London Borough of Hammersmith & Fulham

Housing, Health And Adult Social Care Select Committee

Agenda

Tuesday 18 January 2011
7.00 pm
Courtyard Room - Hammersmith Town Hall

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Andrew Johnson (Chairman) Councillor Oliver Craig Councillor Charlie Dewhirst Councillor Gavin Donovan Councillor Marcus Ginn Councillor Steve Hamilton	Councillor Iain Coleman Councillor Stephen Cowan Councillor Rory Vaughan (Vice-Chairman)	Maria Brenton, HAFAD

CONTACT OFFICER: Sue Perrin
Committee Co-ordinator
Councillors Services
☎: 020 8753 2094
E-mail: sue.perrin@lbhf.gov.uk

Reports on the open agenda are available on the Council's website:
http://www.lbhf.gov.uk/Directory/Council_and_Democracy

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

Date Issued: 10 January 2011

London Borough of Hammersmith & Fulham

Housing, Health And Adult Social Care Select Committee

Agenda

18 January 2011

Item		Pages
1.	**MINUTES AND ACTIONS**	1 - 9
	(a) To approve the minutes of the meeting held on 16 November 2010.	
	(b) To note the outstanding actions.	
2.	**APOLOGIES FOR ABSENCE**	
3.	**DECLARATIONS OF INTEREST**	
	If a Councillor has any prejudicial or personal interest in a particular item they should declare the existence and 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 prejudicial 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 unless a dispensation has been obtained from the Standards Committee. Where Members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration unless the disability has been removed by the Standards Committee.	
4.	**THE WHITE PAPER FOR PUBLIC HEALTH: HEALTHY LIVES, HEALTHY PEOPLE**	10 - 34
	The report provides a detailed briefing of: • the government's White Paper on Public Health: *Healthy Lives, Healthy People;* • the supplementary consultation paper on the funding and commissioning routes for public health; and • the supplementary consultation paper on proposals for a public health outcomes framework. The report also includes a brief update on the local changes to public health.	
5.	**WHITE CITY HEALTH AND CARE CENTRE: FULL BUSINESS CASE**	35 - 87
	The business case seeks approval from NHS London for the construction of a Health and Care Centre at White City.	

6. REVENUE BUDGET AND COUNCIL TAX 2011/2012 88 - 148

This report sets out the Cabinet's proposals for the Council's budget for 2011/12. It also sets out the Director of Finance and Corporate Service's budget projections to 2013/14 as required by the Local Government Act 2003. Finally, it provides details of the changes to the 2011/12 revenue estimates as they relate to this portfolio.

7. TASK GROUP: HAMMERSMITH & FULHAM ESTATES: LIFT MAINTENANCE 149 - 152

The report informs the committee of the proposal to establish a task group to review the issues in respect of lift maintenance provided on Hammersmith & Fulham Estates, and to determine ways to improve performance.

8. WORK PROGRAMME AND FORWARD PLAN 2010-2011 153 - 166

The Committee's work programme for the current municipal year is set out as Appendix A to this report. The list of items has been drawn up in consultation with the Chairman, having regard to relevant items within the Forward Plan and actions and suggestions arising from previous meetings of the Committee.

The Committee is requested to consider the items within the proposed work programme and suggest any amendments or additional topics to be included in the future. Members might also like to consider whether it would be appropriate to invite residents, service users, partners or other relevant stakeholders to give evidence to the Committee in respect of any of the proposed reports.

Attached as Appendix B to this report is a copy of the Forward Plan items showing the decisions to be taken by the Executive at the Cabinet, including Key Decisions within the portfolio areas of the Cabinet Member for Housing and the Cabinet Member for Community Care, which will be open to scrutiny by this Committee.

9. DATES OF NEXT MEETINGS

The dates of the remaining meetings scheduled for this municipal year are as follows:

Tuesday 15 February 2011
Tuesday 12 April 2011

Agenda Item 1

London Borough of Hammersmith & Fulham

Housing, Health And Adult Social Care Select Committee

Minutes

Tuesday 16 November 2010

PRESENT

Committee members: Councillors Andrew Johnson (Chairman), Iain Coleman, Stephen Cowan, Charlie Dewhirst, Gavin Donovan, Marcus Ginn, Steve Hamilton and Rory Vaughan (Vice-Chairman)

Co-opted members: Maria Brenton (HAFAD)

Other Councillors: Joe Carlebach, Lucy Ivimy and Peter Tobias

Officers: Hannah Carmichael, John Chamberlain, Hitesh Jolapara, Sue Perrin, Jane West and Gerald Wild

24. MINUTES AND ACTIONS

RESOLVED THAT:

The minutes of the meeting held on 14 September 2010 be approved and signed as an accurate record of the proceedings.

25. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Oliver Craig and for lateness from Councillor Charlie Dewhirst.

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. ADULT SOCIAL CARE DAY SERVICES: UPDATE

The committee received an update report on the current consultation to merge older and disabled people's day services and the outsourcing intentions of all in-house day service provision.

Ms Brenton referred to the assumption that the choice and control offered by support planning would mean more people would want to explore a wider range of day opportunities than had traditionally been provided, and queried the availability of key worker support.

Ms Brenton also raised concerns in respect of reduction in services, and the consequences of the Equalities Act, which leads councils away from age-related criteria for providing services.

Mr Chamberlain stated that the review programme was driven by modernisation of day services, not reduction in services, and had been brought about by the Council's commitment to personalising adult social care services to bring them in-line with the national self-directed support model of choice and control.

Mr Chamberlain stated that staff numbers would remain the same, but there would be more activities undertaken outside the day centres, mostly in groups, and potentially individually, funded by personal budgets.

Mr Chamberlain stated that it would be unlawful for the Council to refuse access to the day centres on the grounds of age, but there were no proposals to offer these services to youths with challenging behaviour, for example autism or mental health service users.

In response to a query from Councillor Ginn, Ms Carmichael confirmed that the flexible model would enable the Council to provide for more people. In addition to traditional day services, which are currently block funded by the adult social care budget, a support planning service would help users to think creatively about meeting their needs. The provision of services in buildings restricted the number of users, by for example, maximum numbers imposed by fire regulations.

Mr Chamberlain responded to Councillor Vaughan that evidence of people wanting to move away from traditional day services was not available, as the remodelling was at an early stage. The Stevenage Road building was currently underused, and should it be decided to close the day centre, the building would be declared surplus to requirements by the Council.

A member of the public queried whether assessments of future use of day centres by the elderly and disabled had been undertaken and if the allocation of personal budgets had been successful. Mr Chamberlain responded that the prudent approach of there being the same number of users as at present had been adopted. The routine allocation of personal budgets had commenced in October 2010, and therefore it was too early to review.

The member of the public further queried the early discharge of patients from Charing Cross Hospital. Mr Chamberlain responded that, whilst early discharges created pressure for the first six weeks, there was no evidence that this resulted in an overall increase in need,

RESOLVED THAT:

1. The report be noted.

2. The outcome of the consultation be provided to the committee.

Action: Assistant Director Adult Social Care.

28. THE SPENDING REVIEW

Mr Jolapara presented the initial review of the potential impact of the 2010 Spending Review on Hammersmith & Fulham. Much of the detail had not been announced and actual grant figures for the council were unlikely to be known until the publication of the Local Government Finance Settlement, which was expected to be in December.

Funding for general local government provided services would reduce by over 28% in the next four years. The cash reduction would be nearly 20%. This was in line with the Council's Medium Term Financial Strategy assumptions, but the reduction in funding was weighted toward the early years and, as a 'floor' authority, the Council might suffer a greater than average reduction in funding. An initial estimate suggested that the front-loading of the formula grant reduction would be 8.5% in year one and would increase the potential 2011/12 budget gap by £5 million.

Mr Jolapara outlined the following key elements of the spending review:

- Ringfencing of revenue grants, with the exception of simplified schools grant and a new public health grant would be removed and rolled into formula grant.

- There would be a reduction of 45% in capital funding.

- The cost of Public Works Loan Board (PWLB) loans for new local authority capital borrowing would increase to 1% above UK government gilts.

- New community budgets would be run in 16 local areas (of which Hammersmith & Fulham was likely to be one) from April 2011 for families with complex needs.

- An extra £2 billion for adult social care will be made available to local authorities.

- The funding reduction in spend on social housing was even more significant.

Councillor Cowan queried the lack of information in the report. Ms West responded that previously a two/three year Local Government Finance Settlement had been announced in late November. It was not known if the redistribution of the allocation through the damping mechanism would, result in Hammersmith & Fulham being slightly above or below the average

allocation. Different scenarios had been modelled, reflecting the signification variations.

Councillor Cowan queried the impact of the funding cuts and if a quality impact assessment had been undertaken. Ms West responded that proposals for re-organisation of staff had been put in place, but as the cuts had been front loaded, an additional £5 million had to be identified.

Councillor Cowan commented that the Chief Executive had stated that he was fairly confident about years one and two, but had concerns about year three. Ms West endorsed this, and added that the Council was confident in respect of the short term and would be able to use its reserves, but in the long term had to deliver a balanced budget.

Ms West stated that schemes which were part of the Decent Homes process would go ahead, but there were risks to regeneration schemes.

Councillor Cowan queried the allocation of Decent Homes to the West Kensington estate, which would possibly be demolished. Councillor Ivimy responded that discussions with the developer were at an early stage, and there was absolutely no guarantees or real agreement at this stage. Should the scheme proceed, it would be a massive programme over a number of years, commencing on the vacant land.

Councillor Vaughan queried the impact of the increase in the PWLB rate of interest, in view of the climate of low interest rates and the move to long term loans. Ms West responded that the capital programme was geared towards the repayment of debt, and it was not anticipated that the Council would require additional borrowing.

RESOLVED THAT:

The report be noted.

29. HOUSING BENEFITS

Mr Wild presented the interim report in respect of the local impact of the housing benefit caps, which would be applied to the private rented sector and leased accommodation from April 2011. There were currently 23,000 residents in Hammersmith & Fulham claiming some form of Housing Benefit, with approximately 1300 at levels above the revised housing benefit level. These people had been placed in homes directly by the Council or through a housing association. H&F Homes would work with housing associations and other partners to identify the affected households in leased accommodation, and to undertake individual assessments to fully understand the implications.

During January to April 2011, a clear picture of how the transition would be managed would be developed, and work undertaken to prevent homelessness and maintain people in their homes. Housing options would include alternative accommodation in the borough or as near to the borough as possible and the private sector.

Members of the opposition party recorded their opposition to the housing benefit caps.

Councillor Coleman queried the spending of the one-off grant of £400,000 for Hammersmith & Fulham to assist with the transition from the current benefits system to the caps system. Mr Wild responded that the transitional funding would be directed towards activities such as:

- Working with housing associations to properly identify affected households;
- Producing literature and information guides for landlords and residents about the changes;
- Working with landlords to negotiate lower rents; and
- Provision of debt and money advice services.

Mr Wild added that the funding could be used to manage possible fluctuations in demand from January onwards and to provide a normal service during a period of market change. He would provide a written response in respect of whether this funding was ring fenced

Mr Wild responded to questions from Councillor Ginn that claimants renting from a private landlord who had made a claim for Housing Benefit before 7 April 2008 would not be affected by the changes.

Councillor Dewhirst queried the impact of the cap across different property sizes. Mr Wild responded that the impact would disproportionately affect people occupying 4 bed properties.

Mr Wild agreed to provide a written answer to Ms Brenton's query in respect of the inclusion of people living in a shared room in the calculation of the 1300 people who would be above the revised cap.

Councillor Vaughan queried the work being undertaken with the 1300 people to help them understand the issues. Mr Wild responded that meetings would be offered to all people placed by the Council and information provided in respect of the implications of the changes, along the lines of the information given in appendix one of the report. Should it not be possible for a person to remain in their current home, an offer of alternative accommodation would be made. Mr Wild clarified that if a person was placed in private accommodation, they were no longer eligible for social housing, and that a homelessness application would have to be made before the Council could undertake a re-assessment.

Councillor Cowan queried the number of discussions held with landlords and how many had agreed to lower their rents; and if a meeting had been held with representatives of landlord bodies. Mr Wild responded that discussions had taken place with three landlords, but landlords would not be prepared to commit to lower rents at this stage.

Councillor Ivimy accepted Councillor Cowan's invitation to attend a meeting which he would organise with the small landlords association.

Councillor Cowan referred to information which he had read in respect of the Housing Benefit changes, and agreed to share this information with the committee.

Councillors Cowan and Vaughan queried the adequacy of staffing resources. Mr Wild responded that there were 110 officers, of whom approximately 75 were front line officers, and he considered that staff would be able to manage the potential increase in demand for services. Prior to the implementation of the changes in April 2011, there would be staff re-organisation and training

RESOLVED THAT:

A further report would be received at the next appropriate meeting, and that expert witnesses would be invited.

ACTION:

Written answers to be provided in respect of:

1. The one-off grant of £400,000 and whether this grant was ring fenced.

2. The inclusion of people in shared rooms in the figure of 1300 people who would be above the revised cap.

Action: Interim Assistant Director, Housing Options

30. THE LONDON HEALTH INEQUALITIES STRATEGY

RESOLVED THAT:

The report be noted.

31. HAMMERSMITH AND FULHAM LOCAL INVOLVEMENT NETWORK (H&F LINK) UPDATE REPORT

RESOLVED THAT:

The report be noted.

32. WORK PROGRAMME AND FORWARD PLAN 2010-2011

RESOLVED THAT:

1. The work programme be noted.

2. Housing Benefits Update be added to the work programme for February 2011.

33. DATES OF NEXT MEETINGS

Tuesday 18 January 2011
Tuesday 15 February 2011
Tuesday 12 April 2011

Meeting started: 7.02 pm
Meeting ended: 9.06 pm

Chairman .....

Contact officer: Sue Perrin
Committee Co-ordinator
Councillors Services
☎: 020 8753 2094
E-mail: sue.perrin@lbhf.gov.uk

APPENDIX 1

Recommendation and Action Tracking

The monitoring of progress with the acceptance and implementation of recommendations enables the Committee to ensure that desired actions are carried out and to assess the impact of its work on policy development and service provision. Where necessary it also provides an opportunity to recall items where a recommendation has been accepted but the Committee is not satisfied with the speed or manner of implementation, thus enhancing accountability. It also enables the number of formal update reports submitted to the Committee to be kept to a minimum, thereby freeing up Members time for other reviews.

The schedule below sets out progress in respect of those substantive recommendations and actions arising from the Housing, Health & Adult Social Care Select Committee

Minute No.	**Item**	**Action/recommendation Lead Responsibility**	**Progress/Outcome**	**Status**
15.	Introduction to Housing Services	That the committee be informed of the date on which the housing register will be launched. Chief Executive, H&F Homes	• To be launched by the end of the financial year. (Launch is defined as publicity to applicants of what it means and how it will work.) • In the interim a self assessment form has been sent to all applicants who have identified a mobility/medical need on their housing application.	Review: March 2011
27.	Adult Social Care Day Services: Update	That the committee be provided with the outcome of the consultation to merge older and disabled people's day services and the outsourcing intentions of all in-house day service provision. **Assistant Director of Adult Social Care**		

29.	Housing Benefits	That a written answer be provided in respect of: • The one-off grant of £400,000 and whether this grant was ringfenced; and • Whether people in shared rooms were included in the figure of 1300 people who would be above the revised cap. **Interim Assistant Director, Housing Options**		

London Borough of Hammersmith & Fulham

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE

DATE	TITLE	Wards
18 January 2011	The White Paper for Public Health: Healthy Lives, Healthy People	All

SYNOPSIS

The report provides a detailed briefing of:

- the government's White Paper on Public Health: *Healthy Lives, Healthy People;*
- the supplementary consultation paper on the funding and commissioning routes for public health; and
- the supplementary consultation paper on proposals for a public health outcomes framework.

The report also includes a brief update on the local changes to public health.

CONTRIBUTORS

Dr. David McCoy
Director of Public Health

RECOMMENDATION(S):

The Committee is asked to comment on the report and specifically the consultation questions.

CONTACT

Dr. David McCoy
Director of Public Health
NHS Hammersmith and Fulham PCT
Tel: 020 331 37265

NEXT STEPS

To submit a formal response to the consultation.

The White Paper for Public Health: Healthy Lives, Healthy People

This report provides a detailed briefing of:

- the government's White Paper on Public Health: *Healthy Lives, Healthy People;*
- the supplementary consultation paper on the funding and commissioning routes for public health; and
- the supplementary consultation paper on proposals for a public health outcomes framework.

Section A summarises the proposals. Section B outlines the key issues created by the proposals.

SECTION A: SUMMARISING THE PROPOSED REFORMS AND CHANGES

1. The health challenge

Healthy Lives, Healthy People begins by setting out the key challenges facing the public health community. Health inequalities are explicitly referenced, The White Paper presents a set of challenges and solutions for improving health and wellbeing throughout life. There are separate sections dedicated to different parts of the lifecycle, specific sections related to education and schooling; work and employment; housing; and the physical environment.

