

Commercial Revenue Committee

Agenda

Monday 17 April 2023

6.30 pm

Main Hall (1st Floor) - 3 Shortlands, Hammersmith, W6 8DA

MEMBERSHIP

Administration:
Councillor Rowan Ree - Chair Councillor Andrew Jones

If you require further information relating to this agenda please contact: Katia Neale, Committee Coordinator, tel: 07776 672 956 or email: katia.neale@lbhf.gov.uk

Reports on the Commercial Revenue Committee agenda are available on the Council's website: www.lbhf.gov.uk/councillors-and-democracy



Shortlands

3 Shortlands,
Hammersmith,
London W6 8DA

 **Closest Underground Station**
Hammersmith

 **Closest Bus Stop**
Latymer Court (Stop G)

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

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Commercial Revenue Committee Agenda

17 April 2023

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE MEETING HELD ON 1 NOVEMBER 2021 To approve as an accurate record, and the Chair to sign the minutes of the meeting held on 1 November 2021.	4 - 5
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATIONS OF INTEREST 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 Audit, Pensions and Standards Committee.	
4.	DIGITAL ADVERTISING HOARDING OVERVIEW This report has five appendices which contain information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication. <i>Any discussions on the contents of an exempt appendix will require the Committee to pass the proposed resolution identified at the end of the agenda to exclude members of the public and the press the proceedings for that discussion.</i>	6 - 10

5. LBHF COMPANIES UPDATE

11 - 14

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appendices which contain information exempt within the meaning of Schedule 12A to the Local Government Act 1972 and are not for publication.

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

6. DISCUSSION OF EXEMPT ELEMENTS (ONLY IF REQUIRED)

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

Commercial Revenue Committee

Draft Minutes

Monday 1 November 2021

PRESENT

Committee members: Councillors Max Schmid and Adam Connell

Officers: Emily Hill, Director of Finance; Sharon Lea, Strategic Director of Environment; and David Pearlman, Head of Commercial and Sales

1. MINUTES OF THE MEETING

RESOLVED

The minutes of the meeting held on 29 April 2021 were agreed as an accurate record.

2. APOLOGIES FOR ABSENCE

None.

3. DECLARATIONS OF INTEREST

None.

4. DISSOLUTION OF LBHF JOINT VENTURES LIMITED (10812552)

Emily Hill gave a brief presentation outlining details about the dissolution of Joint Venture Limited. The company was established to provide ethical debt solutions to the council and other local authorities. The joint venture partner had made clear its intention to leave the partnership due to the unexpectedly difficult commercial market conditions. Members of the board had met in June 2021 to recommend that the company was struck from the company's register. It was recognised that this decision did not alter the council's policy on ethical debt collection and importantly, the council would continue to not use bailiffs for the collection of unpaid council tax and in other financial areas

such as housing benefit overpayment or former tenant arrears and recovery arrangements had been put in place to ethically support this in house. As the two main areas, these would be monitored and evaluated to ensure efficient provision.

Councillor Connell sought an assurance that individuals with an existing payment plan with the joint venture would be transferred to the in house provision. He also asked for further information about the process that the council would follow to continue with ethical debt collection. Emily Hill confirmed that there was a detailed handover plan in place to ensure that those on payment plans would transition smoothly to the new provision. The Tax Team had undertaken significant work to ensure that debt collection was ethical using text reminders and early notification, signposting support and advice, particularly during Covid. Communication and the agreement of payment plans ensured that people could maintain an affordable payment plan. The council's ethical approach supported those that qualified, and the council would also continue with a generous council tax support scheme.

RESOLVED

1. That Commercial Revenue Committee, acting as the shareholder, agreed to the formal commencement, by the directors, to the application to dissolve LBHF Joint Ventures Limited and its removal from the Companies Register through the completion of form DS01; and
2. That Commercial Revenue Committee, as the shareholder, agreed to the distribution of shareholder funds in LBHF Joint Ventures Limited, prior to dissolution and in proportion to the company's shareholding.

5. FUTURE DATES OF MEETINGS

To be confirmed.

Meeting started: 6.30 pm
Meeting ended: 6.38 pm

Chair

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Agenda Item 4

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Commercial Revenue Committee

Date: 17/04/2023

Subject: Digital Advertising Hoarding Overview

Report author: Joanna McCormick – Assistant Director – Procurement and Commercial

Responsible Director: Director of Finance - Sukvinder Kalsi

SUMMARY

Hammersmith and Fulham Council own a number of digital advertising hoardings around the Borough. These sites have been leased to various media providers. The leases held between H&F and media providers outline the length of the term and the rental agreement along with other necessary stipulations. This report gives an overview of all current digital advertising sites and seeks approval for future planned sites.

