult Social Care	December 2020	<b>Extension of Incumbent Homecare Contracts</b>  This report seeks Cabinet member approval for the extension of the existing homecare contracts for 1year + 6 months + 6months.	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards  Contact officer: Christine Williams  Christine.Williams@lbhf.gov.uk	
Cabinet Member for the Economy	December 2020	<b>Lillie Road Site - Design Team Procurement Strategy</b>  Lillie Road Site - Design Team Procurement Strategy	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): North End  Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk	

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Cabinet Member for the Economy	December 2020	<b>Lillie Road Site - Design Team Award Report</b>  Lillie Road Site - Design Team Award Report	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): North End	
Cabinet Member for the Economy	December 2020	<b>Lillie Road Site - Control Team Award Report</b>  Lillie Road Site - Control Team Award Report	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): North End	
Cabinet Member for the Economy	December 2020	<b>Lillie Road Site - Control Team Procurement Strategy</b>  Lillie Road Site - Control Team Procurement Strategy	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): North End	

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Cabinet Member for Health and Adult Social Care	January 2021	<b>Direct Award to Incumbent Substance Misuse Service Providers</b>  Report seeks the approval of a direct award of one year plus 3 months to the provision of substance misuse contracts to be delivered by the five incumbent providers.	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Strategic Director of the Economy Department	Before 10 Jan 2021	<b>Rough Sleeping Accommodation Contracts - Direct Awards</b>  The procurement of five existing contracts was delayed due to COVID. Contract arrangements need to be extended to maintain service continuity to vulnerable residents while we re-commence the procurement of new contracts.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Strategic Director of Environment	7 Jan 2021	<b>Arqiva Limited Name Change Novation</b>  Following On Tower UK Limited acquisition of Arqiva Limited the council has been requested to approve the entering in to a novation of the contract from Arqiva Limited to On Tower UK Limited	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	

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Director of Finance	Before 8 Jan 2021	<b>Contract Award for Banking Services</b>  To award the contract for banking services following a full OJEU compliant tender exercise	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	
Cabinet Member for Housing	14 Jan 2021	<b>Procurement Strategy for complex void properties</b>  This report seeks approval of a Procurement Strategy for the undertaking of complex void works to council housing stock.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m		Ward(s): All Wards	
Director of Resources	Before 19 Jan 2021	<b>Caretakers Lodges Project</b>  The aim of the scheme is to generate income by redeveloping caretakers lodges into low rental, short term accommodation for teaching staff employed in H&F schools, after which they will have the option of accessing the Council wider affordable housing offer e.g. Shared Ownership or Help to Buy.  A total of 18 lodges have been identified for repurposing across Academy and Community primary and secondary schools, all with	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m		Ward(s): All Wards	

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		<p>the potential for development as shared teachers' accommodation.</p> <p>The discovery work has enabled a business case for investment in repurposing four lodges as affordable key workers houses to house a first cohort of teachers from September 2021.</p> <p>This is expected to deliver the Council immediate revenue benefits of between £63k and £113k from the schemes launch with a breakeven point from 2025/26 considering the upfront capital invested.</p> <p>Works scheduled for 2021 are estimated to cost £555,481 and be paid for from Capital Planned Maintenance Budget.</p> <p>The Corporate Landlord Board, Children's Leadership Team and Cabinet Member have approved the business case for progression of the first four lodges</p>		
Cabinet Member for Children and Education	<p>31 Jan 2021</p> <hr/> <p>Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m</p>	<p><b>FSS Framework Extension 2021/22</b></p> <p>Extension of FSS framework for 1 year April 2021 - March 2022</p>	<p>Cabinet Member for Children and Education</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lesley Bell</p> <p>Lesley.Bell@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet Member for Housing	21 Jan 2021	<b>Contract Award, Edward Woods external wall safety works</b>	Cabinet Member for Housing	A detailed report for this item will be

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	Reason: Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	This report seeks approval from the Cabinet Member for Housing to award a contract for the External Wall Safety Works at Edward Woods Estate	Ward(s): Shepherds Bush Green  Contact officer: Richard Buckley, Vince Conway Tel: 020 8753 1915 richard.buckley@lbhf.gov.uk , Vince.Conway@lbhf.gov.uk	available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