2. A new approach for public health

Healthy Lives, Healthy People makes the case for a new approach to public health. It aims to establish public health as a government priority and to get a better balance between actions taken nationally and locally, as well as actions taken by individuals, families, communities and business.

Highlighting the importance of the social determinants of health, the government aims to improve population health through actions taken across the NHS and social care services – but also through education, housing, transport and other sectors that impact on health.

It sets out explicitly to minimise government intervention and regulation and proposes to use an 'intervention ladder' to help determine when and how government intervenes. In line with this thinking, a 'Responsibility Deal' has been established with the business sector to drive improvements in healthy living around five areas: food; alcohol; physical activity; health at work; and behaviour change.

A new professionally-led and defined national public health service [Public Health England] will be established. However, the government intends to place localism at the heart of a new system, with devolved responsibilities, freedoms and funding and a heightened emphasis placed on local action by individuals, families, communities and local government. The new system will b e based on principles of empowering

people, using transparency to drive accountability, and ensuring that communities lead efforts to improve health wherever possible.

A key element of this effort is the transfer of local public health functions from the NHS to local authorities (LAs)
It is explicitly noted however that the creation of Public Health England and the new public health role of local government should not lead the NHS stepping back from its public health responsibilities. Close partnership working between Public Health England and the NHS at a national level, and between local government, Directors of Public Health (DsPH) and GP consortia at the local level, is expected.

Resources for public health will be ring-fenced and new incentives will be established to improve population health, most notably through a health premium that will reward the reduction of health inequalities in local communities and progress in public health outcomes. The ringfencing of public health budgets acknowledges the fact that prevention has not enjoyed parity with NHS treatment and that public health funds have too often been raided by acute and clinical services.

3. Public Health England – a new national public health service

Public Health England will be established as part of the Department of Health (DH) and will incorporate the existing Health Protection Agency and the National Treatment Agency.

A new Cabinet sub-committee on public health is also proposed to bring together all areas of government which can influence public health

The full scope and remit of Public Health England is still being detailed, but includes the following: health protection, emergency preparedness, recovery from drug dependency, sexual health, immunisation programmes, alcohol prevention, obesity, smoking cessation, nutrition, health checks, screening, child health promotion including those led by health visiting and school nursing, and some elements of the GP contract such as those relating to immunisation, contraception, and dental public health.

A major remit of Public Health England will be ‘health protection’, including the control and management of infectious diseases as well as preparedness for public emergencies. Public Health England will therefore have a local presence in the form of Health Protection Units (HPUs).

Public Health England will also be expected to work closely with the NHS Commissioning Board (NHSCB) to ensure that public health and evidence-based policies are reflected in mainstream NHS commissioning.

4. Local public health

At the local level, a new and enhanced role will be established for local authorities (LAs) to lead on health improvement and health inequalities.

Public Health England will allocate ring-fenced public health budgets, weighted for inequalities, to LAs. The independent Advisory Committee on Resource Allocation (ACRA) has been asked to support the development of an approach for allocating budgets to LAs. A new 'health premium' will also be used to incentivize the performance of LAs.

The public health grant to local authorities will be made under section 31 of the Local Government Act 2003. As a ring-fenced grant, it will carry some conditions about how the budget is to be used.

Local authorities already carry out a range of health protection functions and have many wider responsibilities that bear on public health such as leisure, housing, education and social care. For the purposes of funding, these existing functions will not be covered by the public health ringfenced budget, as they are already funded through the existing funding settlement (for example, local authorities health protection activity is funded as part of existing local authority funding).

A new role for local government will be to encourage coherent commissioning strategies and promote the development of joined up commissioning plans across the NHS, social care, public health and other local partners. A central structural innovation of the government's proposed reforms is the establishment of local Health and Wellbeing Boards (HWBs) to enable this vision of integrated and joined-up commissioning and provision.

Existing details about the proposed establishment of HWBs are summarised in Appendix 3. At present, proposed minimum membership of HWBs includes elected representatives, GP consortia, DsPH, Directors of Adult Social Services, Directors of Children's Services and local HealthWatch. However, local areas will be able to expand membership to include local voluntary groups, clinicians and providers, where appropriate. It is envisaged that HWBs will develop joint health and wellbeing strategies and consider the pooling of budgets to enable joined-up commissioning.

To enable this, the government intends to place greater weight on the production and use of the Joint Strategic Needs Assessment (JSNA). GP consortia and LAs will each have an equal and explicit obligation to prepare the JSNA through arrangements made by the HWB. While at present, JSNA obligations extend only to its production, the forthcoming Health and Social Care Bill will place a duty on commissioners to use and apply the findings and recommendations of the JSNA.

In addition to GP Consortia sitting on HWBs and working closely with LAs, they will also be given a more explicit population health remit that will be linked to the national incentive scheme for GPs (the Quality and Outcomes Framework). Furthermore, local public health expertise is expected to inform the local commissioning of NHS-funded services which will require DsPH to advise and work with GP consortia. With the anticipated squeeze in budgets and the proposed changes to the remit of NICE, GP Consortia are likely to want the local PH team to be involved in decisions about prioritising / rationing clinical procedures.

The DH will strengthen the public health role of GPs in the following ways:

- Ensure the public availability of information on the performance and achievement of practices. It is argued that by increasing transparency and information, local communities will be enabled to challenge GPs to enhance their performance.
- New incentives for GP-led activity will be designed with public health concerns in mind. The DH proposes that a sum at least equivalent to 15% of the current value of the Quality and Outcomes Framework (QOF) should be devoted to public health and primary prevention indicators from 2013 (funding for this element of QOF will come from the Public Health England budget).
- Strengthen the focus on public health issues in the education and training of GPs

The White Paper places a heavy emphasis on local transparency and public accountability. Local people are to have access to information about commissioning decisions and how public health money is being spent. Providing people with transparent information on the cost, evidence-base and impact of services will help ensure that the new system is effective and cost-efficient.

In terms of the delivery of services and interventions, local authorities will be encouraged to contract services from a wide range of providers across the public, private and voluntary sectors. As part of building capable and confident communities, local areas may consider grant funding for local communities to take ownership of some highly focused preventive activities, such as volunteering peer support, befriending and social networks.

Healthy Lives, Healthy People allows the development of supra-borough partnerships and arrangements. It does not, for example, preclude the establishment of a single public health structure across the three boroughs of Inner North West London. Similarly, the current proposals do not preclude the possibility of a tri-borough HWB.

Within London, the Mayor also has a statutory responsibility for tackling health inequalities and there is a good rationale for establishment of a pan-London public health resource. The Secretary of State has asked the Mayor and boroughs to agree to an appropriate division of resources and functions to improve health. One proposal currently on the table is for a 3% top slice of the LA public health budget to be allocated to a London-wide public function with a further 3% to be allocated at the discretion of London Boroughs.

Directors of Public Health are expected to be the strategic leaders for public health and health inequalities in local communities, working in partnership with the local NHS and across the public, private and voluntary sectors. In addition, they are expected to work closely with Directors of Children's Services and Directors of Adult Services.

The critical tasks of DsPH will include:

- promoting health and wellbeing within local government;
- providing and using evidence relating to health and wellbeing;
- advising and supporting GP consortia on the population aspects of NHS services;
- developing an approach to improving health and wellbeing locally, including promoting equality and tackling health inequalities;

- working closely with Public Health England health protection units (HPUs) to provide health protection as directed by the Secretary of State for Health; and
- collaborating with local partners on improving health and wellbeing, including GP consortia, other local DsPH, local businesses and others.

DsPH will be employed by local government and jointly appointed by the relevant local authority and Public Health England. They will be professionally accountable to the Chief Medical Officer (CMO) and be part of the Public Health England professional network. They will discharge their functions in a number of ways, ranging from direct responsibility for achieving public health outcomes to advising colleagues and partners on public health. The White Paper also notes that they will need to be supported by a team with specific public health and commissioning expertise.

5. Funding and Commissioning details

Public Health England will have three principal routes for funding services:

1. through the public health ring-fenced budget to local government;
2. by asking the NHSCB to commission services (e.g. from GPs; and
3. commissioning or providing services directly.

The default position is that, wherever possible, public health activity should be commissioned by local authorities according to locally identified needs and priorities. If a service needs to be commissioned at scale, or is best done at national level, then it should be commissioned or delivered by Public Health England at a national level; and if the activity in question is best commissioned as part of a pathway of health care, or if the activity currently forms part of existing contractual NHS primary care commissioning arrangements, then Public Health England should commission that public health activity via the NHS Commissioning Board (NHSCB). If appropriate, there may also be an option for GP consortia to commission on behalf of Public Health England

As previously mentioned, existing functions in local government that contribute to public health will continue to be funded through the local government grant. The supplementary consultation paper on the funding and commissioning arrangements for public health do however describe the proposed commissioning arrangements for the various elements of a public health programme, as shown in Appendix 1.

6. Transition Plans to 2013

The White Paper sets out a transition period running to 2013. Accountability for delivery in 2011/12 remains with the SHA and PCTs. Public Health England will be established from 2012 and the new enhanced role for LAs will be established in 2013 with ‘shadow running’ to start in 2011.

There will be ‘shadow’ allocations to local authorities for each local area for this budget in 2012/13, providing an opportunity for planning before allocations are introduced in 2013/14.

During the transitional year, 2011/12, the forthcoming NHS Operating Framework for 2011/12 will set out the operational arrangements

Milestones for 2011/12

2011/12 will be a period of detailed policy and operational design, while transition to shadow bodies and planning for implementation take shape on the ground. Locally the Council will be aiming to be an early implementer for the Health &Well-being Board and engaging the GP PBC Steering Group and other partners to develop a model.

There will be an overarching human resources framework. One strand will cover all staff in the NHS, including public health staff currently working in the NHS and those that will move to local authorities. Another strand will cover staff in the Department of Health. The third strand will cover staff in arm's-length bodies.

Milestones for 2012/13

Public Health England will come into being in April 2012 as an identifiable part of the Department of Health.

Shadow ring-fenced allocations for local authorities will be published.

SECTION B: KEY ISSUES

The information provided above is drawn from White Papers and consultation documents. There is therefore still some lack of clarity and uncertainty and the possibility of future changes and modifications to the proposals. The White Paper and its accompanying consultation documents have a number of structured questions designed to elicit feedback from all relevant stakeholders. In addition, it is worth considering the White Paper in the light of current and local developments to the public health workforce.

7. Update on local public health

The Public Health Directorates within the PCT has not escaped the downsizing that has been driven by the need to reduce management costs and make cost savings across the health care economy as a whole.

In order to sustain a credible PH capacity and in line with other PCT developments, a merger of the three PH Directorates of inner NW London is underway. The merger involves a reduction in the number of PH posts by about 66%. On top of this, new and additional responsibilities are being placed onto PH Directorates (for example, a number of functions previously managed by the Medical Directorate).

The current proposed organogram for the future PH Directorate has public health functions organised into four teams:

Health Improvement

- Patient and community engagement to influence health seeking behaviour
- Information, education and communication strategies to improve knowledge and influence behaviour
- Support for and commissioning of Health Champions, Health Trainers and Expert Patient Programmes
- Support for and commissioning of third sector organisations to help deliver on PH goals
- Providing a conduit for community intelligence to feed into the planning and commissioning roles of the NHS and LA
- Support to Local Health Watch

Health Protection, Emergency Planning, Clinical Governance and Preventive Medicine

- Clinical governance
- Screening, Immunisations
- Health Checks
- Sexual Health
- Emergency Planning
- Safeguarding
- Infection Control

Health Intelligence and Knowledge Management

- Collate, manage, analyse and use of all data related to NHS and population health
- Management and development of a data warehouse to enable data linkages across the health and social care system
- Disseminate information and analysis about local health needs
- Lead on production of JSNA

Medicines Management

- Control drugs
- Pharmaceutical analysis and needs assessments
- Community Pharmacy contracting and support
- Prescribing support

A lot of time and effort is being spent to determine the precise roles, functions and responsibilities of the proposed new structure in order to ensure that as much of the broad range of public health challenges highlighted in the White Paper can be delivered on.

8. Consultation Questions to Healthy Lives, Healthy People

<u>Role of GPs in public health</u>

Are there additional ways in which we can ensure that GPs will continue to play a key role in areas for which Public Health England will take responsibility?

Public Health evidence

What are the best opportunities to develop and enhance the availability, accessibility and utility of public health information and intelligence?

How can Public Health England address current gaps such as using the insights of behavioural science, tackling wider determinants of health, achieving cost effectiveness, and tackling inequalities?

What can wider partners nationally and locally contribute to improving the use of evidence in public health?

Regulation of public health professionals

We would welcome views on Dr Gabriel Scally's report. If we were to pursue voluntary registration, which organisation would be best suited to provide a system of voluntary regulation for public health specialists?

Cross-cutting issues

What do you think the top 5 issues are in implementing the White Paper vision and related strategy and proposals?

9. Consultation questions on funding and commissioning routes for public health

Funding and Commissioning Flows

Is the health and wellbeing board the right place to bring together ring-fenced public health and other budgets?

What mechanisms would best enable local authorities to utilise voluntary and independent sector capacity to support health improvement plans? What can be done to ensure the widest possible range of providers are supported to play a full part in providing health and wellbeing services and minimise barriers to such involvement?

How can we best ensure that NHS commissioning is underpinned by the necessary public health advice?

Is there a case for Public Health England to have greater flexibility in future on commissioning services currently provided through the GP contract, and if so how might this be achieved?

Defining Commissioning Responsibilities

Are there any additional positive or negative impacts of our proposals that are not described in the equality impact assessment and that we should take account of when developing the policy?

Do you agree that the public health budget should be responsible for funding the remaining functions and services in the areas listed in the second column of Table A?

Do you consider the proposed primary routes for commissioning of public health funded activity (the third column in Appendix 1) to be the best way to: a) ensure the best possible outcomes for the population as a whole, including the most vulnerable; and b) reduce avoidable inequalities in health between population groups and communities? If not, what would work better?

Which services should be mandatory for local authorities to provide or commission?

Which essential conditions should be placed on the grant to ensure the successful transition of responsibility for public health to local authorities?

Allocations

Which approaches to developing an allocation formula should we ask ACRA to consider?

Which approach should we take to pace-of-change?

Health Premium

Who should be represented in the group developing the formula for the proposed health premium?

Which factors do we need to consider when considering how to apply elements of the of the Public Health Outcomes Framework to the health premium?

How should we design the health premium to ensure that it incentivises reductions in inequalities?

Would linking access to growth in health improvement budgets to progress on elements of the Public Health Outcomes Framework provide an effective incentive mechanism?
What are the key issues the group developing the formula will need to consider?

10. **Additional Local Issues / Questions**

Transition arrangements

Are the current transition arrangements for PH adequate, appropriate and safe?

Clearly the PH staffing structures for 2011/12 will have a HR consequence for local government when the roles and functions of PH eventually transfer across from the PCTs to LAs. The HR framework to accompany this transfer of functions is however unclear at present, and there are differing opinions as well about whether there should be an automatic transfer of existing NHS staff to LAs. Is there a local view on this issue?

Tri-borough arrangements

Are the proposed governance and accountability arrangements for a tri-borough DPH and PH structure appropriate to the vision outlined in the White Paper?

Funding and commissioning

It is unclear what percentage of the ring fenced budget will be left for LAs to carry out their new and expanded roles and responsibilities. There is a view that too much of the budget is being ear marked to flow through the NHSCB rather than through local structures. In addition, it has been noted that a number of nationally funded data collecting surveys will be abandoned, placing into jeopardy the availability of quality population health information. Is there a local view on this?

Local partnerships

Making the vision of the White Paper work in practice will depend to a large degree on: a) the effective functioning of Health and Wellbeing Boards; b) effective collaboration between GP consortia and public health; and c) the development of an effective and informed Local Health Watch. While appropriate organisational structures and policies are critical to deliver the vision, a culture of collaboration, cooperation and partnership work will be even more important. Is adequate attention paid to these softer aspects of the transition over the coming two years?

