

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**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

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## 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.

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## 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.
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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                     | 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), 28<sup>th</sup> 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) 1<sup>st</sup> March 2023*

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## Background Papers Used in Preparing This Report

None

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## 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:

| <b>Company</b>                       | <b>Purpose &amp; direction of travel</b>  |
|--------------------------------------|---|
| <b>Active</b>                        |   |
| H&F Housing Developments LTD         | Development of building projects.<br>Keep as is   |
| HFS Developments 2 Limited           | Development of building projects, buying, and selling of own real estate.<br>Keep as is   |
| LBHF Ventures Limited                | Management consultancy, public administration activities, support to performing arts and other information service activities<br>Exploring options for next steps |
| LBHF Family Support Services Limited | Previously provided family support services.<br>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.<br>Keep as is   |
| <b>Dissolved</b>                     |   |
| 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