**CABINET - 4 JANUARY 2021**

**Finance**

Cabinet	4 Jan 2021	<p><b>Council Tax Support Scheme 21/22</b></p> <p>This report is to agree the Council Tax Support Scheme for 21/22.</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards  Contact officer: Kirsty Brooksmith Tel: 07785531091 Kirsty.Brooksmith@lbhf.gov.uk	
Cabinet	4 Jan 2021	<p><b>Council Tax Base &amp; Collection 2021-22 &amp; Delegation of the Business Rates Estimate</b></p> <p>This report is a Statutory requirement and contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2021/22</p> <p>The Council Tax base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for</p>	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards  Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk	

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		2021/22.  The report also seeks to delegate authority to the Strategic Director of Finance and Governance to determine the business rates tax base for 2021/22.		papers to be considered.
Cabinet	4 Jan 2021  Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2020/21 (SECOND QUARTER)</b>  This report provides a financial update on the council's capital programme at the end of the second quarter and requests approval for any budget variations.	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Andrew Lord Tel: 020 8753 2531 andrew.lord@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Jan 2021  Reason: Affects 2 or more wards	<b>Corporate Revenue Monitor Month 6 (September 2020)</b>  To inform Cabinet of the forecast budget variance at end of September to ensure ruthless financial efficiency.	Cabinet Member for Finance and Commercial Services  Ward(s): All Wards  Contact officer: Gary Ironmonger Tel: 020 8753 2109 Gary.Ironmonger@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Jan 2021  Reason: Expenditure/Income - Revenue between	<b>Hartopp and Lannoy Point site development consultant services</b>  Report will request authority to fund the development for consultancy services up to the end of RIBA stage 3.	Cabinet Member for the Economy  Ward(s): Munster  Contact officer: Niral Patel	A detailed report for this item will be available at least five working days before the date of the meeting and will include

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	£500,000 and £5m and Capital between £1.5m and £5m	<p>PART OPEN</p> <p>PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	niral.patel@lbhf.gov.uk	details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>4 Jan 2021</p> <p>Reason: Expenditure/ income over £5m &amp; policies or new income, reserves use, overspend over £100K</p>	<p><b>Disposal of Land - Watermeadow Court, Watermeadow Lane, London, SW6 2RW</b></p> <p>Cabinet approval for the disposal of Land at Watermeadow Lane, London, SW6 2RW.</p>	<p>Cabinet Member for the Economy</p> <p>Ward(s): Sands End</p> <p>Contact officer: Matthew Rumble</p> <p>matt.rumble@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	<p>4 Jan 2021</p> <p>Reason: Affects 2 or more wards</p>	<p><b>Update to collaboration agreement for Children's Social Care</b></p> <p>Report to agree proposals to disaggregate from the Children's Services shared placements service by way of a variation to the Section 113 Agreement.</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Will Parsons Tel: 0776 848 6764 Will.Parsons@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered



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<b>Resources</b>				
Cabinet	4 Jan 2021	<b>Defend Council Homes Policy</b>  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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards  Contact officer: Fiona Darby, Daniel Miller Tel: 020 8753 6996 Fiona.Darby@lbhf.gov.uk, daniel.miller@lbhf.gov.uk	
Cabinet	4 Jan 2021	<b>Contract award for major refurbishment works to Maystar estate W14</b>  This report seeks approval to award a contract for the major refurbishment of various housing properties comprising the Maystar estate W14. The project is one which the Council has committed to deliver as part of the Asset Management Compliance Strategy and Capital Programme approved at 1st July Cabinet 2019	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): North End  Contact officer: Vince Conway, Richard Buckley Tel: 020 8753 1915, Vince.Conway@lbhf.gov.uk, richard.buckley@lbhf.gov.uk	
Cabinet	4 Jan 2021	<b>Rough Sleeping Services Procurement Strategy</b>  Several rough sleeping services are expiring in 2021 and a procurement strategy is required setting out the vision for the new services.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards  Contact officer: Julia Copeland Tel: 0208 753 1203 julia.copeland@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
				considered.
Cabinet	4 Jan 2021	<b>Travel Care Taxi Procurement Strategy</b>  Procurement strategy for the provision of taxi services for home to school and social care transport.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards	
Cabinet	4 Jan 2021	<b>Procurement Strategy for School Meals</b>  Procurement strategy for School Meals in H&F.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards	
<b>CABINET - 1 FEBRUARY 2021</b>				
<b>Finance</b>				
Cabinet	1 Feb 2021	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2021/22</b>  The Council is obliged to set a balanced budget and council tax charge in accordance with the Local Government Finance Act 1992 The 2021/22 revenue budget proposals are set out regarding,	Leader of the Council	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any
	Reason: Expenditure/ income over £5m & policies or new income, reserves		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	use, overspend over £100K	Council tax levels, Investment and savings proposals, Changes to fees and charges, Budget risks, reserves and balances and Equalities Impact Assessments.		supporting documentation and / or background papers to be considered.
Cabinet	1 Feb 2021  Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K	<b>FOUR YEAR CAPITAL PROGRAMME 2021/22 AND CAPITAL STRATEGY 2021/22</b>  This report presents the Council's four-year Capital Programme for the period 2021 - 2025.	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	1 Feb 2021  Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2020/21 (THIRD QUARTER)</b>  This report provides a financial update on the council's capital programme (third quarter) and requests approval for budget variations to the capital programme.	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	1 Feb 2021  Reason: Expenditure/Income over £5m & policies or new income,	<b>Treasury Management Strategy Statement</b>  This report sets out the Council's Treasury Management Strategy for 2021/22.	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