Appendix 1: Proposed commissioning arrangements for the various elements of a public health programme

	Activities to be funded from the new public health budget	Proposed commissioning route/s (including direct provision in some cases)	Examples of associated activities to be funded by the NHS budget
Infectious disease	Current functions of the Health Protection Agency and public health oversight of prevention and control including coordination of outbreak management,	Public Health England At a local level, local authorities will need to work closely with Public Health England Health Protection Units (HPUs).	Treatment of infectious disease Co-operation with Public Health England on outbreak control and related activity
Sexual Health	Contraception, testing and treatment of sexually transmitted infections, fully integrated termination of pregnancy services, and outreach and prevention.	Local authority to commission comprehensive open-access sexual health services. In the case of contraception, Public Health England will fund the commissioning by the NHS Commissioning Board of contraceptive provision through primary care commissioning arrangements, and local authorities will fund and commission contraceptive services (including through community pharmacies) for patients who do not wish to go to their GP or who have more complex needs. Local authorities will also be responsible for commissioning fully integrated termination of pregnancy services.	HIV treatment and promotion of opportunistic testing and treatment
Immunisation	Universal immunisation	Vaccine programmes for children, and flu	Vaccines given for clinical

against infectious disease	programmes and targeted neonatal immunisations	and pneumococcal vaccines for older people, via NHS Commissioning Board (via GP contract) The NHS will continue to commission targeted neonatal Hepatitis B and BCG vaccination provision, funded by Public Health England. Local authority to commission school programmes such as HPV and teenage booster	need following referral or opportunistically by GPs
Standardisation and control of biological medicines	Current functions of the HPA in this area	Public Health England	
Radiation, chemical and environmental hazards, including the public health impact of climate change	Current functions of the HPA, and public health oversight of prevention and control, including outbreak management co-ordination of	Public Health England supported by local authorities	
Screening	Public Health England will design, and provide the quality assurance and monitoring for all screening programmes	The design and quality assurance of screening programmes will be a direct responsibility of Public Health England, as will funding and managing the piloting and rolling out of new programmes and extending current ones. The NHS Commissioning Board will commission	

		established programmes on behalf of Public Health England, as specified and with funding transferred for that purpose.	
Accidental injury prevention	Local initiatives such as falls prevention services	Local authority	
Public mental health	Mental health promotion, mental illness prevention and suicide prevention	Local authorities will take on responsibility for funding and commissioning mental wellbeing promotion, anti-stigma and discrimination and suicide and self-harm prevention public health activities. This could include local activities to raise public awareness, provide information, train key professionals and deliver family and parenting interventions.	Treatment for mental ill health Treatment of mental ill health, including Improving Access to Psychological Therapies (IAPT), will not be a responsibility of Public Health England but will be funded and commissioned by the NHS
Nutrition	Running national nutrition programmes including Healthy Start Any locally-led initiatives	Public Health England and local authority	Nutrition as part of treatment services, dietary advice in a healthcare setting, and brief interventions in primary care
Physical activity	Local programmes to address inactivity and other interventions to promote physical activity, such as improving the built environment and maximising	Local authority	Provision of brief advice during a primary care consultation e.g. Lets Get Moving

	the physical activity opportunities offered by the natural environment		
Obesity programmes	Local programmes to prevent and address obesity, e.g. delivering the National Child Measurement Programme and commissioning of weight management services	Obesity and physical activity programmes, including encouraging active travel, will be the responsibility of local authorities. Local authorities will be responsible for running the National Child Measurement Programme at the local level, with Public Health England co-ordinating the Programme at the national level.	NHS treatment of overweight and obese patients, e.g. provision of brief advice during a primary care consultation, dietary advice in a healthcare setting, or bariatric surgery
Drug misuse	Drug misuse services, prevention and treatment	Local authority	Brief interventions
Alcohol misuse	Alcohol misuse services, prevention and treatment	Local authority	Alcohol health workers in a variety of healthcare settings
Tobacco control	Tobacco control local activity, including stop smoking services, prevention activity, enforcement and communications	Local authority	Brief interventions in primary care, secondary, dental and maternity care
NHS Health Check Programme	Assessment and lifestyle interventions	Local authority	NHS treatment following NHS Health Check assessments and ongoing risk management

Health at work	Any local initiatives on workplace health	Local authority	NHS occupational health
Reducing and preventing birth defects	Population level interventions to reduce and prevent birth defects	Local authority and Public Health England	Interventions in primary care such as pre-pregnancy counselling or smoking cessation programmes and secondary care services such as specialist genetic services
Prevention and early presentation	Behavioural/ lifestyle campaigns/ services to prevent cancer, long term conditions, campaigns to prompt early diagnosis via awareness of symptoms	Local authority	Integral part of cancer services, outpatient services and primary care. Majority of work to promote early diagnosis in primary care
Dental public health	Epidemiology, and oral health promotion (including fluoridation)	Public Health England will lead on the co-ordination of oral health surveys while local authorities will lead on providing local dental public health advice to the NHS, as well as commissioning community oral health programmes the NHS Commissioning Board, which will commission dental services. Contracts for existing (and any new) fluoridation schemes will become the responsibility of Public Health England	All dental contracts
Emergency	Emergency preparedness	Public Health England, supported by local	Emergency planning and

preparedness and response and pandemic influenza preparedness	including pandemic influenza preparedness and the current functions of the HPA in this area	authorities	resilience remains part of core business for the NHS. NHS Commissioning Board will have the responsibility for mobilising the NHS in the event of an emergency
Health intelligence and information	Health improvement and protection intelligence and information, including: - data collection and management; - analysing, evaluating and interpreting data; modelling; - using and communicating data. This includes many - existing functions of the Public Health Observatories, Cancer Registries and the Health Protection Agency	Public Health England and local authority	NHS data collection and information reporting systems (for example, Secondary Uses Service)
Children's public health for under 5s	Health Visiting Services including the Healthy Child Programme for under 5s and the Family Nurse Partnership	Public health services for children under 5 will be a responsibility of Public Health England which will fund the delivery of health visiting services, including the leadership and delivery of the Healthy Child Programme for under 5s (working closely with NHS services such as	All treatment services for children (other than those listed above as public health-funded) NHS Partners will need to help to focus on child protection and specifically

		maternity services and with children's social care); health promotion and prevention interventions by the multiprofessional team and the Family Nurse Partnership. Local areas will need to consider how they join-up with Sure Start Children's Centres to ensure effective links. In the first instance, these services will be commissioned on behalf of Public Health England via the NHS Commissioning Board. In the longer term, health visiting to be commissioned locally.	the early intervention end of support for families through Local Safeguarding Children Boards.
Children's public health 5-19	The Healthy Child Programme for school-age children, including school nurses	Public health services for children aged 5-19, including public mental health for children, will be funded by the public health budget and commissioned by local authorities. This will include the Healthy Child Programme 5-19; health promotion and prevention interventions by multiprofessional teams and the school nursing service.	All treatment services for children (other than those listed above as public health funded, e.g. sexual health services or alcohol misuse)
Community safety and violence prevention	Specialist domestic violence services in hospital settings, and voluntary and community sector organisations that provide counselling and support services for victims of violence including sexual violence, and non-confidential	Local authority	Non-confidential information sharing

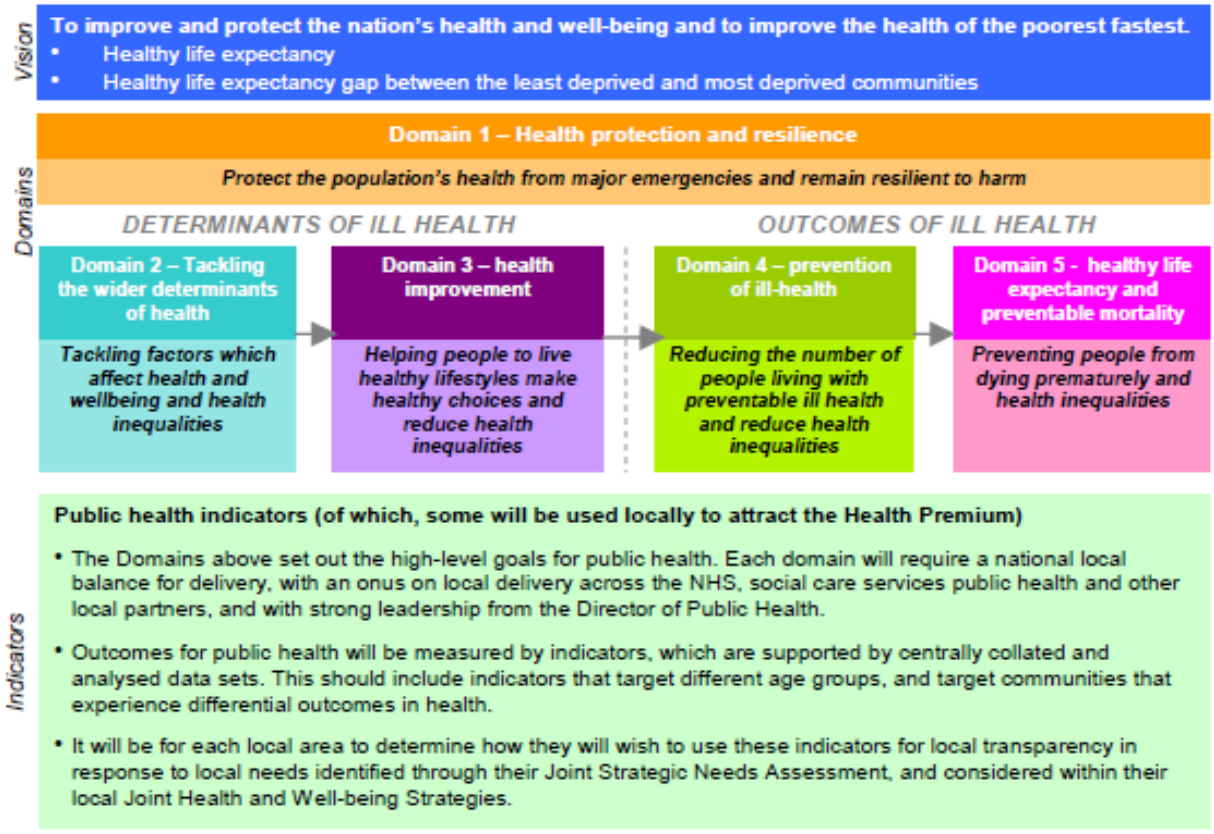
	information sharing activity		
Social exclusion	Support for families with multiple problems, such as intensive family interventions	Local authority	Responsibility for ensuring that socially excluded groups have good access to healthcare
Public health care for those in prison or custody	e.g. All of the above	Where public health services are delivered in prison or for those in custody, these interventions will be funded by Public Health England. However, such interventions will be commissioned by the NHS Commissioning Board on behalf of Public Health England	Prison healthcare

Appendix 2: Proposed Framework for Public Health Outcomes

The government is proposing a set of public health indicators that are intended to have three purposes:

- set out the Government's goals for improving and protecting the nation's health and narrowing health inequalities through improving the health of the poorest, fastest;
- provide a mechanism for transparency and accountability across the public health system at the national and local level
- provide the mechanism to incentivise local health improvement and inequality reduction against specific public health outcomes through the 'health premium'.

The framework is based on five inter-linked domains as shown below.



Within each domain a set of indicators have been proposed and are now subject to public consultation. These indicators are listed as below.

<u>Domain 1</u>

- Comprehensive, agreed, inter-agency plans for a proportionate response to public health incidents are in place and assured to an agreed standard. These are audited and assured and are tested regularly to ensure effectiveness on a

regular cycle. Systems failures identified through testing or through response to real incidents are identified and improvements implemented.
- Systems in place to ensure effective and adequate surveillance of health protection risks and hazards.
- Life years lost from air pollution as measured by fine particulate matter
- Population vaccination coverage (for each of the national vaccination programmes5 across the life course)
- Treatment completion rates for TB
- Public sector organisations with a board approved sustainable development management plan.

Domain 2

- Children in poverty
- School readiness: foundation stage profile attainment for children starting Key Stage 1
- Housing overcrowding rates
- Rates of adolescents not in education, employment or training at 16 and 18 years of age
- Truancy rate
- First time entrants to the youth justice system
- Proportion of people with mental illness and or disability in settled accommodation
- Proportion of people with mental illness and or disability in employment
- Proportion of people in long-term unemployment
- Employment of people with long-term conditions
- Incidents of domestic abuse
- Statutory homeless households
- Fuel poverty
- Access and utilisation of green space
- Killed and seriously injured casualties on England's roads
- The percentage of the population affected by environmental, neighbour, and neighbourhood noise
- Older people's perception of community safety
- Rates of violent crime, including sexual violence
- Reduction in proven reoffending
- Social connectedness
- Cycling participation

Domain 3

- Prevalence of healthy weight in 4-5 and 10-11 year olds
- Prevalence of healthy weight in adults
- Smoking prevalence in adults (over 18)
- Rate of hospital admissions per 100,000 for alcohol related harm
- Percentage of adults meeting the recommended guidelines on physical activity (5 x 30 minutes per week)

- Hospital admissions caused by unintentional and deliberate injuries to 5-18 year olds
- Number leaving drug treatment free of drug(s) of dependence
- Under 18 conception rate
- Rate of dental caries in children aged 5 years (decayed, missing or filled teeth)
- Self reported wellbeing 5 year olds.

Domain 4

- Hospital admissions caused by unintentional and deliberate injuries to under 5 year olds.
- Rate of hospital admissions as a result of self-harm
- Incidence of low-birth weight of term babies
- Breastfeeding initiation and prevalence at 6-8 weeks after birth
- Prevalence of recorded diabetes
- Work sickness absence rate
- Screening uptake (of national screening programmes)
- Chlamydia diagnosis rates per 100,000 young adults aged 15-24
- Proportion of persons presenting with HIV at a late stage of infection
- Child development at 2 - 2.5 years
- Maternal smoking prevalence (including during pregnancy)
- Smoking rate of people with serious mental illness
- Emergency readmissions to hospitals within 28 days of discharge
- Health-related quality of life for older people
- Acute admissions as a result of falls or fall injuries for over 65s
- Take up of the NHS Health Check programme by those eligible
- Patients with cancer diagnosed at stage 1 and 2 as a proportion of cancers diagnosed

Domain 5

- Infant mortality rate
- Suicide rate
- Mortality rate from communicable diseases
- Mortality rate from all cardiovascular disease (including heart disease and stroke) in persons less than 75 years of age
- Mortality rate from cancer in persons less than 75 years of age
- Mortality rate from Chronic Liver Disease in persons less than 75 years of age
- Mortality rate from chronic respiratory diseases in persons less than 75 years of age
- Mortality rate of people with mental illness
- Excess seasonal mortality

Appendix 3: Summary of proposals for establishment of Health and Wellbeing Boards

The government proposes establishing a statutory Health and Wellbeing Board (HWB)within each upper tier local authority. The primary purpose of the Board would be "to promote integration and partnership working between the NHS, social care, public health and other local services and improve democratic accountability".

The Government proposes that statutory HWBs would have four main functions:

- assess the needs of the local population and lead the statutory joint strategic needs assessment;
- promote integration and partnership, including through joined-up commissioning plans across the NHS, social care and public health;
- support joint commissioning and pooled budget arrangements where this makes sense;
- undertake a scrutiny role in relation to major service redesign

Whilst responsibility and accountability for NHS commissioning would rest with the NHS Commissioning Board and GP consortia, the HWB would give local authorities influence over NHS commissioning, and corresponding influence for NHS commissioners in relation to health improvement, reducing health inequalities, and social care.

It is anticipated that HWBs would lead in determining the strategy and allocation of any local application of place-based budgets for health and relate to other local partnerships, including those relating to vulnerable adults and children's safeguarding. But to reduce bureaucracy, local authorities should want to replace current health partnerships where they exist, and work with the local strategic partnership to promote links and connections between the wider needs and aspirations of local neighbourhoods and health and wellbeing. It is proposed that the statutory functions of the overview and scrutiny committee (OSCs) would transfer to the health and wellbeing board.

The government indicates that there would be a statutory obligation for the local authority and commissioners to participate as members of the Board. However, the proposed composition of the Board appears to be broad and includes**:**

- local elected representatives including the Leader or the Directly Elected Mayor,
- social care commissioners,
- GP consortia;
- Director of Public Health;
- relevant local authority directors on social care, public health and children's services;
- a representative of local HealthWatch;
- local representatives of the voluntary sector;

It is also stated that providers may be invited into discussions, and that representation from the NHS Commissioning Board may be requested if required.

