

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 04/12/2023

Subject: LBHF Companies Update

Report of: Councillor Rowan Ree - Cabinet Member for Finance and Reform

Report author: Joanna McCormick - Assistant Director Procurement and Commercial

Responsible Director: Strategic 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.

RECOMMENDATIONS

1. To note that Appendices 1-9 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that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 note the status of the companies.

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	On occasion companies can assist the council in operating efficiently and securing better outcomes for the

	borough.
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

Contained in the exempt appendix 7.

Legal Implications

The Cabinet has responsibility for carrying out all of the local authority's functions which are not the responsibility of any other part of the local authority (Article 7). Therefore, the Cabinet has responsibility for overseeing the functioning of the Council's subsidiary companies. This report fulfils that function.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 26 September 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 and is part of 2 Joint Ventures.
2. Cabinet now receives regular updates on the position of the companies. This fulfils the function of the council as a shareholder or joint venture partner in these companies. The function was previously held by the Commercial Revenue Committee. This change enhances transparency and oversight.
3. Council departmental directors and appropriate officers engage with relevant companies as required for the business of the companies. Regular updates are presented to the internal Commercial Board on activities of companies and the LLPs.
4. Each company has their own legal advice and accountancy support. LLP programme arrangements are in place to track the risk and delivery of the developments. The director arrangements have been refreshed and training is provided to support directors working on the Joint Ventures.

5. LBHF companies have been constituted for a purpose and once that purpose is fulfilled action is taken accordingly in relation to their direction of travel.
6. An overview of the companies' status on Companies House, purpose and direction of travel is as follows:

Company (Companies House link)	Purpose & direction of travel
Active	
H&F Housing Developments LTD https://find-and-update.company-information.service.gov.uk/company/07811156	Development of building projects. Keep as is
HFS Developments 2 Limited https://find-and-update.company-information.service.gov.uk/company/10286958	Development of building projects, buying, and selling of own real estate. Keep as is
LBHF Ventures Limited https://find-and-update.company-information.service.gov.uk/company/10222097	Management consultancy, public administration activities, support to performing arts and other information service activities. Exploring options for next steps
LBHF Family Support Services Limited https://find-and-update.company-information.service.gov.uk/company/10923413	Previously provided family support services. See separate note – Appendix 5
LLP	
HFS Developments LLP https://find-and-update.company-information.service.gov.uk/company/OC392278	Joint Venture to optimise provision of affordable housing in the borough See Appendix 1
West King Street Renewal LLP https://find-and-update.company-information.service.gov.uk/company/OC430982	Joint Venture for the development and sale of 204 properties. Keep as is

7. Further details about the workings of these companies can be found in Exempt Appendices 1 – 9. Scheduled updates to Cabinet going forward will be bi-annually.

Risk Management Implications

8. The report sets out the status, purpose and direction of travel for the council-owned companies and confirms the arrangements for corporate oversight. This will help to provide appropriate assurance to the Cabinet on the companies' activities, the delivery of objectives set when the companies were established and the management of risks relating to the delivery of objectives.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 2 October 2023

LIST OF APPENDICES

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

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

Exempt Appendix 3 – West King Street Renewal LLP (provides further detail on joint venture)

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

Exempt Appendix 5 – Note on LBHF Family Support Services Ltd

Exempt Appendix 6 – Note on LBHF Ventures Ltd

Exempt Appendix 7 – Financial comments

Exempt Appendix 8 – Companies House Document

Exempt Appendix 9 – West King Street Renewal LLP 2022-23