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)
	reserves use, overspend over £100K			supporting documentation and / or background papers to be considered.
Cabinet	1 Feb 2021  Reason: Budg/pol framework	<b>Treasury Management Mid-Year Review Report</b>  This report sets out the Council's performance for the first 6 months of 2020/21	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	1 Feb 2021  Reason: Budg/pol framework	<b>The Housing Revenue Account 2021/22 Budget and Rent Increase</b>  This report covers the 2021/22 budget for the Council's homes - the annual Housing Revenue Account (HRA) budget. The report includes recommendations on the annual rent and tenant service charges increases.	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.
Cabinet	1 Feb 2021  Reason: Budg/pol framework	<b>Immediate Schools Capital Programme of Works to March 2021</b>  Immediate Schools Capital Programme of Works to March 2021  PART OPEN	Cabinet Member for Children and Education  Ward(s): All Wards  Contact officer: Joe Gunning, Daryle Mathurin	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

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		<p>PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Tel: 07769672031, Tel: 07816 661199            Joe.Gunning@lbhf.gov.uk,            Daryle.Mathurin@lbhf.gov.uk</p>	<p>supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>1 Feb 2021</p> <p>Reason: Expenditure/ income over £5m &amp; policies or new income, reserves use, overspend over £100K</p>	<p><b>Dedicated School Grants</b></p> <p>2021/22 Mainstream school budget shares including DSG block movements, special provision funding and falling roll fund decisions            2021/22 DSG Central Schools Block Budget            Draft 2021/22 DSG Early Years budget</p>	<p>Cabinet Member for Children and Education</p> <p>Ward(s): All Wards</p> <p>Contact officer: Tony Burton            tony.burton@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>1 Feb 2021</p> <p>Reason: Affects 2 or more wards</p>	<p><b>Policing and Crime Commission Final Report</b></p> <p>The final report of the resident-led Policing and Crime Commission with recommendations for consideration.</p>	<p>Deputy Leader</p> <p>Ward(s): All Wards</p> <p>Contact officer: Peter Smith, Matthew Hooper            Tel: 020 8753 2206, Tel: 07450 964 681            peter.smith@lbhf.gov.uk,            Matthew.Hooper@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>

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Cabinet	1 Feb 2021	<b>Education City - Land Appropriation</b>  S203 Appropriation	Cabinet Member for the Economy	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered
	Reason: Budg/pol framework		Ward(s): Wormholt and White City	
Contact officer: Jacquie Agyemang-Johnson Tel: 07787 152733 Jacquie.Agyemang-Johnson@lbhf.gov.uk				

#### Resources

Cabinet	1 Feb 2021	<b>Procurement Strategy for 0-19 Public Health Nursing Services</b>  To approve the Procurement Strategy for the re-procurement of a single contract for the delivery of the health visiting and school nursing service from 1 September 2021	Cabinet Member for Health and Adult Social Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/Income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards	
Contact officer: Susan Hughes susan.hughes@lbhf.gov.uk				

#### CABINET - 1 MARCH 2021

#### Finance

Cabinet	1 Mar 2021	<b>Approval of Queensmill Special School academy conversion</b>  A request to approve the recommendation to enable the conversion of Queensmill Special School to become an academy.	Cabinet Member for Children and Education	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any
	Reason: Affects 2 or more wards		Ward(s): All Wards	
Contact officer: Daryle Mathurin Tel: 07816 661199 Daryle.Mathurin@lbhf.gov.uk				