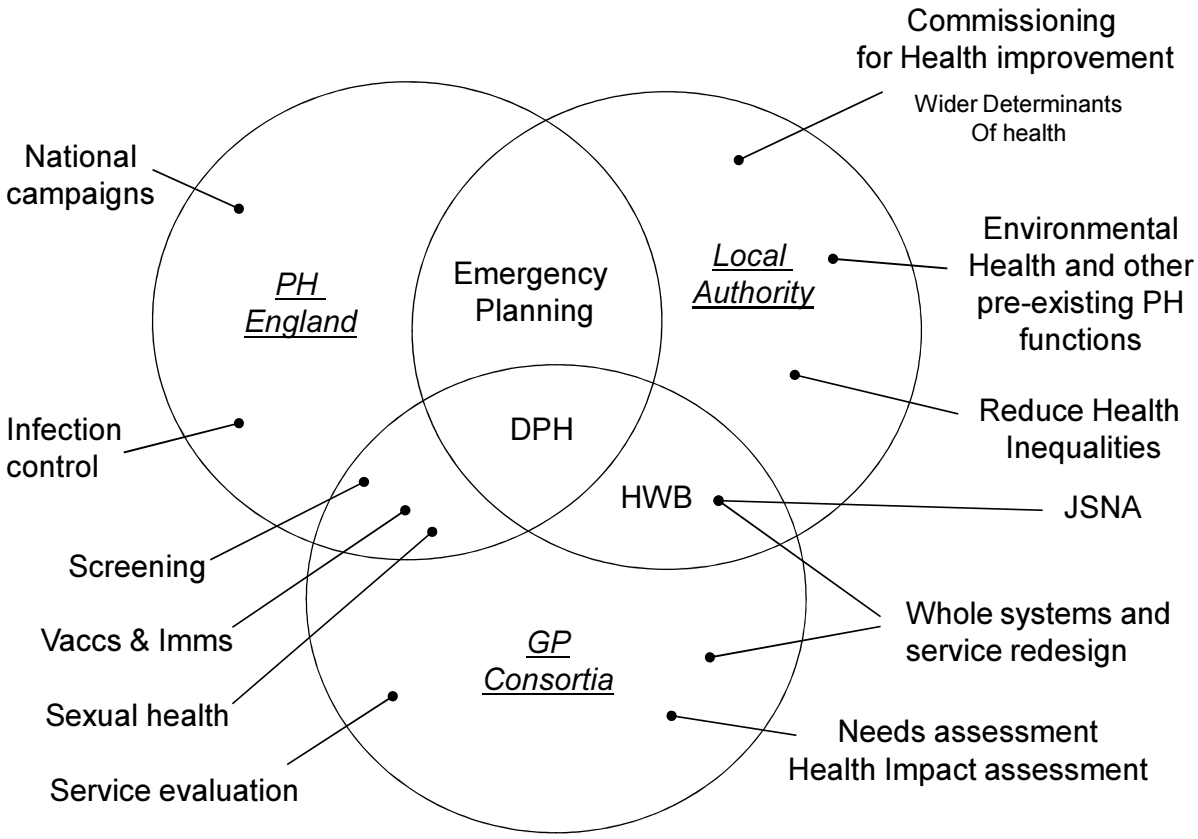
The elected members of the local authority would decide who chaired the board.

Having a seat on the HWB is designed to give HealthWatch a more formal role in commissioning discussions and “provide additional opportunity for patients and the public to hold decision makers to account and offer scrutiny and patient voice”.

The government recognises the novelty of arrangements bringing together elected members and officials in this way and is seeking views as to how local authorities can make this work most effectively. But it is hoped that this emphasis on proactive local partnership would minimise the potential for disputes. Where disputes do arise, the Board may “choose to engage external expertise to help resolve the issue, for example a clinical expert, the Centre for Public Scrutiny or the Independent Reconfiguration Panel”. But where the dispute is unable to be resolved locally, the Board would have a power to refer the issue to the NHS Commissioning Board.

Neighbouring boroughs may choose to establish a single board covering their combined area.

Appendix 4: Diagrammatic representation



London Borough of Hammersmith & Fulham

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE

DATE	TITLE	Wards
18 January 2011	White City Health and Care Centre: Full Business Case	All

SYNOPSIS

The business case seeks approval from NHS London for the construction of a Health and Care Centre at White City.

CONTRIBUTORS

NHS Hammersmith and Fulham

RECOMMENDATION(S):

The committee is asked to comment on the report.

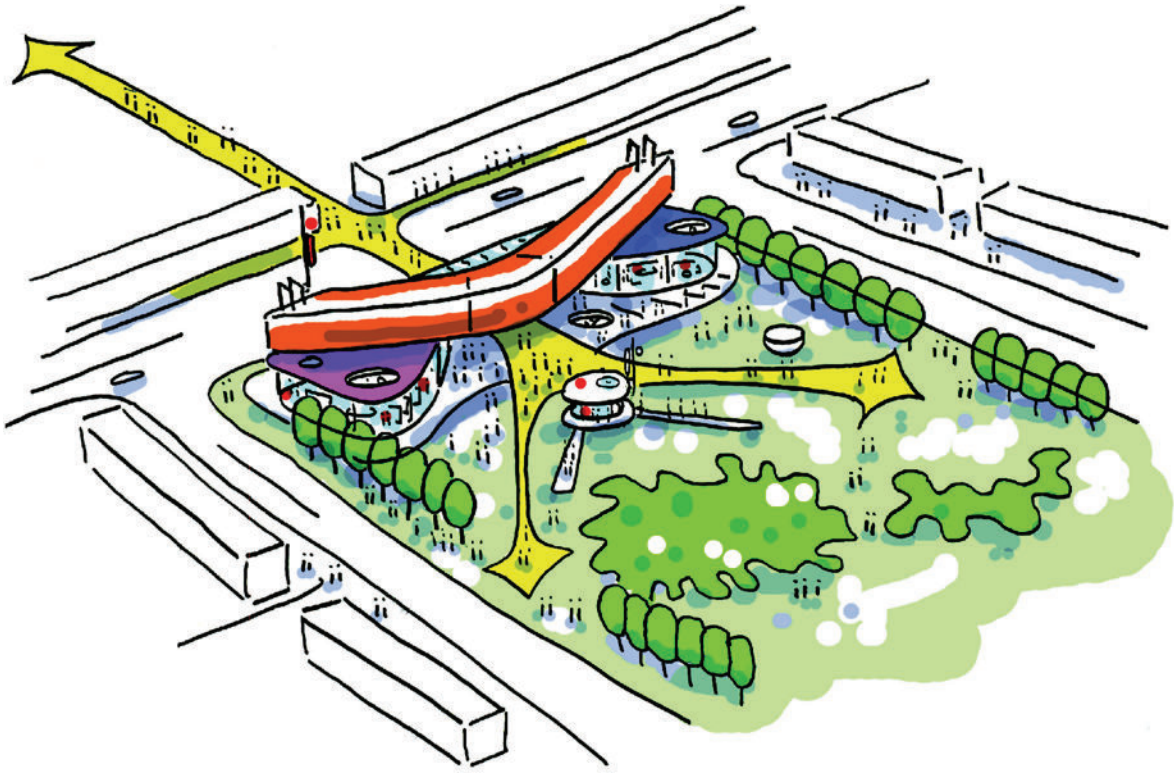
CONTACT

Becky Wellburn
Associate Director for Primary Care, NHS Hammersmith and Fulham
Becky.wellburn@hf-pct.nhs.uk

NEXT STEPS

NHS Hammersmith and Fulham is awaiting approval to proceed with the project.

NHS
Hammersmith and Fulham

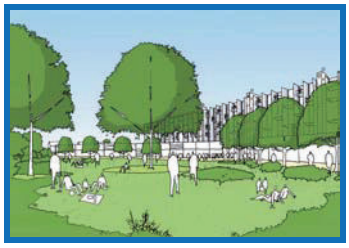


White City Health and Care Centre

Full Business Case

Hammersmith and Fulham Primary Care Trust

Revised 4 November 2010



1 Executive summary

1.1 Basis of the approval required

This business case is seeking approval from NHS London for the construction of a Health and Social Care Centre at White City under an Internal Repairing and Insuring Lease by Building Better Health Ltd on behalf of NHS Hammersmith and Fulham. This approval is subject to:

- confirmation of the £9m contribution to the capital costs of the scheme through a competitive procurement process
- confirmation that the legal agreements necessary for the development have been reached
- confirmation that the final design of the building meets the PCT's requirements

The PCT intends to submit these final pieces of evidence to NHS London in Feb 2011.

1.2 Summary of the Business Case

The White City Health and Social Care Centre is planned for the area of Hammersmith and Fulham with the greatest health need and currently the poorest access to quality health services. Section 2.4.2 below sets out the health challenges faced by the residents of White City including a high level of childhood obesity and poor control of long term conditions. Despite having high levels of health need, the north of the Borough is poorly served by primary health services. This means that care is often provided through hospitals on an emergency basis. Primary care services which are available in the north of the Borough are fragmented and delivered from poor premises – the White City Health and Care Centre would replace a number of below-standard GP premises.

Providing the care in this way rather than through pro-active high quality primary care is expensive, and leads to worse health outcomes and ultimately lower life expectancy.

NHS Hammersmith and Fulham has developed an integrated model of service for its residents which has been praised as fulfilling the strategic requirements of the NHS. However, there is no current site in this area of the Borough capable of delivering an integrated model. The PCT is proposing a new build designed by Rogers Stirk Harbour which:

- brings together health and social care, reflecting the integrated commissioning arrangements between the Borough and the Local Authority, and making the most of increasingly scarce resources to deliver maximum impact
- includes a range of residential accommodation under the management of Notting Hill Housing Association
- responds to the physical environment of the building including the adjacent park
- provides a new landmark building in White City

The capital costs of the new centre will be funded from already realised commissioning savings and receipts from the sale of existing poor quality assets. The recurrent costs of the new building is less than the running costs of the old buildings, and in addition it is expected the new service model will release savings – the scope of these will be assessed as the new model of care is implemented.

The development supports and is supported by a programme of transformation of primary and community care. This has already delivered major pathway redesign in unscheduled care, musculo-skeletal conditions (MSK), Respiratory and Diabetes. The current focus of the programme is on integrated support to keep people out of hospital and is considering the Integrated Care Pilot with Imperial College Hospital NHS Trust as a delivery vehicle for improved services for the frail elderly and people living with diabetes.

Primary care improvements in the area are ongoing with new GP and dental services utilising a temporary base at the Canberra Health Centre in the White City area. The intention is that these services move to the new build once complete. The planning permission for the temporary Centre has been given for a maximum of five years, meaning this cannot be a long-term solution.

The programme is led by our fledgling GP commissioning consortia which are fully supportive both of the transformation programme and the Business Case.

The proposed contractual route for the White City Health and Social Care Centre is an Internal Repairing and Insuring (IRI) Lease, provided by the PCT's LIFT partner Building Better Health. The lease is funded through a £9m plus VAT payment on completion of the building and a small annual rental. Construction of the shell and core of the building is currently being procured by Fundco. Fit-out and maintenance services will be provided by Fundco through the LIFT partnering agreement.

Bevan Brittan has provided advice on the procurement route, and considers that the risk of challenge to the shell and core construction contract is low. This risk, plus other implications of the procurement route, has been incorporated into an economic analysis shown at section 3.7.3. This shows that the IRI lease route is clearly better value for money than the LIFT contracting approach.

Financial and legal close is expected by 28 February 2011, with the building completed by the end of March 2013.

2 The Strategic Case

2.1 Introduction

This Full Business Case (FBC) is for the provision of a Health and Care Centre at White City.

The FBC has been prepared using the agreed standards and format for business cases, as set out in HM Treasury's Green Book: Appraisal and Evaluation for Central Government, and is based on the Office of Government Commerce's Five Case Model, which comprises the following key components:

- the strategic case section: sets out the case for change, together with the supporting investment objectives for the scheme
- the economic case section: demonstrates that the PCT has selected the most economically advantageous offer, which best meets the existing and future needs of the service and optimises value for money (VFM)
- the commercial case section: sets out the content of the proposed deal
- the financial case section: confirms funding arrangements, affordability and the effect on the balance sheet of the PCT
- the management case section: details the plans for the successful delivery of the scheme to cost, time and quality

This section describes how the scheme fits within the existing business strategies of NHS Hammersmith and Fulham and makes the case for change, in terms of the existing and future operational needs.

The process by which the PCT has progressed the White City development since its approval as a Stage 1 LIFT case, and the reason for changing the procurement route to an IRI lease, are set out in the Economic Case in Section 3 below.

2.2 Organisational overview

Hammersmith and Fulham is a relatively small, but densely populated, inner London Borough with a population of 191,879 in 2010/11[1]. The residents are young with 45% in their 20s and 30s, are highly mobile and live in small households with 40% being single person households. 10% are lone parents; of the children 37% live in low income homes. Ethnically only 22% of the residents are from non white backgrounds and the borough displays extremes of wealth lacking the traditional middle income residents. There are pockets of deprivation across the patch with the North (White City area) generally more deprived.

The health of residents in the borough is generally improving with increased life expectancy in line with national rates. However there is a marked and increasing gap between the best and worst off areas with a twenty minute bus ride north taking nearly eight years off male life expectancy.

The PCT's residents demonstrate higher than national rates of childhood obesity, child tooth decay, alcohol and drug misuse, mental health problems, HIV, TB, excess winter deaths, emergency admissions for older people and the highest nursing home admission rate in London. Local uptake of screening and prevention services is improving but still below national averages. Deprivation is one of the strongest factors in determining ill health with deprived families in public housing a priority.

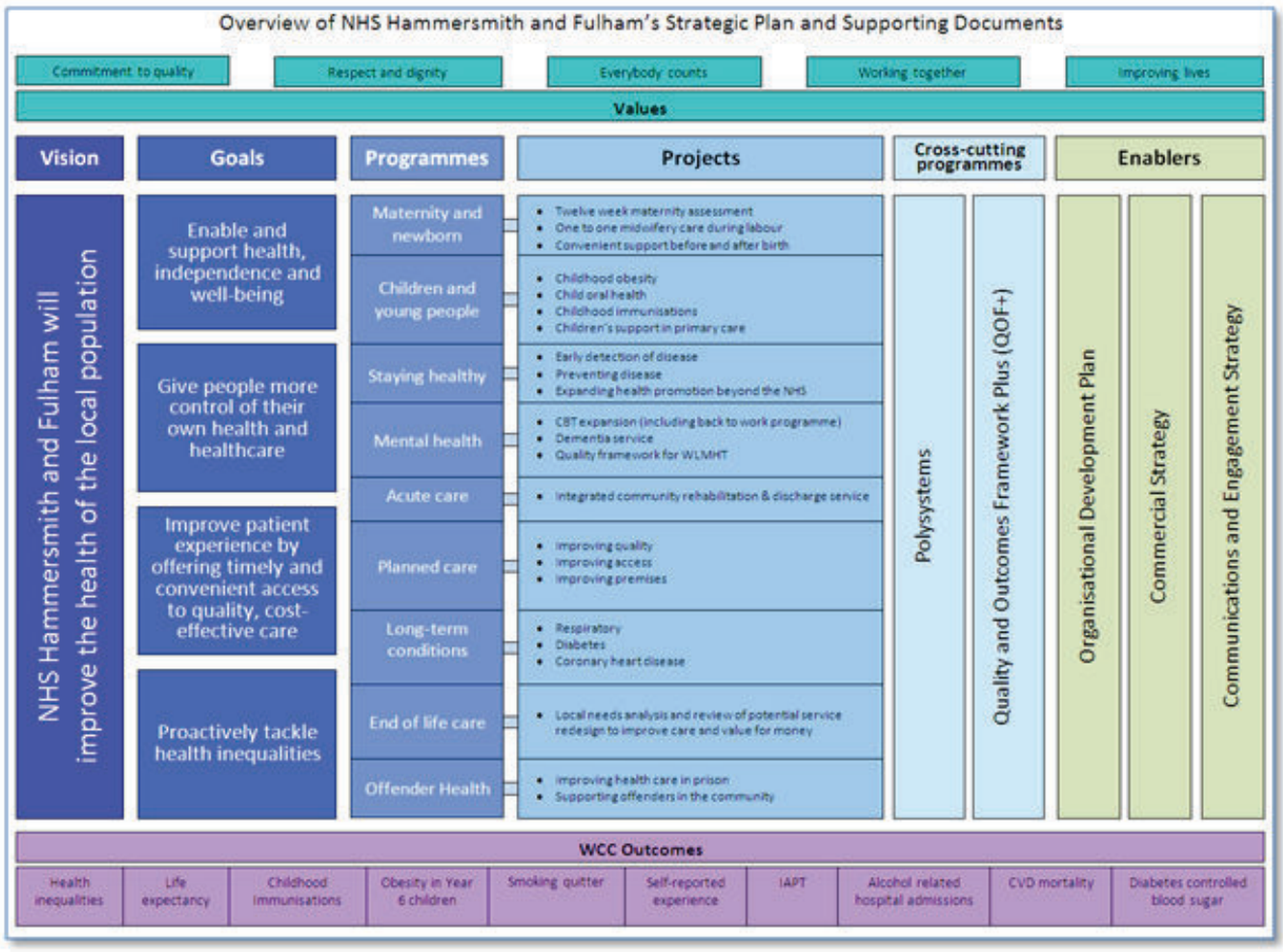
[1] From Department of Health figures, March 2010

Residents in the north experience a wide variation in quality and accessibility to primary care and higher levels of heart disease, respiratory disease, teenage pregnancy, diabetes and depression than the rest of the PCT.

The PCT has shown progress towards improving health and improving access, notably with its early polyclinic success. It has polyclinics with unscheduled care centres and new GP surgeries at both Charing Cross (in the South) and Hammersmith Hospital (in the north). The Hammersmith site has allowed more than 70% of A&E attenders to be seen in the Primary Care facility, which is quicker and leads to better patient satisfaction and reduced hospital admissions. The GP surgery has been slow to register new patients however[2]. Moving the care to the heart of the social housing area in the North, at Canberra Primary School, has shown accelerated registrations - 15% greater[3] with12% being previously unregistered people.

2.3 The PCT's strategy

The diagram below summarises the PCT's strategic plan.



The four strategic goals have been shaped by several years of engagement with local residents, clinicians and other partners. They reflect national priorities such as patient choice, timely access to care, a shift to provide care in more convenient settings and a greater focus on supporting people to live healthy lives. The goals also address specific local needs identified in the PCT's Joint Strategic Needs Assessment.