RECOMMENDATIONS

1. To note that Appendices 1, 2, 3, 4 and 5 are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
 2. To note the lease status and marketing position of current advertising sites.
 3. To approve the provisional sites for H&F to progress with as outlined in Appendices 2 and 3.
 4. To agree delegated authority to the Strategic Director for the Economy for these proposed sites to proceed with leasing.
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Wards Affected: (All)

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	When leases are agreed with marketing partners it benefits the borough and ultimately our residents
Creating a compassionate council	Creating advertising spaces can enable the council to manage issues that affect residents more innovatively.
Doing things with local residents, not to them	Enables the Council as digital advertising landlords to influence advertising and income generation against resident priorities through innovation and commercial approaches.
Being ruthlessly financially efficient	Digital advertising creates many income generating opportunities within a successful market with little expenditure for the council.
Taking pride in H&F	Ensuring advertising hoardings have green walls, where possible, to provide natural and vibrant structures within the community.
Rising to the challenge of the climate and ecological emergency	Ensuring that we as a landlords highlight the council's commitment to climate and ecological emergency in our digital advertising leases. Whilst developing an approach for the council to reduce promotion within high-carbon products and services at its sites including advertising sites.

Financial Impact

Comments on the financial performance and implications for the councils advertising hoarding sites for both the General Fund and the Housing Revenue Account (HRA) are held in the exempt appendix 5.

Alex Pygram, Head of Finance, Corporate Services, 2nd February 2023

Madhav Acharya, Finance Manager, The Economy (HRA) and Danny Rochford, Head of Finance (The Economy and HRA), 20th February 2023

Verified by Andre Mark, Head of Finance (Strategic planning and investment), 8th March 2023

Legal Implications

This report seeks approval for the provision of additional advertising hoardings in the borough by entering into leases in each case with a lessee/outdoor advertising company mirroring arrangements at existing sites. Since these arrangements are

primarily land transactions, they fall outside the Public Contracts Regulations 2015 and Concession Contracts Regulations 2016. Therefore, there is no statutory obligation to follow the competition requirements under the Regulations before the Council enters into the leases for the additional sites.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 7th February 2023

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The council presently has a number of active, proposed, and agreed advertising sites. H&F plan to continue with current leases and grow the advertising hoarding portfolio over the next 12 months.
2. Digital Advertising sites generate income for LBHF via payment agreements over a fixed term lease.
3. Out of home media has encountered a number of market pressures in recent years, this has had a major impact on income generation for H&F. The decrease in income is due to Covid19, internet advertising and reduction in footfall for high street shopping.
4. H&F Climate Change team are looking into the environmental impact of hoardings and producing an advertising policy for the council to adopt. Primarily focusing on restrictions on advertising fossil fuel-derived products. This will have an unknown impact on income generation. For context and reference following consultants' advice, a restriction on sugar related advertising resulted in a 20% reduction in income for another local authority. The potential impact of a new advertising policy will be outlined when the policy is brought forward.
5. Media providers will be asked to sign our West London Alliance Low Carbon Charter, requiring media providers to support H&F initiatives to tackle climate change. This charter does not carry a fee to providers. This programme is enabling H&F to be ruthlessly financially efficient whilst ensuring we are rising to the challenge of the climate and ecological emergency.
6. Digital advertising consultants have reviewed potential sites around the Borough for development and have identified the sites outlined in Exempt Appendix 2, 3 and 4.
7. Advertisement Consent would be required for each digital advert. The council as a Local Planning Authority is required to determine Advertisement Consent applications in the interests of amenity and public safety, including highway safety. Tenants and leaseholders would be notified by Housing in advance of any Advertisement Consent application being submitted for a digital advert on

HRA land. Planning would carry out a public consultation on each Advertisement Consent application received. Any applications with a recommendation for approval from Planning Officers would need to be reported to the Planning Applications & Development Control Committee for their determination.

Site and fund (GF/HRA)	HRA/GF site	Leaseholder name on lease	Lease end date
Existing sites			
Hammersmith Twin Towers (South of A4 Hammersmith Flyover)	GF	Global	29/06/2027
Hammersmith Twin Towers (North of A4 Hammersmith Flyover)	GF	Global	29/06/2027
245 Hammersmith Road (outside L'Oréal)	GF	Ocean	01/11/2021
Woodstock Grove (facing Holland Park Roundabout) - GF joint site with TfL	GF	JCDecaux	06/04/2024
Walham Green Court -	HRA	Daylite LED Media	05/07/2034
Barton House	HRA	Daylite LED Media	01/12/2037
Linacre Court (facing A4 Talgarth Road) -	HRA	JCDecaux	01/06/2026
Falkland House, Edith Villas (facing A4 West Cromwell Rd)	HRA	Outdoor Media Management / UK Billboards	30/04/2028
Void sites			
Bentworth Park (facing A40 Westway)	GF	N/A	To be removed 2023
Imperial Road (Paper & Paste)	GF	Clear Channel	To be removed March 2023

GF – General Fund

HRA – Housing Revenue Account

Risk Management Implications

8. The report gives an overview of all current digital advertising sites and seeks approval for future planned sites to generate additional income for the Council. This is in line with the objective of being ruthlessly financially efficient.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 17 February 2023

Climate and Ecological Emergency Implications

9. Commercial team are currently working with Legal and the Climate team to establish a Fossil Fuel Advertising Policy, which will limit advertising of fossil fuel-derived products and services.

