

# Commercial Revenue Committee

## Agenda

Wednesday 17 March 2021

6.00 pm

Online - Virtual Meeting

### MEMBERSHIP

<b>Administration:</b>
Councillor Max Schmid (Chair) Councillor Adam Connell

### THIS MEETING WILL BE HELD REMOTLEY

It will be streamed via YouTube on: [Watch live on YouTube](#)

Agendas are available on the Council's website:

<http://democracy.lbhf.gov.uk/Commercial Revenue Committee - 17 March 2021>

### CONTACT OFFICER:

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Date Issued: 09 March 2021

# Commercial Revenue Committee Agenda

17 March 2021

<u>Item</u>		<u>Pages</u>
<b>1. APOLOGIES FOR ABSENCE</b>		
<b>2. ROLL CALL AND DECLARATIONS OF INTEREST</b>		
	To confirm attendance, the Chair will perform a roll call. Members will also have the opportunity to declare any interests.	
	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.	
	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.	
	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.	
	Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.	
<b>3. MINUTES</b>		4 - 5
	To approve the minutes of the previous meeting held on 16 September 2019.	
<b>4. FAMILY SUPPORT SERVICES</b>		6 - 9
	To consider a report outlining the decision by Children's Services to bring back into the Council Early Help case work and Early Years children centre provision currently provided by LBHF Family Support Services (FSS).	



London Borough of Hammersmith & Fulham

## Commercial Revenue Committee

### Minutes

Monday 16 September 2019

#### **PRESENT**

**Committee members:** Councillors Max Schmid (Chair) and Adam Connell

**Officers:** Hitesh Jolapara (Strategic Director, Finance and Governance), Nigel Brown (Head of Asset Strategy and Portfolio Management), Emily Hill (Assistant Director, Corporate Finance), and Henry Azariah (Estate Surveyor)

#### **18. MINUTES OF THE MEETING HELD ON 26 JULY 2019**

The minutes of the meeting held on 26 July 2019 were approved and signed by the Chair.

#### **19. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **20. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **21. COMMERCIAL REVENUE - PROPERTY LETTING OF RAVENSCOURT CENTRAL STORES, RAVENSCOURT GARDENS W6 0TU**

The report seeks approval of a long lease agreement in respect of a vacant commercial asset at Ravenscourt Gardens. The asset has been extensively marketed. An analysis of the property offers has been undertaken and detailed in the report.

Officers advised of a slight amendment to paragraph 4.3 of the report as follows: -

“The intention is the primary pedestrian and vehicular movements will be at the rear of the property (the alleyway) and not the current primary Ravenscourt Gardens entrance. The Council has a long-standing access agreement with TfL at the rear of the property. TfL and H&F officers are working together so this will include rights granted to Kindred Studios too. The

only intended access onto Ravenscourt Gardens will be for fire emergency access including fire drills. It is intended there will be disabled only entrance and exit onto Ravenscourt Gardens. The Council's intention is to ensure the access arrangements are clearly documented in the legal agreements and are also enforceable".

The Committee requested officers to liaise closely with residents and the ward councillors once the property is let particularly as we approach the planning phase. The residents and ward councillors must also be consulted on any TFL proposals to change the access arrangements.

## **RESOLVED**

1. That the Council entered into a commercial lease including the proposed rental income and associated property agreement with Kindred Studios in accordance with the heads of terms in Appendix 1.
2. That authority be delegated to the Strategic Director of The Economy in consultation with the Cabinet Member for Finance and Commercial Services and the Assistant Director of Legal and Democratic Services, to complete the legal property documents.
3. To note that if Kindred Studios do not operate the break clause in year six of their property lease that a further report is submitted to Cabinet for the approval of the continuing lease.

## **22. FUTURE DATES OF MEETINGS**

The following meeting dates were noted for the new municipal year:

- Monday 25 November 2019
- Monday 16 March 2020

Meeting started: 12.00 pm  
Meeting ended: 12.05 pm

Chair .....

Contact officer: Kayode Adewumi  
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DECISION MAKER (TITLE): Commercial Revenue Committee

Signature of decision maker: .....

Date .....

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## London Borough of Hammersmith & Fulham

**Subject:** Family Support Services

**Report of:** David Pearlman

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

### RECOMMENDATIONS

- To note that the Council's Children's Services have made the decision to bring back into the Council Early Help case work and Early Years children centre provision currently provided by Family Support Services (FSS)
- To approve that upon Family Support Services becoming operationally inactive and satisfying all creditors a formal application is made to HMRC for the company status to be dormant.