[2] 1,400 over north and south sites in a full year; average of 117 monthly with a foot fall for unscheduled care of over 1,200 patients each week

[3] averaging 134 monthly with no foot fall for other reasons

A main focus of the PCT's plan is the creation of polysystems. In 2009, it opened London's first Accident & Emergency (A&E) based polyclinics. The polyclinics have shown that primary care doctors and nurses can more effectively help almost 70% of the people who walk into A&E departments.

In July 2010 the Department of Health published the White Paper *Equity and Excellence: Liberating the NHS*. This document is built around a number of key themes:

- putting patients and public first
- improving healthcare outcomes
- autonomy, accountability and democratic legitimacy
- cutting bureaucracy and improving efficiency

The PCT has reviewed its polysystem policy against the requirements of the White Paper and the following table shows how it will help to implement *Equity and Excellence*.

Table 1: Polysystem contribution to implementing the White Paper

White Paper theme	Effect of polysystem
Putting patients and public first	• **Redesign of clinical services –** clinicians across secondary, primary and community care together with partners from social care will design the optimal pathways to support their patients; services will be based around the needs of the patient, providing the support or treatment they need from the most appropriate locations • **Increase in capacity and capability in primary and community care** to extend the services available outside hospital – more doctors, nurses and therapists will be employed across primary and community services meaning an extended range of care available to patients without having to be referred to hospital
Improving healthcare outcomes	• **Improvement of prevention and early detection for those most at risk –** more resources will be put into preventing ill-health; keeping people disease free and supporting those with long-term conditions to keep symptoms under control and for those most at risk, services will be responsive to individual needs and prevent conditions reaching crisis point • **Creation of integrated teams** offering patients a simple holistic service – integration will occur between secondary and community health services and across health and social care boundaries
Autonomy, accountability and democratic legitimacy	• **Supports GPs as commissioners** enabling commissioning decisions to be taken as close to the patient as possible. Provides the opportunity for GP commissioners to create the services their patients require to keep out of hospital /stay healthy

White Paper theme	Effect of polysystem
Cutting bureaucracy and improving efficiency	• **Greater efficiency and better use of resources –** more efficiently designed services will reduce the administrative burden on clinicians, allowing them to spend more time with patients, reducing the duplication that currently exists across primary and secondary care will release resources to be reinvested elsewhere and developing modern energy efficient buildings supporting larger clinical teams will also allow the sharing of management and back office functions

The table below describes how the White City development fits with the Secretary of State's four tests:

Table 2: Effect of the White City polysystem on the Secretary of State's four tests

Test	Effect of polysystem
Patient, public and local authority engagement	• Section 6.3 of this business case sets out the process of public and patient engagement that the PCT has carried out over several years – the service model to be implemented at White City has been developed in consultation with the public • The White City health and social care centre has been developed jointly by the PCT and the Borough and will house integrated care teams
GP support	• The shadow GP commissioning groups in Hammersmith and Fulham have given their support to the creation of polysystems in the Borough
Clinical outcomes	• The integrated holistic service to be provided at White City will improve clinical outcomes as described in Section 2.7 below
Patient choice	• The White City health and social care centre will provide additional services as set out in section 2.7 below • Local residents have expressed a strong wish to be able to access health care in the White City locality

2.3.1 The PCT as a Commissioner

The PCT created a joint executive management team across the Primary Care Trust and local Council in April 2009, and has integrated all children's and adults health and social care commissioning in order to build effective polysystems and maximise the productivity gains in community health and care services. With new PCT cluster arrangements coming into place all three PCTs in the Inner North West London are committed to increasingly aligned commissioning with LA partners with the experience of NHS Hammersmith and Fulham providing a model to build upon.

2.3.2 *Provider Services*

There are 30 general practices in the borough, ranging in size from single-handed doctors to teams of 20+. One practice is based in our two current polyclinic sites, one in the interim site in White City. The quality and range of services varies considerably across practices and the current geographical spread means our more deprived areas in the North are under-served.

There are 26 dental practices with NHS contracts and 40 community pharmacies in the borough.

Imperial College Healthcare NHS Trust delivers services from two sites within the PCT; Charing Cross and Hammersmith, and from St Mary's Hospital, just outside. Chelsea and Westminster Healthcare NHS Foundation Trust delivers about 30% of the PCT's acute activity just outside the borough.

Central London Community Healthcare (an alliance of the community services of three primary care trusts) is the main provider of community nursing and therapy services. The majority of mental health services are provided by West London Mental Health NHS Trust.

A relatively small number of health services are commissioned from private providers, including Clinicenta (day case and out-of-hospital services) and InHealth (community diagnostics).

2.4 NHS Hammersmith and Fulham's Estate Strategy

The PCT's estates strategy envisages two delivery hubs, supported by a number of larger health centres. These in turn will work with the remaining GP practices. The Southern hub is at Charing Cross Hospital and opened as a community services site, with GP surgery and Urgent Care Centre in a phased way from 2009. It is now fully open.

In the North the PCT has positioned the Urgent Care Centre at Hammersmith Hospital in the short term to address the unscheduled care need. There is no further space to expand at the Hammersmith site and the hospital is not as well serviced with transport options as the White City area. The greatest need and most significant health inequalities are in the North of the borough, around White City. The residents here have demonstrated a greater enthusiasm to access service on the White City estate as demonstrated by the GP registration pattern at the two new surgeries (one at Hammersmith Hospital and one in the White City Estate) and the extensive public consultation.

2.4.1 *Background*

The ability to make savings by moving health services closer to home depends completely on the success of transforming current delivery models for general practice, community services and social care. The capacity and role of general practice is central to this transformation. GPs will be the key decision makers in purchasing care and what they decide to purchase will be driven by what they are able to provide and deliver themselves.

There is much evidence to show that the current provision of general practice in White City and the surrounding area does not meet the high level of health need for this population and the existing composition is a long way from delivering the enhanced

proactive model of care needed to reverse rising secondary care costs by delivering care closer to home. This a population where over 50% of residents live in public housing with only 20% home ownership. In general this is a much younger population than across the rest of the borough with 30% of Hammersmith and Fulham children and teenagers growing up in its most deprived ward. Similarly there is a higher proportion of young families in this part of the borough and significantly there are twice as many lone parents with dependent children than for the rest of the borough. White City and Wormholt also have the highest proportion of black/black British residents and the highest proportion of Muslims.

Significant preparatory work has been carried out in partnership with the local population to understand their views on existing services and barriers to access and to establish the changes required to deliver health and social care services which will support improved access and result in better outcomes for the population both in the short and longer term.

2.4.2 Interim solutions

NHS Hammersmith and Fulham has developed a number of interim solutions to address issues of capacity, quality and access to primary care in the far north of the borough. The key developments have been:

- Hammersmith Centre for Health: the first hospital based polyclinic offering access to unscheduled care primary care 14 hours a day as well as the opportunity to register as a patient within the same facility
- Canberra Centre for Health: a PCTMS practice set up to address under-doctoring and offering the full range of general practice as well as access to a range of additional services geared to the particular needs of the local population

Both these services have been successful at meeting their specified objectives and have generated high levels of patient satisfaction but the future of both is limited by lack of space for further development, location and for Canberra by the temporary nature of the accommodation. Hammersmith Centre for Health has struggled to reach registration targets largely because the service is located north of the Westway (A40) which acts as a physical and psychological barrier for those living to the South of the dual carriageway. Canberra has registered an average of 100 patients a month since opening in January 2010 around 12% of whom were currently unregistered but the most significant proportion of new registrations are from patients currently registered elsewhere in the local area who are attracted by improved access and a patient focused healthcare team

There are a number of issues which have been highlighted as part of the early evaluation of service delivery at Canberra. These include;

- 40% of children registering at the practice being classified as obese
- high levels of poorly controlled childhood asthma particularly among the Somali population
- high levels of unmet health need among the homeless population who are now being registered at the practice and offered continuity of care often for the first time.
- poor access to primary mental health services
- reliance on unscheduled care provision for standard paediatric care

These and other emerging issues are being addressed by the Canberra team and opportunities for joint working with other local practices are being developed but the opportunity to embed change across the whole health economy relies on a more radical shift which would be led by the commissioning of the White City Health and Care Centre.

2.4.3 Case for Change

There are a number of factors which act as barriers to delivering the model of healthcare required by this population. With a shift to a model of proactive high quality integrated care services available in the community, health and social care spending on emergency and unscheduled interventions is likely to continue to rise without any positive impact on the health and well-being of the population. The key barriers are:

1. **Outdated premises that fail to comply with current access requirements and act as a deterrent to service improvement**

Six out of nine local practices are operating from premises which fall below minimum standards. Three meet minimum standards but do not have the capacity to meet full NHS requirements for primary care premises. Finding separate premises solutions for all these practices is challenging in Hammersmith and Fulham which is one of the most densely populated areas of the country. Separate premises solutions would also act to maintain isolated delivery of general practice rather than a federated or integrated model of care which would be supported by bringing a number of existing practices together within the proposed Centre.

2. **Wide variation in general practice quality**

The traditional model of general practice has not served high need communities such as White City well. GP practices in the north of the borough are more likely to be single handed or two partner practices with a smaller than average list size. Coupled with poor premises and a high proportion of patients with multiple risk factors it is not surprising that service quality varies widely and working practices are developed along a reactive rather than proactive care model.

It is widely understood by commissioners that patients registered at even the most poorly performing practices are unlikely to move either through loyalty, apathy or simply not knowing what good quality healthcare might look like. Simply improving comparison data will not fully address this issue and a more sustainable solution is to strengthen clinical leadership and standardise delivery pathways to ensure that all patients have access to equitable care.

3. **Lack of leadership to deliver a co-ordinated strategy**

Clinical leadership in White City has been strengthened to some extent by the services being delivered at Hammersmith and Canberra Centres for Health. However, these are relatively small contracts and the traditionally competitive model for delivering general practice means that there is some suspicion about new providers.

Tendering for the White City Health and Care Centre provides the opportunity to significantly strengthen clinical leadership by letting a contract which requires delivery of whole pathways of care for children, frail elderly and patients with long term conditions. This commissioning opportunity is likely to attract strong local multi-disciplinary bids with the capacity to make the step change necessary in White City.

4. **Lack of space to accommodate shifts of services from secondary to primary healthcare settings**

Without new space it is impossible to commission the additional primary care capacity needed to realise secondary care savings. At the moment there is simply not the space to build the teams of GPs, Practice Nurses and Healthcare Assistants who will be required to delivery proactive and systematic care to the significant number of patients in White City who will require this approach. The current model of delivery in White City depends on a large number of patients who never or rarely access primary care services. These are the patients currently using the Paediatric Ambulatory Care Unit in large numbers, repeat attending at the Hammersmith Hospital Unscheduled Care Centre or being admitted as emergencies for long term conditions that are poorly managed.

In addition to providing space for a proactive enhanced model of general practice additional space is also required to move consultant services into community settings. This is already happening with COPD and Diabetes but without the White City development the pace of this programme is likely to be affected particularly in the north of the borough where it is most needed.

5. **Limited opportunity to co-locate services to support access and integrated working**

While it is accepted that multi-disciplinary working can be supported by virtual networks of service providers and mutual access to records and care plans it is also important to understand the benefits of co-located services both for patients and service providers.

2.4.4 Harnessing local and national enablers for change

There are a number of local and national drivers for change which could be harnessed quickly in White City to prevent health inequalities widening by creating an integrated health and care system responsive to the local population and delivered along evidence based pathways. White City Health and Care Centre is essential for bringing these enablers together in a strategic approach which will achieve the twin objectives of reducing escalating costs and preventing another generation of children from White City entering adulthood with significantly reduced life chances. These drivers which need to be brought together are:

1. Local service redesign projects which were originally initiated by the London polysystem programme but remain central to the key health objectives of the new government. This change programme has been supported in Hammersmith and Fulham by health and LA management mergers resulting in close working between health and social care to deliver the Out of Hospital programme set out in the CSP. Although merger plans will inevitably be affected by NW London PCT clustering arrangements it is essential not to lose the momentum of developing shared service responses. The White City project offers the opportunity to stay focused on delivering a shared set of objectives to manage costs and quality in a joined up approach.

2. The North West London Integrated Care pilot which proposes to shift resources from secondary care to primary care to support a systematic planned care approach for patients based on risk stratification. While support for this work is not universal at this stage it seems important to reach broad agreement on how to explore the opportunities it highlights and to unlock the funding currently spent on avoidable non-elective admissions which is estimated to be a minimum of £5million for our patient population. The White City tender is an opportunity to bring all

partners to the table equally to develop a mutually acceptable plan for delivering integrated care to the residents of White City. The full engagement of General Practice is central to this process as they will be future commissioners as well as key providers within any pathway of care.

The principles of the IC project are clearly relevant to White City Including:

- bringing all partners to the table for a planned approach to transformation
- committing secondary care funding to pump prime transformation
- developing funding and incentives which support rather than work against integration
- identifying a shared culture and best practice
- agreeing governance and transfer of data

3. The transfer of commissioning to GP consortia is driving forward integrated working between local GPs both in terms of developing as future commissioners of services but also exploring cluster delivery models based on populations of 40,000 to 50,000 patients. GPs and their institutions (particularly the RCGP) are increasingly promoting a model of federated general practice to provide an enhanced model of care within existing budgets. White City offers an ideal opportunity to put this into practice and develop a model which has the potential to be adopted elsewhere. This should include:

    - risk stratification of patients
    - multi-disciplinary team working
    - prevention programmes e.g. falls prevention
    - systematic long term condition management including personalised care planning
    - increased access to patient education
    - funding flexibility for integrated health and social care packages
    - access to expert advise to support patient care
    - working to locally agreed care pathways
    - sharing resources across practice boundaries
    - integrated access to services in terms of location and appointment systems
    - mutual access to patient records
    - rapid response to prevent unnecessary hospital admission
    - complex case management
    - management of transitional arrangements
    - enhanced practice nursing models

The White City Health and Care Centre is the key enabler for these new services and tackling the health inequalities in the North of the borough. It will enable the PCT to shift services and resources from acute settings to the community, reduce the variation in quality of GP services and deliver better value for money. The PCT has worked closely with the North West London sector to deliver services in a way that supports the plans for acute hospitals. The Unscheduled Care Centre which will move to the Health and Care Centre is contracted for separately to acute services. No other services are affected by the move.

The Hammersmith Hospital site cannot develop further and provide all the services needed as it is confined to the old A&E department on the site with no other space that the Trust can release. This development will move the services from the hospital to the Health and Care centre, in the heart of the residential area of greatest deprivation.

2.5 Investment objectives

As set out in section 2.3 above, the PCT's strategic objectives are to:

- enable and support health, independence and well-being
- give people more control of their own health and healthcare
- improve patient experience by offering timely and convenient access to quality, cost-effective care
- proactively tackle health inequalities

This project addresses the third and fourth objectives in particular, and the investment objectives for this project can be stated as:

- Objective 1: improving integration between health services and health and social care services
- Objective 2: improving primary care access
- Objective 3: improving service quality
- Objective 4: improving service productivity

2.6 Existing arrangements

Within the White City catchment area there are nine GP practices operating from their own premises. Six of these practices operate from premises that are below minimum standards and three meet minimum standards but do not meet the full standards for primary care premises. With the exception of the Bush Practice all practices have between one and three partners and there are a number of partners who are approaching retirement age.

The current configuration of General Practice and the premises restrictions means that the range of care provided in the North of the Borough is restricted. Fewer of the practices in the North offer a full range of Enhanced Services and the lack of capacity translates in to some difficulties in registering with GP practices and accessing Primary Care. These difficulties appear to translate in to higher than expected levels of attendance at A&E (particularly for children at the Ambulatory Care Service at Hammersmith Hospital), lower levels of elective activity, poorer management of chronic disease and (ultimately) higher mortality.

2.7 Service requirements

The White City Health and Care Centre is the key enabler to our shift of services from acute settings to the community, reduction in variation of quality of GP services and to enhanced health and well-being, with better value for money, in the North of the borough. We have worked closely with the North West London (NWL) sector to deliver our services in a way that support the plans for acute hospitals in the sector and delivers the polysystems requirements across the sector. NWL Sector Polyclinic plans include:

- pre-referral and pre operative diagnostic work ups
- children's centres
- end of life partnerships
- 55% of outpatient appointments within the community
- integrated MH services

These are all supported by the White City proposals.

The White City Health and Care Centre has been designed by an integrated health and Local Authority team with service user and provider input to ensure it delivers the local priorities. The Unscheduled Care Centre will relocate from the Hammersmith Hospital bringing this popular service closer to the residents who access it and allowing the Hammersmith to concentrate on planned acute care services. This will remain part of the primary care service and be joined by up to 9 other GP practices, allowing up to 50,000 local residents to keep their GP and also access general and specific primary care services current small GP partnerships are not able to deliver.