Hinesh Mehta, Head of Climate Change, 30/01/2023

Property

10. This report seeks approval for the provision of additional advertising hoardings in the borough by entering into leases in each case with a lessee/outdoor advertising company mirroring arrangements at existing sites.

Work to mobilise the sites will be led by the Council's Commercial and Procurement function but supported with advice and expert input from the Council's Corporate Property Service.

Records of assets and their arrangements will be maintained on the Council's Corporate Property database. The Council's Corporate Property Service will support the Council's Commercial and Procurement function to use the system effectively.

Jonathan Skaife, Acting Head of Corporate Property, 08/03/2023.

LIST OF APPENDICES

- Exempt Appendix 1 – Breakdown of existing sites
- Exempt Appendix 2 - Agreed delegated authority site
- Exempt Appendix 3 – Breakdown of potential new sites – seeking approval
- Exempt Appendix 4 – Map of potential new sites
- Exempt Appendix 5 – Finance comments

Report to: Commercial Revenue Committee

Date: 17/04/2023

Subject: LBHF Companies Update

Report author: Joanna McCormick - Assistant Director Procurement and Commercial

Responsible Director: Director of Finance - Sukvinder Kalsi

SUMMARY

The London Borough of Hammersmith & Fulham has several companies registered at Companies House. This report provides an update on the status of these companies and our arrangements for oversight.

RECOMMENDATIONS

1. To note that Appendices 1, 2, 3,4, 5 and 6 are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. To note the status of the companies and arrangements for corporate overview.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	When the companies do well it benefits the borough and ultimately our residents
Creating a compassionate council	Setting up companies can enable the council to manage issues that affect residents more innovatively
Doing things with local residents, not to them	Enables the Council as shareholder to influence delivery against resident priorities through innovation and commercial approaches.
Being ruthlessly financially efficient	Saving resources and money through these companies, also opportunity for

	these companies to generate income.
Taking pride in H&F	Company business often supports improvements to the borough
Rising to the challenge of the climate and ecological emergency	Ensuring that we as a shareholder or partner highlight the council's commitment to climate and ecological emergency in the work companies deliver.

Financial Impact

The recommendations in this report have no direct financial implications.

Alex Pygram, Head of Finance, Corporate Services - signed on 27th February 2023

Verified by Andre Mark, Head of Finance (Strategic planning and investment), 28th February 2023

Legal Implications

This report gives an update on the status of the companies held by the Council and arrangements being put in place for corporate oversight of these companies. There are no substantive legal implications arising from this report.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 1st March 2023

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The council presently has 4 active limited companies, 1 of which is about to become dormant and 3 recently dissolved. The council is also part of 2 Joint Ventures.
2. Each company should have its own legal advice and accountancy support. The Procurement and Commercial Team are working to ensure this is consistently the case. Council departmental directors and appropriate officers engage with relevant companies as required for the business of the companies supporting the council's role as shareholder or partner. Corporate oversight has now moved to the commercial and procurement function.
3. An overview of the companies' status on Companies House, purpose and direction of travel is as follows:

Company	Purpose & direction of travel
Active	
H&F Housing Developments LTD	Development of building projects. Keep as is
HFS Developments 2 Limited	Development of building projects, buying, and selling of own real estate. Keep as is
LBHF Ventures Limited	Management consultancy, public administration activities, support to performing arts and other information service activities Exploring options for next steps
LBHF Family Support Services Limited	Previously provided family support services. See separate note – Appendix 5
HFS Developments LLP	Joint Venture to optimise provision of affordable housing in the borough
West King Street Renewal LLP	Joint Venture for the development and sale of 204 properties. Keep as is
Dissolved	
LBHF Joint Ventures Limited	
H&F Bridge Partnership LTD	
H&F Housing Ltd	

4. Further details about the workings of these companies can be found in Appendices 1 – 6. Scheduled updates to Commercial Revenue Committee going forward will be bi-annually.

Risk Management Implications

5. The report sets out the status of the council-owned companies and arrangements for corporate oversight. This will help to provide appropriate assurance to the Commercial Revenue Committee on the companies' activities and the delivery of objectives set when the companies were established.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 8 March 2023

Property

6. Active companies covered in this report are essential enablers for the Council's Civic Campus programme and wider Development and Regeneration agenda.

The recommended arrangements for oversight will help assure the companies, safeguarding key development, regeneration, and commercial activity.

Jonathan Skaife, Acting Head of Commercial Property, 8 March 2023

LIST OF APPENDICES

Exempt Appendix 1 provides further detail on joint venture – HFS Developments LLP

Exempt Appendix 2 provides further detail on a limited company – HFS Developments 2 Ltd

Exempt Appendix 3 provides further detail on joint venture - West King Street Renewal LLP

Exempt Appendix 4 provides further detail on a limited company – H&F Housing Developments Ltd

Exempt Appendix 5 – Note on LBHF Family Support Services Ltd

Exempt Appendix 6 – Note on LBHF Ventures Ltd