### REASON FOR DECISIONS

1. LBHF Family Support Services (FSS), incorporated in August 2017, is 100% owned by the Council and was established to deliver Early Help and Early Years together with several of our Children's Centre services on behalf of Children Services.
2. Children Services have invested significant funds into FSS since April 2018. Pursuant to the Cabinet decision of 6 July 2020 LBHF officers have been working to bring its services back within budget and deliver in year savings.
3. Children Services are increasingly seeing more families with complex needs requiring extra support from our specialist services and know that maximising the impact of their early help services is vital to stop this trend. Children Services want to build on the strong early intervention foundations laid by FSS to ensure families are getting the right support at the right time. An integrated approach is key to this, therefore, the intention is to integrate the FSS team within the Council's Children's Services department from 1st April 2021.

4. This will ensure families continue to get the support they need from staff both currently within FSS and LBHF under the banner of one Children's Services team.
5. Bringing Children Services in-house will improve coordination, integration and assurance over delivery of statutory duties. This will enable greater service integration and joint working across Early Years provision and will maintain and further integrate the joint working relationship.
6. Ultimately, the over-riding responsibility is to deliver the Council's statutory obligations in the safest and most financially efficient way, therefore Children Services have recommended bringing these services back in house.

## **PROPOSALS AND ANALYSIS OF OPTIONS**

7. In coming to its recommendations Children Services considered several different operational models as to the safest and most financially efficient way to deliver its service. Ultimately it was decided that it should bring back in house the Early Help and Early Years services.
  - Bring in house the Early Help Service only;
  - Bring in the Children Centres only;
  - Retain FSS services; and,
  - Bring in house Early Help and Early Years children services provision
8. Consequently, FSS will cease to be operationally active on 31 March 2021. The shareholder options are:
  - Seek a Member Voluntary Liquidation;
  - Formally apply to HMRC to make the company dormant
9. Both options require FSS to satisfy all creditors the costs of which will be met from any remaining cash balances held by FSS, and where these are insufficient by the council as the commissioner of FSS services.
10. The option of making a company dormant will allow the Council to properly consider the possible future use of FSS and will avoid the negativity associated with a business being placed into liquidation.

## **FINANCIAL IMPACT**

11. A savings target of £1.5m was originally established from 2018/19 with delivery via an Integrated Family Support Services. The delivery of this saving is still outstanding resulting in an overspend against the approved budgets in 2018/19 to 2020/21.
12. Officers have considered actions to reduce this overspend in-year with the forecast overspend in 2020/21 reduced to £0.3m after mitigating action, after a one-off agreed investment of reserves.

13. Proposals are being considered to provide these services in house, eliminating the historic budget shortfall and contributing to a wider £0.73m saving proposed from 2021/22 across the wider Family Support Framework, Children's centres and Youth commissioned services. Proposals for the delivery of novated contracts and staff transferred within the revised budget envelope are subject to a separate decision paper.
14. There is some risk with respect to residual costs from contracts for the Family Support Service to the end of the 2020/21 financial year. Contracts which will not novate to Children's Services will need to be negotiated with providers and agreement reached with Hammersmith & Fulham with respect to outstanding amounts. These are not expected to be more than £0.075m more than the current agreed payment values for 2020/21 and contained within the £0.3m forecast overspend in Children's Services. These estimates are based on cashflow forecasts provided by Family Support Service in early March 2021.
15. There may be some residual staff costs and redundancy in 2021/22 which would need to be subject to further decision.

*Financial Implications drafted by Tony Burton, Head of Finance Children's Services and Education*

*Verified by Emily Hill, Director of Finance*

## **LEGAL IMPLICATIONS**

16. There is no formal duty to inform Companies House that a company has become dormant. However, annual Confirmation Statements must be completed.
17. In order not to be liable for Corporation Tax the company will need to inform HMRC that it is to be made dormant. The company does not have to file another Company Tax Return once they have informed HMRC that the company is dormant unless the company receives a further notice to deliver a Company Tax Return.
18. It is important to note that if a dormant company spends or receives money it will forfeit its dormant status and be considered active and liable to pay Corporation Tax.

*Implications completed by: Grant Deg, Senior Litigation Solicitor 07798588766*

## **RISK IMPLICATIONS**

19. The Council is facilitating a managed transition and risk transfer to facilitate a new in-house service from 1 April 2021. This is being facilitated through a Project to take forward the service into a post Covid pandemic model. To do so means that the company will be made dormant after having identified its liabilities and made suitable provision for the new service within the Council.

*Risk Implications verified by Michael Sloniowski, Risk manager, telephone 020 8753 2587*

**PROCUREMENT IMPLICATIONS [*for contract award only*]**

20. There are no procurement implications as not a contract award.

**CONSULTATION**

21. There was no obligation to consult. All TUPE consultations are being undertaken in line with legal requirements.