The generic clinical space planned into the Health and Care Centre will allow the provision of a flexible range of services dictated by residents' needs and new service models. For the first time the co-location with social care will mean the PCT and local authority can share staff and resources and out-of-hospital support is currently being redesigned to integrate health and social teams and professional roles. The delay, confusion and disruption that the current social and health interfaces cause are being designed out of the system. The following services are currently planned (Table 3) to be transferred/develop at the Centre. However this is the start of a system wide review as part of the polysystem work and the PCT acknowledges the service requirements are not fixed.

The following table sets out the services which will be delivered in the Health and Care Centre, how they are currently provided and the consequences if the new Health and Care Centre is not built.

Footprint of new development – Health and Care Centre occupies right-hand side

Table 3: White City Health and Care Centre services

Service	Current Provision	Consequences if the White City H&C Centre is not provided
Integrated diabetes services: a multi professional One Stop Shop service with Nurse Consultants, Doctors, Podiatrist, Retinal Screeners, Dieticians, Psychologists sand Pharmacists NICE guidance supports the model and improved outcomes are KPIs in the service specification. The integrated service provides improved value for money and reduces unplanned admissions.	Charing Cross Hospital hosts the Integrated Diabetes service 8am-8pm one day a week. The nurses and doctor deliver care at the temporary site in White City, but patients need to travel south to see the rest of the team.	No space in north for retinal screening camera or for the whole team to deliver services at the same time. Patients will need to make up to seven separate appointments for their annual health check alone.
Integrated respiratory service: a multi professional One Stop Shop service with Nurse Consultants, Doctors, physiotherapists, technicians and pharmacists Evidence supports community care of respiratory disease in avoiding hospital admission. This service is better vfm than on tariff and reduces spend on unplanned admissions.	New service in Charing Cross from August. No service in North of borough at present despite highest incidence of disease and of unplanned admission due to respiratory disease in the North. Respiratory Consultant will provide some appointments in the temporary Health Centre from Autumn.	Diagnostic support could not be accommodated in any existing buildings except the acute hospitals. . Uni-professional service requiring multiple appointments. Service fails to meet patient and clinical expectations: Current patients have requested services in the north, where more residents have respiratory disease. GPs have contributed to the redesign and actively requested provision in White City.
Breathlessness clinic: A new service at the request of GPs for patients whose symptoms are not clearly heart or lungs. These people are often seen by many services repeatedly before a diagnosis and treatment. Joint cardiac and respiratory assessment service with diagnostics to reduce consultant-to-consultant referrals, streamline assessment and accelerate required treatment avoiding unplanned admissions.	Sufficient space for the team and the diagnostics support can only be found in the south - in the new Charing Cross space.	Residents in the north miss out or face added inconvenience as service is only available in the south of the borough.

Service	Current Provision	Consequences if the White City H&C Centre is not provided
Musculoskeletal and pain service (started April 2010): This combines the multi professional team and introduces new assessment and pain treatment services, takes physiotherapy out of the hospital where is has been delivered Delivers to DH guidance and is reducing referral to surgery as part of the demand management programme.	Limited appointments are offered at the temporary site with long waits.	Insufficient clinical space to deliver the required appointments in any area. Waits would remain very high without more space. Residents in pain with limited mobility would need to travel to alternative sites to receive care.
Breast screening	New compliant service in the South, which is not big enough for the whole PCTs requirements.	No space to locate services in the north, despite evidence that residents in the north are those not attending. PCT is already behind target and below trajectory with only one site at Charing Cross. Position could not be improved without better access to services in area of greatest need. Service fails to meet patient and clinical expectations: Patients and GPs in the North have requested a local service.
Improving access to psychological therapies (CBT)	The PCT has supported this initiative to increase practitioners and numbers of appointments, but cannot find the space to deliver the service	No space to provide service despite good evidence for CBT and highest incidence of mental health issues in the North.
Cardiology services	Payment by Results services at acute trusts. GPs have little input and patients have a number of exacerbations and unplanned admissions Subject to a current review by the PBC Consortia to explore community provision of services.	Community service could not be provided without additional pace.

Service	Current Provision	Consequences if the White City H&C Centre is not provided
Mental health (whole services)	Current service provided in separate community mental health team premises	Missed opportunity to collocate services within mainstream primary care. Miss out on potential opportunity costs in terms of physical well-being of people with mental health illness. Failure to meet patient and clinician expectations as previous consultations indicate desire for integrated services in the north of the borough.
Other services as part of the efficiency programme	Services are provided in a number of sites by different service. The PCT and the LA are working to provide services together to avoid hand offs, replication and reduce management costs. Ultimately the PCT seeks to identify vulnerable residents and provide care to keep them healthy. Moving spend from acute and unplanned services to community panned services.	Co-location is a start to integration and reduction in overlap and wasted management costs. Provision from smaller, south centred sites will delay new service development and increase travel costs and wasted time.

The clinical space requirement at White City has been reviewed from two perspectives:

- detailed consultation with current service providers to explore space needs over the extended day in this new facility.
- working from minimum room specifications (e.g. is air change required? Does service need interview, consultation treatment room space etc) and disease prevalence in Hammersmith & Fulham4, average consultation length, length of treatment/number of interventions, efficiency (% compliance) and a number of other local factors to identify the number of rooms of each type required to deliver care to the population

These two approaches led to similar outcomes, validating the original planning, but also challenging some services to better use the space they claim to require. This challenge, redesign and adaptation to work patterns and service delivery is now underway to ensure the required services do fit in to the space being built. Hammersmith and Fulham PCT has also worked with other local PCTs to apply this modelling to their facility plans.

Appendix 1 contains a summary of the space requirements calculations.

2.8 Benefits criteria

This section describes the main outcomes and benefits associated with the implementation of the potential scope in relation to business needs.

Satisfying the potential scope for this investment will deliver the following high level strategic and operational benefits. By investment objectives these are as follows:

Table 4: investment objectives and benefits

Investment Objectives	Main benefits
Objective 1: Improve integration between health services and health and social care services	• Co-location will allow the Local Authority to fulfil its White Paper requirement to "promote the joining up of local NHS services, social care and health improvement" • Redesigned pathways and co-location of health and social services will allow the traditional barriers to be removed and patient requirements to be delivered with less hand offs and no duplication • Providing the clinical space for mental health services with social and other health care provision will allow commissioners to procure integrated teams and service access and approaches currently not offered by the incumbent provide • One stop services need to locate the health care professional team together to maximise service delivery, team working, training and make the most efficient use of patients and staff time. Real time access to diagnostics is also required. • Physical or learning disabled service users can have multiple health and

[4] Assumes the practices;- White City HC, Canberra centre for Health, Kokar, Badat and Cordelia.
Disease prevalence from CSL data pack, except;- MSK – estimated by service provider bases on new service, smoking white city h&f ph =18%, but 1/4 used as uptake poor, SALT paeds:. all children 23%= 57500 assume 2%, SALT- from stroke, Comm. Paeds :assume 5% of kids, 1 appointment, sexual health :assume 2 % of 16-64 age group, FP:5% of pop 16-64

Investment Objectives	Main benefits
	social needs. Navigating services and coordinating inputs is a challenge. Fully integrated teams can focus on users' needs rather than scope and coverage of separate teams, hand offs and handovers
Objective 2: Improve primary care access	• Clustering GPs together allows patients to retain trusted GPs while benefiting from extended hours access from the cluster • GPs in the cluster can offer the range of enhanced services and specialist staff that single or small group GPs could not
Objective 3: Improve service quality	• Primary care and outpatients will be able to make immediate referrals to these onsite services to streamline the patients' journey and ensure the appropriate choices are offered • Opportunity for clinician to redesign services to provide holistic clinical pathways that minimise the necessity for hospital attendance and configure services around the patient • Integration of care between different aspects of health and social care will allow better focus on personalised care for patients which reflects individuals' health and care needs
Objective 4: Improve service productivity	• Shared services will reduce the administrative burden on GPs and practice staff allowing more time to be patient-facing. • Community Services back office functions, booking, scheduling and performance management can all be enhanced by co-location and integration. • Peer review and competition will support practice efficiencies • The centre will allow the space to move services and support the potential to redesign pathways to replace consultant outpatient attendances with other Health Care professionals and telemonitoring.

2.9 Main risks

Risks are valued in the economic case in Section 3 below, and the management case contains a risk management strategy and detailed risk management plan.

The main risks for the White City development are shown in the table below.

Table 5: main risks and counter measures

Main Risk	Counter Measures
Change in viability for the overall scheme due to changes in market conditions	• BBH has obtained sign-up from a Housing Trust for the residential aspect • An agent has been retained to pre-market the retail space
Changes in structure and policies of NHS mean the scheme is no longer relevant	• Objectives of scheme have been reconciled to White Paper aims • GP Commissioner support obtained
Competition to appoint contractor delays start of scheme	Competition being run now with the aim of having the contractor in place well before financial close
SHA does not approve this business case	Guidance sought during the development of the document

3 The Economic Case

3.1 Introduction

In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the FBC documents the procurement process and provides evidence to show that the PCT has selected the most economically advantageous offer, which best meets service needs and optimises value for money.

3.2 Description of the appraisal process

This project commenced as a standard Lift scheme and was the subject of a formal Stage 1 submission. That submission set out the option appraisal process that led to the proposal to develop an integrated health and social care centre as part of the redevelopment of the site fronting Blomfontein Road, a site acquired on long lease by Building Better Health from Hammersmith and Fulham Borough Council. The appraisal process and outcome is detailed in 3.3. and 3.4 below.

The site was sold to BBH by the London Borough of Hammersmith & Fulham in 2006. (Note that under the LIFT process the transfer of the site only takes place at financial close). The site was sold as a regeneration scheme under the powers set out in the Local Government Acts.

The sales agreement committed BBH to trying to achieve a planning consent for a scheme which included:

- the opening up of Wormholt Park to the residents of the White City estate
- the inclusion of a collaborative care centre
- housing
- retail
- offices for Social Services (the Borough later decided this was not needed)
- S106 contribution to works on Wormholt Park

All the above has been complied with.

The proposals were worked out with a residents' steering group, specifically convened to work on these proposals; a small architectural competition was held, and Rogers Stirk Harbour appointed.

BBH wrote to all the shareholders in BBH (West London) the LIFT company, inviting them to participate in the scheme. Both the public sector partners, the PCTs and Community Health Partnership declined, on the grounds that there was too much property risk; but supported the private sector going forward.

This is a regeneration scheme, and there is a considerable amount of cross-subsidy in the scheme. In addition the deprived estate of White City will receive a Rogers-designed regeneration scheme.

There is no land value attributed to the Health and Care Centre; and the housing is making a financial contribution to the Centre. In addition the park is being redesigned through the S106 arrangements, and will be an integral part of the facility.

3.3 The long-listed options

The long list evaluated within the Stage 1 case was as follows:

1. Do Nothing

This option would require the PCT to redesign services within the limitations of the existing estate. Service developments have already exceeded the estate's capacity to support them in the North of the PCT with diabetes, respiratory, cardiac, musculoskeletal, breast screening and psychological therapies not being accommodated in the North.

The option would not allow for the upgrade of GP premises or provide any of the other benefits of a larger health centre and co-location of services with Social Services.

2. White City Health and Care Centre

This option would see the opportunity to deliver the borough's primary and community services to 75,000 residents in the area of greatest need and deprivation. The non-compliant GP premises (i.e. those not able to be upgraded to be DDA compliant) can be removed from use and all the residents will be able to access enhanced care, facilities and opening times. For the first time breast screening services would be at the centre of the worst area of uptake.

3. Redevelopment of existing White City Health Centre

The existing White City Health Centre is a purpose built health facility constructed in 1979. The site boundary does not allow for an increase to the footprint of the building but there may be potential to increase the number of floors over which the accommodation is offered. The demolition of the existing building and provision of a new, larger facility is a possibility.

It would also be possible to sell the existing building and use the proceeds to subsidise an alternative development. However, the value of the capital receipt would be expected to be lower under this option than if the land could be sold for residential development. The resulting scheme would therefore be more expensive per square metre than using the new site.

In addition, to deliver this option temporary accommodation for existing services would need to be found. There is no spare capacity in the PCT's estate, so all GP and PCT services would be relocated out of the area for the build period. The new space would not be large enough to accommodate social or voluntary services and the benefits of integrated working could not be realised. The site is inside the estate and has proved very difficult to access. Non-residents choose not to have appointments at this site.

4. Extension to existing White City Health Centre

It is possible to create an additional 1,500 m2 of accommodation by extending the existing Health Centre upwards. Extending rather than replacing would require less service decant, but some services would still be removed during the build and social and voluntary care could not be accommodated within the resulting building.

5. Investment in Existing GP premises

None of the other existing local GP premises are capable of being improved from an estates perspective as they are chiefly converted residential buildings. There is an ageing GP population in the North of the Borough and a predominance of single handed and two partner practices. Primary care provision in this way does not allow patients the range of services and access they require or the PCT wished to commission.

6. Development of Hammersmith Hospital Site as a health and care centre

The PCT has done this successfully at Charing Cross Hospital and proposes to continue to lease space there to meet its service development needs. The Hammersmith site could be developed in a similar way. However, Imperial College Hospitals cannot release any space on this site. It is less well connected by public transport and less well positioned in the borough to compliment surrounding PCT Polyclinic developments. It has also demonstrated less appeal to residents than the White City based Canberra Centre for Health.

3.4 Preferred Option

The table below summarises the impact each of the six options would have on the four objectives of the development.

Table 6: summary of impact of each option at stage 1 on each investment objective

Option	Objective 1 Integration	Objective 2 Access	Objective 3 Quality	Objective 4 Productivity
1: Do nothing	None	None	None	None
2: New site at White City with integrated care centre	Good	Good	Good	Good
3: Redevelop existing site	None	None	Some improvement	None
4: Extend existing site	None	None	Some improvement	Some improvement
5: Upgrade substandard GP premises	None	None	None	None
6: Care centre at Hammersmith Hospitals	Some improvement	Worse than currently	Some improvement	Good

The White City Health and Care Centre best meets the objectives of the investment and was therefore chosen at Stage 1 as the preferred option.

3.5 Description of the preferred option

The White City health ad Care Centre is proposed to deliver:

- enhanced Primary Care to 50,000 patients
- unscheduled care to the North of the borough
- diagnostics to include X-ray, ultrasound, ECHO, respiratory, cardiac and diabetic labs
- child friendly, community, specialist and general NHS dentistry
- enhanced community pharmacy
- generic clinical space to provide the full range of redesigned clinical pathways and out patient services to the 75,000 residents in the North
- mental health and psychological therapies

- learning disability and physical disability services
- working villages to new integrated health and social teams
- children's space
- third sector shared and dedicated space
- employment and training space to third sector users in the community café
- breast screening services
- theatre and procedure space for local anaesthetic minor procedures

The site is located towards the northern edge of the London Borough of Hammersmith and Fulham, in the Wormholt and White City ward. The site is bounded to the east by the Bloemfontein Road which is a busy road connecting Uxbridge Road to the south with the A40(M) to the north.

To the west of the site is Wormholt Park, one of the few public open green spaces in the area. The area is predominantly residential with the exception of Loftus Road stadium and BBC White City which are both located within easy walking distance of the site.

Strategically located between two large but distinct residential neighbourhoods, the White City Estate and the Wormholt Estate, this redevelopment site offers the opportunity to create a new civic space, Collaborative Care Centre and retail provision which can help to link the two communities. The map below shows the Strategic Urban Context.

The Health and Care Centre is accommodated within a two storey element on the northern part of the site. It has an entrance which addresses the new space created on Bloemfontein Road, and a westerly facade that allows views in to the park. The Health and Care Centre is planned to frame views into the park.

Ground Floor

The Health and Care Centre is organised with a clear single point entrance on the new Bloemfontein Road public space, which gives immediate access to a reception point and vertical circulation. The building is then organised into a sequence of open ended fingers of cellular accommodation in between which are softer flexible toplit spaces. These double height spaces accommodate waiting areas, secondary reception points, play areas and primary circulation. The spaces are visually connected to the park by large glazed areas on the western facade allowing outward views enhanced by additional tree planting.

First Floor

Accommodation at the first floor level is organised in the same way as the ground with cellular accommodation overlooking the double height spaces accessed from generous galleries. Primary vertical circulation is organised within the conservatory type spaces. The core in the northern corner of the building will also connect to the basement for car parking and servicing access.

3.6 The procurement process

As the development progressed the PCT indicated that its financial position was such that it would be interested in purchasing the Health Centre outright as this seemed to offer a better VfM option than continuing with traditional Lift procurement. Following further discussions with all parties, including Hammersmith and Fulham Council who is to lease/sub lease 33% of the space in the centre and who is able to receive PFI Credits for this purpose, it was determined that a middle way of part capital contribution by the PCT was most appropriate. This capital contribution would pay for 25 years occupation of 66% of the space in the centre by the PCT and at the end of 25 years secure the transfer to the PCT of the long leasehold interest (249 years) in the whole of the centre held by FundCo for nil consideration. The space to be occupied by the Council was to be the subject of a LPA from FundCo for 25 years.