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				supporting documentation and / or background papers to be considered.
Cabinet	1 Mar 2021  Reason: Expenditure/ income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Report to Request a Re-Purposing of the Stock Condition Capital Budget for IHMS</b>  The purpose of the report is to request approval for the re-purposing of the Capital Budget for the Stock Condition surveys to meet the cost of implementing the new Integrated Housing Management System for The Economy.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Dorothy Sturzaker  Dorothy.Sturzaker@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	1 Mar 2021  Reason: Affects 2 or more wards	<b>Improving private sector housing through discretionary property licensing</b>  Cabinet is asked to decide that officers should conduct a public consultation with a view to re-designating discretionary property licensings chemes from June 2022 for a further 5 years, with appropriate adjustments so as to focus on the streets and types of properties which cause the most significant problems.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Ed Shaylor  Ed.Shaylor@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	1 Mar 2021  Reason: Budg/pol framework	<b>Third Sector Investment Fund Budget and Allocation</b>  Agreeing the third sector investment fund budget and allocation for the period 1 April 2021 - 31 March 2023  PART OPEN	Deputy Leader  Ward(s): All Wards  Contact officer: Lisa Henry Tel: 07584522952 Lisa.Henry@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
		<p>PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		documentation and / or background papers to be considered.

#### Resources

Cabinet	1 Mar 2021	<p><b>Grounds Maintenance on Housing Land Business Case and Consultation</b></p> <p>June Cabinet approved a Procurement Strategy for the tendering of Grounds Maintenance of Parks, Open Spaces and Housing Estates.</p> <p>It further noted that following consultation with residents and tenants in accordance with Section 105 of the Housing Act 1985 the strategy could change with respect to housing land.</p> <p>The report will advise the results of that consultation process and include and describe a business case to bring the service in-house.</p> <p>Cabinet will be asked to consider recommendations concerning the respective options of bringing the grounds maintenance service on housing land in-house or rather retaining it as Lot 2 in the wider Grounds Maintenance and Parks procurement.</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	



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Cabinet	1 Mar 2021	<b>Emergency Planning &amp; Business Continuity Cabinet Report</b>	Cabinet Member for the Environment	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards	A yearly summary of the Councils Emergency Planning and Business Continuity Activities	Ward(s): All Wards	
	Contact officer: Denise Prieto Tel: 0208 753 2286 Denise.Prieto@lbhf.gov.uk			
Cabinet	1 Mar 2021	<b>Procurement Strategy - Remedial and Safety Enhancement Works at Edward Woods Estate</b>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K	Remedial and safety enhancement works to the three (3) Edward Woods blocks (i.e. Poynter, Stebbing and Norland Houses).	Ward(s): Shepherds Bush Green	
	Contact officer: Vince Conway, Richard Buckley Tel: 020 8753 1915, Vince.Conway@lbhf.gov.uk, richard.buckley@lbhf.gov.uk			
Cabinet	1 Mar 2021	<b>Housing Strategy 2019</b>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be
	Reason: Affects 2 or more wards	Report on the Council's new Housing Strategy	Ward(s): All Wards	
	Contact officer: Gerry Crowley  Gerry.Crowley@lbhf.gov.uk			

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				considered.
<b>CABINET - 19 April 2021</b>				
Cabinet	19 Apr 2021	<b>Corporate Revenue Monitor Month 9 - 31st December 2020</b>  Update on forecast outturn position at 31st December. Request for budget virements	Cabinet Member for Finance and Commercial Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects 2 or more wards		Ward(s): All Wards	
<b>CABINET - 10 May 2021</b>				
Cabinet	10 May 2021	<b>Procurement Strategy for Mental Health Supported Housing</b>  Procurement strategy for our mental health supported housing in borough contracts.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure/ income over £5m & policies or new income, reserves use, overspend over £100K		Ward(s): All Wards	

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Cabinet	10 May 2021	<b>Hammersmith &amp; Fulham Modern Slavery Strategy</b>  This report will present a new Modern Slavery Strategy for Hammersmith & Fulham.	Deputy Leader	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Budg/pol framework		Ward(s): All Wards	
	Contact officer: Felicity Charles Tel: 02087534311 Felicity.Charles@lbhf.gov.uk			