Although the capital payment to be made by the PCT can be shown to be better value for money than the traditional LIFT route (see below in section 3.7) the resultant legal structure to facilitate this approach could no longer fit within the LIFT framework. Months of discussion and development of appropriate legal structures that would not only secure the VfM benefits for the PCT but also conform with procurement guidelines have led to a final legal structure as outlined in section 4 below.

3.7 Economic appraisal

3.7.1 Introduction

This section compares the economic costs of the two procurement options. It is assumed that both options will provide the same service benefits, as set out above, and therefore this aspect is not considered further in the economic analysis.

The section also contains a costed risk analysis, calculation of optimism bias and consideration of the economic impact of the differences in tax receipts between the two options.

This section compares two options:

- the standard LIFT approach
- a lease structure with the PCT contributing £9 million capital to the project (internal repairing and insuring lease – IRI)

3.7.2 Estimating costs

The estimate of costs for the development of the Centre and the provision of hard FM, lifecycle costs and building management has been provided by BBH, based on the design of the building and expected building and servicing costs per square metre. The costing of the LIFT option assumes standard LIFT financing with the residual value of the property being with LIFTco at the end of 25 years. The LIFT option also takes account of the impact of the PCT being an investor in LIFTco – with the PCT providing an upfront equity investment and receiving a 15% IRR over the 25 years of the project.

The IRI option assumes:

- the PCT retains the value of the building at the end of 25 years
- a £9 million capital payment by the PCT at the start of the project

Both options assume that construction of the Centre will be completed by end March 2013, and have been discounted using HM Treasury's standard inflation-free discount rate of 3.5%. Appendix 2 contains the detailed economic costing of the two options.

3.7.3 *Costed risk analysis*

The risk profile of the IRI option is different to the LIFT option, as the PCT bears some additional risks under this option. These risks have been valued on the basis set out below.

Construction or fit out cost overruns
Both the LIFT option and the IRI option construction costs are capped by BBH. Once the procurement competition for the construction contractor and fit out contractor(s) has been carried out, the construction cost cap will be revised – but only in a downwards direction. There is therefore no risk to the PCT under either option, and the opportunity of a lower construction cost has not been included in the costing of the options.

Construction or fit out time overruns
The PCT expects that the cost of delivering services in the new health centre will be similar to the current cost of services – the new development leads to quality gains. If the construction or fit out period overruns against plan, this delays the benefits expected from the new health centre. There is no reason to believe that the risk of delays is different in the two options. This risk has therefore not been valued.

Maintenance costs increase above plan
This is a risk borne by the PCT in the IRI option for the interior of the PCT's space. The following probabilities have been used to calculate the annual expected cost of this risk:

Table 7: Insurance and building management costs risk scenarios

Scenario	Probability
Insurance and building management costs 5% lower than expected	10%
Insurance and building management costs as expected	60%
Insurance and building management costs 5% higher than expected	15%
Insurance and building management costs 10% higher than expected	10%
Insurance and building management costs 20% higher than expected	5%

Unavailability
One advantage of the LIFT approach is that the PCT is entitled to deductions from the LPA payment if areas are unavailable for use. Availability is determined by whether the area is reasonably accessible, free from risk to any person's health, safety or welfare and whether it can be used without undue inconvenience or discomfort for the purpose for which it was intended. While it is possible that the IRI lease could have similar provisions built into it, there is a much smaller annual charge to take availability deductions from.

In order to proxy the additional unavailability risk of the IRI option, it is assumed that unavailability will result in the PCT having to pay for alternative accommodation during the period of unavailability. The cost per square metre of alternative accommodation in this calculation is based on the LIFT LPA. The following probabilities have been used to calculate the annual expected cost of this risk:

Table 8: Unavailability risk scenarios

Scenario	Probability
No unavailability	40%
0.1% of floor space unavailable throughout the contract	30%
1% of floor space unavailable throughout the contract	20%
5% of floor space unavailable throughout the contract	10%

Lifecycle costs

In the IRI option, lifecycle costs may not be as budgeted. This risk has been costed based on the lifecycle costs in the LIFT model, with the following scenarios applied:

Table 9: Lifecycle cost risk scenarios

Scenario	Probability
Lifecycle costs 10% lower than expected	10%
Lifecycle costs as expected	50%
Lifecycle costs 10% higher than expected	20%
Lifecycle costs 20% higher than expected	10%
Lifecycle costs 30% higher than expected	5%

The risk cost has been applied to the actual lifecycle costs included the BBH model. This ensures that the quality of the building at the end of 25 years is the same in both options.

Residual cost risk

If the PCT does not spend the budgeted lifecycle costs on the building, the quality of the accommodation transferred at year 25 will not be as high as planned. However, as a lifecycle charge equivalent to that in the LIFT model has been included in the IRI option, no value is required for this risk.

Procurement route challenge

The PCT has obtained legal advice from their advisers, Bevan Brittan, on the likelihood and impact of procurement route challenge. A confidential Appendix to this business case sets out that advice. In summary Bevan Brittan believes the probability of a successful challenge to the process is low, and a small adjustment has been made to the risk analysis to reflect this low risk.

Residual value risk

In the LIFT option, BBH bears the residual value risk as it owns the building at the end of the 25 year contract. Under the IRI option, the PCT owns the building, and the financial analysis assumes a value of £9 million at year 24. The residual value of buildings can be very volatile, it is considered equally likely that the value of the building will be above or below the assumed value. Therefore this risk has an expected value of £0. However, as the health centre is required at year 24 for nil consideration this is not a realisable risk.

Termination risk

Construction Phase

The legal documents will not involve any financial outlay by the PCT in respect of works to construct the shell. The PCT will only buy the premises at the point of grant of the lease once the works are completed. The PCT will have a remedy to terminate any agreement if the works to construct the shell are not completed by a long stop date – normally twice the build programme. Consideration has been given to granting the PCT a right to buy back the facility during the construction phase in the event of FundCo abandoning the works or failing to build out by a long stop date. This is the remedy contained in the Lease Plus Agreement. As explained above, the health facility is just a part of the larger building being constructed by FundCo and therefore in order to be practically effective it would be necessary for the PCT to buy back the whole building and land. This would be a significant financial outlay for the PCT and it is highly questionable if the PCT should become a landlord of retail and residential units (assuming no new planning permission is sought). Therefore this right is unlikely to be incorporated in the agreement.

In the event of a failure by Fundco to deliver the building, the PCT would not suffer any financial loss. However, delivery of the expected benefits would be delayed, and a new project would be required to house the services. This risk has therefore been valued by reference to the expected development cost of a new project.

Operational Phase

The PCT will be taking a 25 year tenant internal repairing lease from FundCo with no landlord break right. As with any commercial lease the PCT will need to ensure compliance with tenant covenants to ensure they do not cause a breach of the lease that could allow the landlord to exercise its common law remedy of forfeiture.

If the PCT does forfeit its lease, it will lose the part of the £9m which has not been used at that stage of the contract. The probability of this occurring is very small.

At the end of the 25 years the PCT will be able to exercise its right to buy (for a nominal sum) Fundco's long leasehold interest (which includes the area to be occupied by the Council). Discussions between the PCT and Council will need to take place in year 25 to determine if the Council will wish to continue the occupation of the facility.

3.7.4 Optimism bias

Optimism bias has been calculated for both options using the Department of Health guidance. The results of this are contained in Appendix 3 but in summary optimism bias adds 5.27% to the cost of the LIFT option and 6.2% to the cost of the IRI option.

3.7.5 Tax adjustment

HM Treasury's Green Book recommends that the adjustment of market prices is appropriate where it may make a material difference to the appraisal decision. In practice, it is relatively rare that adjustments for taxation to be required, because similar tax regimes usually apply to different options. It can also be difficult in practice to estimate costs net of tax. However, in this case the tax regimes applying to the two options varies substantially. HM Treasury has provided supplementary guidance on tax adjustments for PFI projects. This section applies that guidance using the assumption that LIFT is sufficiently similar to PFI to use the same model.

The table below summarises the tax adjustment model as applied to this project:

Table 10: Tax adjustment factors

Factor	Position in this project	Adjustment factor
Starting factor	Applies to all projects	2%
Ratio of nominal cost for facilities management services to capital value of project	Nominal cost of FM less than capital value	3%
Percentage of value of lifecycle maintenance spent on new build and improvements	Less than 50%	N/A
Is the project on the capital account?	No	1%
Is the project sector risky?	No	0%
Total adjustment		6%

3.7.6 Net present cost findings

The detailed economic appraisals for each option are attached at Appendix 2.

The following tables summarise the key results of the economic appraisals for each option (before and after applying discounting).

Table 11: key results of the economic appraisal – undiscounted

	LIFT option £	IRI option £
Capital	800,000	9,800,000
PCT equity contribution	205,000	0
Revenue costs	19,561,95	6,234,681
PCT equity return	-577,936	0
Residual value	0	-11,000,000
Risk	0	310,669
Optimism bias	1,053,421	331,412
Tax adjustment	0	340,606
Total cost	**21,042,435**	**6,017,368**

Table 12: key results of the economic appraisal - discounted

	Net present value: LIFT option £	Net present value: IRI option £
Capital	746,809	9,148,405
PCT equity contribution	205,000	0
Revenue costs	12,430,312	3,860,500
PCT equity return	-237,428	0
Residual value	0	-4,497,214
Risk	0	201,491
Optimism bias	694,306	540,217
Tax adjustment	0	555,204
Total NPV	**13,896,999**	**9,808,603**

3.7.7 Option appraisal conclusion

The analysis shows that the NPV of the IRI option is lower than the LIFT option.

3.8 Sensitivity analysis

The method used was 'switching values'. Table 12 shows the values (in %s) at which the preferred option would change in the overall ranking of options.

Table13: changes (%) required to equate with the preferred option

Changes required	LIFT	IRI
Capital	N/A	44%
LPA	33%	N/A
IRI Lease	N/A	203%
Lifecycle cost	N/A	454%
Maintenance cost	N/A	418%
Residual value	N/A	-90%
Risk	N/A	2015%
Optimism bias	585%	752%
Tax adjustment	N/A	731%
NPC	29%	41%

The sensitivity analysis shows that it would require very large changes in the underlying costs before the LIFT option would move into the preferred option position. This is considered to be unlikely.

3.9 Option appraisal conclusion

The preferred option is for the PCT to enter into an IRI lease for an integrated health centre at White City.

4 The Commercial Case

4.1 Introduction

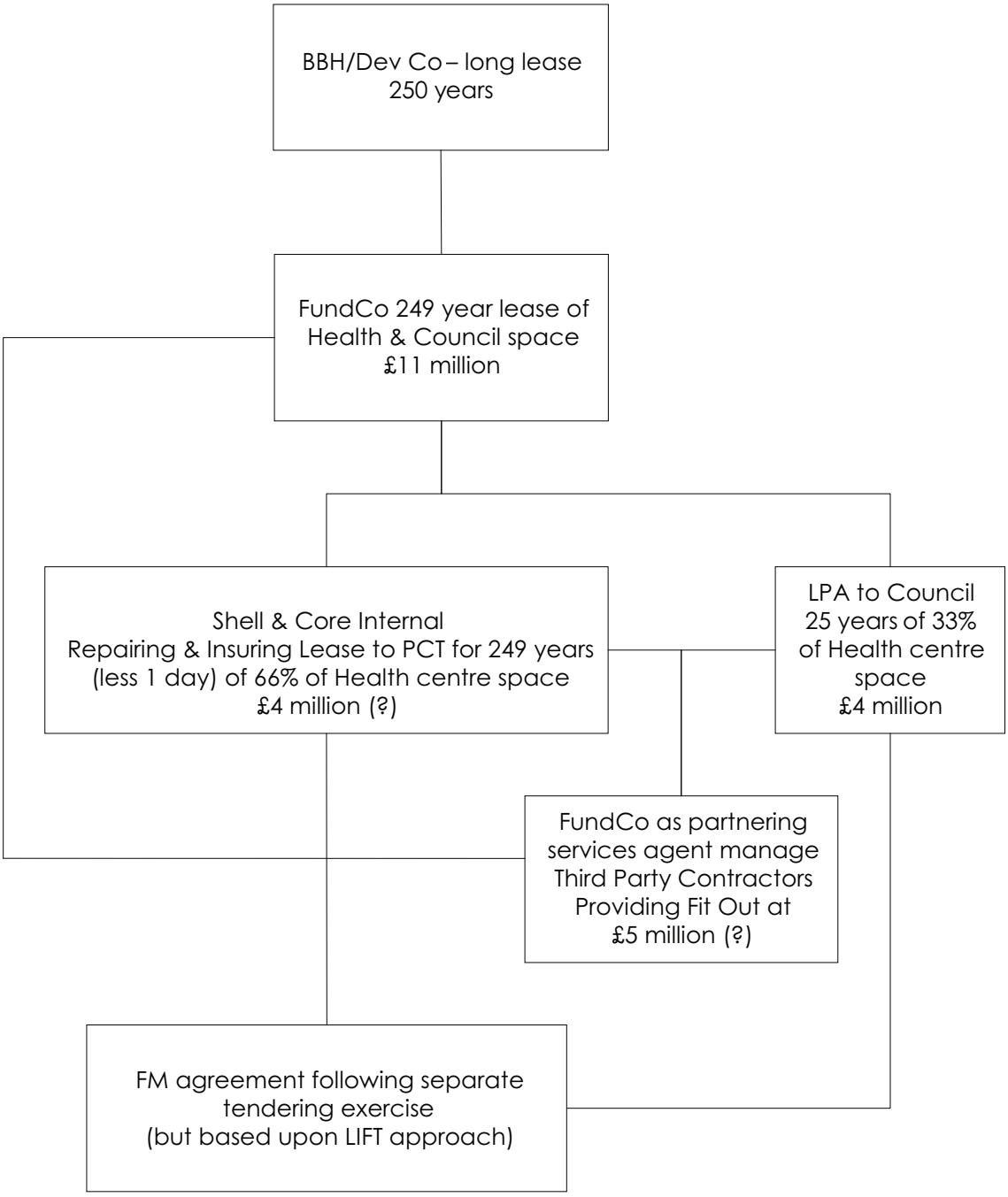
HM Treasury guidance "*Value for Money Assessment Guidance*" (November 2006) states that single tender procurement may be suitable where there is only one supplier in the market able to fulfil the requirements of the tender. Given BBH's ownership of the site, as set out above, this requirement applies to this procurement. The guidance sets out various ways that the procurer can seek to obtain value for money within a single tender arrangement:

- requiring the bidder to undertake transparent market testing of those parts of the supply chain where competition can be generated
- where market-testing is not possible, gathering data on comparable procurements so the prices, terms and conditions can be compared and benchmarked
- ensuring that specialist technical advice relevant to the particular service is available either in-house or through appointing external advisors
- examining the case for increasing flexibility in the contract term by limiting the initial term of the contract and/or incorporating break points in the contract such that the procuring authority can re-tender the contract should new suppliers enter the market

The PCT has borne this guidance in mind when designing the contractual route for the White City Health and Social Care Centre.

4.2 Contractual structure

The legal structure proposed is shown in the diagram overleaf:



The Contractor for the project will be selected via a pre qualification process which will include the PCT and the Council. The Contractor(s) will be selected using a suitable scoring matrix and the following criteria:

Section 2 - Administrative Information	5%
Section 3 - Technical Evaluation/Experience	20%
Section 4 - Organisation & Financial Information	15%
Section 5 - Project Specific Items:-	50%
Quality	
Risk Management/Cost Certainty	

Funding	
Programme	
Innovative Design & Proposals	
Engagement With the Wider Stakeholder Community	
Presentation/Format:	10%
	100%

Competitive pricing will then be sought for the project with the pricing documentation formatted so that the following can be clearly identified:

1. The construction of the overall development to shell and core

2. Individual prices for the fitting out of the various elements of the development ie residential, health centre, retail and offices

All parties, including the PCT and the Council, have agreed on a tender list for the whole development. The firms invited to tender are:

- Ardmore Construction
- Bennetts (Construction) Ltd
- Bouygues UK
- Durkan
- Galliford Try Partnerships Ltd
- Higgins Homes
- ISG Interior/Exterior Ltd
- McLaren Construction Ltd
- Osborne
- Skanska UK
- Vinci

These firms will submit tenders as follows:

1. For construction of the overall development to shell & core.
2. Individual prices for the fitting out of the various elements of the development i.e. residential, health centre, retail and offices.

This will ensure that both elements of the development (main construction and fit out) have been the subject of separate competitive procurements. The PCT will split its capped £9m capital contribution between the purchase of the long leasehold interest of the health centre shell and the fit out of that shell.

BBH holds the long leasehold interest (250 years) in the whole development site from Hammersmith and Fulham Council. It will grant to FundCo a slightly lesser interest (249 years) in the shell of the centre and undertake to manage the fit out process and hand over a fitted out centre in accordance with the tender process set out above. It requires £11m minimum from FundCo for this interest and this work as part of its overall development appraisal.

FundCo will grant a 25 year LPA to the Council of 33% of the space in the centre. It will grant an internal repairing lease for 249 years less 1 day to the PCT of the centre to shell finish, subject to 33% of the space being occupied by the Council for the first 25 years. It will also undertake to manage the fit out process for the PCT in accordance with the process set out above. The total costs to FundCo are around £13m as, in addition to

the £11m purchase price for the centre, there are the financing costs, legal and financial advisers costs, and management costs in establishing and managing the LPA on the Council part of the Centre. The PCT's capital contribution to the purchase of this legal interest and for the fitting out of the centre and for the process of LPA grant on the Council's part of the centre will be limited to a maximum of £9m.

The PCT will have a separate contract for FM and lifecycle management for the first 25 years. This will be with the FM provider under the Council LPA as it is not workable to have two providers for one premises. The commercial terms for this contract will have been subject to market testing by FundCo in co-operation with the PCT.

In the economic case the PCT has shown that this method of procurement is better value for money than the standard LIFT LPA approach (even allowing for the incidence of VAT as mentioned below).

In the Stage 1 submission options appraisal the only alternative location for the centre if it was not to be built on its existing site was the site identified by BBH. This was determined after a site search and remains the only known site opportunity to date.

The challenge to the proposed approach by the PCT to procurement of the centre would be if an owner/developer of a suitable alternative site in the area could claim its site was readily available for development. A hypothetical alternative development would require a site acquisition and design and build process through a third party. Premises of a minimum of 2,500m² GIA would be required to compare with the PCT element of the White City scheme. With car parking provision a site of around 0.5 acres would be required and this would cost a minimum of £2m. Total build costs and fees of £3,000/m² (a comparable figure with LIFT scheme costs at other sites) would constitute a build cost of £7.5m, totalling £9.5m, to which would be added interest on funding of sale and build costs plus a developers profit for management and risk. This approach would not produce a facility at a cost lower than £9m, would require identification of and acquisition of a site, and would involve a long timeframe from now to obtain planning consent and develop out. In addition for its £9m under the proposed scheme the PCT after 25 years has a building of 3,500m² rather than 2,500m², and therefore the ability to raise income from the extra space.

The PCT has to be satisfied however that the £9m it is being asked to pay is an acceptable figure i.e. that of itself it is value for money. This assessment can be made in one of two ways:

1. **Valuation of the benefits it is receiving**

   Is the NPV of 25 years of space in the centre at low rental and the transfer of the long leasehold interest after 25 years in the whole building equivalent to £9m payment today? The economic analysis in Section 3.7 above demonstrates that this is the case.

2. **Costs involved in being part of this development approach**

Construction cost (including fees and fit out)	£8.2m
Share of common costs: S106, covenants etc	£3.2m
Interest @ 6% for 2 years	£0.78m
Developers Risk, management & profit @ 20%	£1.7m
	£14.0m

   To this figure must be added part of the £2m costs incurred by FundCo in setting up and managing the IRI arrangement for the Council without which

the PCT would not be able to procure its interest. These would be shared 50/50 with the Council so increasing above cost figure to around £15m.

The developer, BBH, agreed to transfer the health centre at £11m and has cross funded the health centre at around £4m resulting from the enabling commercial and residential development.

One further approach is to look at the structure as providing the PCT at completion with a 2/3rds interest in an £11m premises (District Valuer will support a current valuation of £11m) and the other third coming to the PCT at the 25th year. The initial interest is worth £7.33m and the extra interest NPV over 25 years (using the conservative £11m today's valuation) of £0.89m gives a figure of £8.22m. This is close to the £9m required (and would be closer still if a higher residual value in 25 years time was used) and making allowances for some of the other costs mentioned above that have to be incurred for this approach to be workable, the figure can again be seen to be reasonable.

4.3 Heads of Terms

The Heads of Terms for this agreement are set out in this section.

4.3.1 Parties to the Agreement

a) Sub Lessor - Building Better Health White City Limited (BBH) or such company within Fulcrum Infrastructure Group

b) Sub Lessees

- Hammersmith and Fulham PCT (PCT)
- Hammersmith and Fulham Council (Council)

Property: Bloemfontein Road (former Janet Adegoke Leisure Centre), White City, London W12

The property was acquired by BBH on a 250 year lease from Hammersmith & Fulham Council in 2006 and the lease completed on 27th February 2007.

4.3.2 Preamble

The purpose of the Heads of Terms is to provide comfort to BBH as lead developer and its investors (both banks and equity) prior to financial close that subject to satisfaction of evidence of funding conditions for the remainder of the scheme (residential and retail) the Council and the PCT will enter into the following agreements.

Once SHA approval is given the PCT and the Council require BBH to achieve financial close for the whole scheme within a reasonable timeframe. The heads of terms are also to assist BBH as far as is reasonable, in finalising the overall scheme funding agreements and legal agreements with the residential investors and retail tenants in parallel with the SHA approval procedures

BBH is a health led Regeneration Company and has planning permission for the consented scheme below. This scheme is an exemplar integrated health scheme with associated retail, office and residential elements. BBH has also entered into heads of terms with Notting Hill Housing Trust (NHHO) as their residential development partner.

The conditions precedent to the development agreement between BBH and NHHO are:

- resolution of the required residential mix and planning revisions by NHHO ("The amended scheme")
- pre–lets of the Health and Care Centre to Fulcrum Infrastructure Limited together with pre-let agreements with the PCT and the Council for the under letting of the Health and Care Centre by Fulcrum
- formal release of the Church Commissioners covenants
- completion of the Land Swap by Hammersmith & Fulham Council to BBH for nil consideration on Financial Close.

4.3.3 *The Scheme*

A mixed use scheme comprising:

Non-Residential Elements

- Health and Care Centre comprising 2,972 sq m (NIA) arranged over ground and first floors as per plans and specification – finished to shell and core only
- retail comprising 1,066 sq m (NIA) on the ground floor and as per plans and specification – finished to shell and core only plus 3 basement parking spaces
- office comprising 1,212 sq m (NIA) arranged over ground floor and first floors as per plans and specification – finished to shell and core only

Residential Element

- 8,830 sq m (NIA) arranged over 2nd- 6th floors and comprising the mix and dwelling numbers as per plans and specification
- 113 basement parking spaces

NHHO propose to amend the mix in order to create more studio and one bed units in place of all the micro units. The total sq m and the split between affordable and private are to remain in line with the consented scheme. The Council's Director of Environment is to provide, prior to exchange of contracts, a letter of comfort confirming his in principle agreement to the revised mix.

4.3.4 *Programme*

The key milestones are:

- signed Heads of Terms with the PCT and the Council - July 10
- grant of Satisfactory Planning Permission for amended Scheme -July 10
- SHA scheme initial approval - November 10
- Financial Close - February 2011
- start on site - early 2011
- practical completion of non-residential elements - end 2012
- practical completion of scheme - mid 2013

4.3.5 *The PCT and Council pre- let Health and Care Centre agreement*

The PCT will enter into a 25 year IRI lease with FundCo for the ground and first storey of the northern pod (2,972 sqm) Health and Care Centre together with a basement area and car parking (956 sqm) for a one off payment of £9m, payable on practical completion to FundCo. The initial 25 year lease will be an internal repairing and insuring lease on occupational terms similar to those set out in the LPA but with

amendments to cover the specifics of this scheme, principally the one off lease payment. At the end of the lease the long leasehold interest held by FundCo for the Health and Care centre will transfer to the PCT for a peppercorn.

The Council will enter into a 25 year standard version 5 LPA lease for the Council's share of the ground and first storey of the northern pod Health and Care Centre for consideration of £4m of PFI credits with FundCo.

BBH will simultaneously enter into a 249 year lease of the Health and Care Centre with FundCo for a capital contribution of £11m payable by FundCo on practical completion to BBH.

These agreements are conditional upon documentary evidence of funding, building contract and the residential development agreement between NHHO and BBH. The agreements are also conditional upon evidence of funding in principle of £11m from FundCo to BBH.

4.3.6 Costs to Financial Close

The PCT and the Council will jointly underwrite the professional fees incurred by FundCo from the date of these heads of terms through to financial close capped at £250,000.

For the avoidance of doubt fees incurred by BBH which relate to the overall scheme will not be recoverable from the PCT or the Council in the event that the Heath and Care Centre does not go ahead.

4.4 Personnel implications (including TUPE)

TUPE – the Transfer of Undertakings (Protection of Employment) Regulations 1981 – will not apply to this investment because it is not a PPP structure and no staff are transferring out of the NHS.

4.5 Accountancy treatment

The assets underpinning delivery of the service will be on the balance sheet of the PCT. Audit Commission, the PCT's external auditors, has reviewed and confirmed that the assets will fall under IFRIC 12 – Service Concession Arrangement and as such will be capitalised and depreciated using the PCT's normal depreciation policy.

4.6 Tax implications

4.6.1 VAT implications

The London Borough of Hammersmith and Fulham opted to tax the original land sale at White City. This cannot be revoked and therefore the PCT will need to pay VAT on the lease. Per HM Treasury guidance this is not reflected in the economic analysis but it is included the affordability analysis at section 5.

4.6.2 Other tax implications

Advice has been taken by BBH to allow it to obtain the best possible tax position. The implications of this advice have been incorporated into the costs shown in this Business Case. Additional information on tax including the advice provided by Grant Thornton is available on request.

5 The Financial Case

5.1 Introduction

The purpose of this section is to set out the financial implications of the IRI option. The detailed analysis is contained in Appendix 4.

The affordability of the Health and Care Centre is set in the context of a significant decline in the rate of growth in NHS funding for the foreseeable future, and therefore the need to make substantial improvements in quality, efficiency and productivity to ensure financial sustainability. A major contribution to improved efficiency and productivity will be delivered through a shift of patient activity away from acute settings to community based settings – and by reducing dependency on acute interventions through greater emphasis on prevention and chronic disease management. The Health and Care Centre is a critical enabler to this model by providing the physical capacity and quality of facility necessary to deliver enhanced models of community based care.

5.2 The PCT's financial position

The PCT has a strong financial base – evidenced by historical performance, and sustained through the medium term within its five year financial plan. The PCT has kept tight control of expenditure, and has been successful in implementing a range of out of hospital care models which are already making a significant contribution in terms of reduced cost and reduced impact of activity growth. This has provided the PCT with significant financial headroom. This headroom has been used to provide financial support to other NHS organisations within the NWL Sector – with circa £7m repayable within 2 years – and has also enabled the PCT to resource a revenue contribution to capital of £5m for this scheme in order to reduce ongoing revenue costs and strengthen medium term affordability.

The PCT's medium term financial plans are based on downside financial assumptions – and are based on maintaining a recurrent surplus / under commitment of 3% during the 5 year financial planning period. Financial plans therefore maintain financial headroom of circa £10m during each year of the five year period.

5.3 Capital affordability

The revenue affordability model assumes a total capital contribution to the scheme of £10.8m. As noted above, the PCT has identified £5m as a contribution from brought forward revenue surplus. The balance has been considered under two scenarios.

Under the preferred scenario, a capital contribution will be made by NHS London of £4m. The balance of £1.8m will be resourced from identified premises disposals.

A second scenario assumes no capital contribution from NHS London – and therefore the need for the PCT to identify the full additional amount of £5.8m. Whilst this will be sub-optimal in terms of the impact on other premises development plans and the delivery of the PCT's strategic plan, a total of £5.7m can be contributed from planned premises disposals / rationalisation – with the balance of £100k from making a further contribution from non-recurrent revenue resources.

Whilst there is some risk that the proceeds of planned premises may be lower than currently estimated – the general expectation is that the values used within the model represent the minimum under open market sale conditions. Any risk that does

materialise will require a further contribution from non-recurrent revenue – from the 2% per annum (£7m) included within the PCT's financial plan.

5.4 Revenue affordability

The financial case for the Health Centre goes beyond affordability – to the facility being a critical enabler to delivering the strategic shift in services from acute to community – and therefore a net contributor to the PCT's financial position.

The financial case assumes a downside in terms of the financial contribution from reduced hospital activity and the net savings available after reprovision of services. It also assumes a downside in terms of the operational efficiency from both the building infrastructure and the integration model. Using these downside financial estimates the costs released exceed the new costs of the Health and Care Centre by an average of 13% over the 6 year period of the model – and therefore demonstrate a good return on investment even under a pessimistic scenario. It would be expected that by further reworking of the operational model, and by factoring in the full range of possibilities for out of hospital service provision that the real return on investment will be in excess of 20%.

Table 14 below sets out the revenue costs over the first 6 years of the new build. As can be seen from the table, the revenue costs associated with the new build are substantially covered by costs released from related premises disposals. The balance of costs are met from a contribution from the costs released from the provision of out of hospital services within the new facility and broad estimates of the operational efficiency gains that will be achieved from a modern single building with an integrated model of service provision.

Table 14 demonstrates that the new facility will make a net contribution to the PCT's financial position – with the scope for that net contribution to increase as the new service models are established and the benefits from the integrated service model are realised.

Table 14 – summary of financial appraisal – revenue costs

	Year 1 £000	**Year 2** £000	**Year 3** £000	**Year 4** £000	**Year 5** £000	**Year 6** £000	**Total** £000
Revenue costs of new build	**246**	**363**	**373**	**384**	**390**	**396**	**2,152**
Funded by:							
Revenue costs released from related disposals	236	315	315	315	315	315	1,811
Net savings from Out of Hospital re-provision	50	95	95	95	95	95	525
Operational Efficiency Savings	12	18	18	18	18	18	102
TOTAL funding contribution	**298**	**428**	**428**	**428**	**428**	**428**	**2,438**
Net costs (savings)	**(52)**	**(65)**	**(55)**	**(44)**	**(38)**	**(32)**	**(286)**

5.5 Conclusion

The PCT has carefully assessed the financial case – in the context of its overall financial plan – and the capital and revenue implications of this scheme. The PCT is confident that the financial case is robust in terms of both capital and revenue affordability – and that this scheme will enable a net contribution to the PCT's financial position over the short and medium term.

6 The Management Case

6.1 Introduction

This section of the FBC addresses in detail how the scheme will be delivered successfully.

6.2 Project management arrangements

In order to ensure that the new facility is delivered successfully and on time it is recognised that commitment at the highest level within the PCT and Council is required. In response to this, the White City Steering Group has been formed along with several work streams which report to the Steering Group. The Steering Group is chaired by Geoff Easton, LIFT Project Director.

The three work streams are follows:

- Commercial & Approvals Group – chaired by Geoff Easton
- Design Group
- Operational Issues & Policies Group - led by Nav Allibhai

Terms of Reference for Steering Group

The Steering Group's responsibility is to ensure that the commissioning of the new building is achieved through successful partnership working with Fulcrum and LIFTCo who are key stakeholders in the Steering Group. The Group will oversee the work of the Design, Operational and Commercial work streams, and ensure appropriate structures are in place to deliver key outcomes required by the target completion date.

The Objectives of the Steering Group are to:

- agree and approve the strategic vision for the new health facility and ensure this fits with the PCT's and Council's financial plans and local/national strategies
- agree and regularly review the project programme for the scheme to ensure key tasks and milestones are being met by the respective workstreams
- support an inclusive communication strategy ensuring that stakeholders and partner organisations are kept abreast of developments and that appropriate public consultation is undertaken with users, staff, local residents and councillors
- manage the impact of change on staff and patients and other stakeholders in developing the new TGHC as an asset for the local community

The membership of the Steering Group is set out below.

Name	Organisation	Title
Geoff Easton	WLHE	Project Director
Miles Freeman	H&F PCT Commissioning	Director of Commissioning
Golda Okpala	H&F PCT Commissioning	Deputy Director of Finance
Mark Jones	LB H&F	Director of Finance
John Corlett	WLMHT	Director of Estates
Sylvie Pierce	Fulcrum	Chief Executive
Nav Allibhai	WLHE	LIFT Project Officer

Terms of Reference for Workstreams:

- Work stream 1 Design: To ensure floor layouts are produced and agreed and that input is sought from managers, clinical advisers, end users, voluntary sector, etc. To put in place timetable for development of room data sheets and room loaded plans and ensure that these are approved by respective organisations taking space in the building
- Work stream 2 Operational Policy and Processes: To produce operational policy document for the new building covering all day-today activities, including inter alia reception, car parking, supplies, storage, meeting rooms, photocopying, health & safety, security, etc
- Work stream 3 Commercial & Approvals: To ensure legal arrangements are in place and that all sponsors are in a position to sign leases, Lease Plus or Underlease Plus Agreement at Financial Close. To ensure all sponsors obtain necessary approvals in writing in line with programme to financial close. To ensure issues on main commercial deal are resolved and do not effect progress with Health Centre

6.3 Delivery Steering Group

The purpose of the delivery steering group is to provide a forum for all the stakeholders in the new development on the Janet Adegoke site at White City. The aim is to ensure that all stakeholders know what progress is being made, can help resolve any problems, and can participate in decision making as deemed appropriate.

6.3.1 Terms of Reference

The terms of reference for the delivery steering group are:

- a forum for all stakeholders to influence the overall scheme
- to provide a process for monitoring quality
- to advise on the appointment of the contractor, and ensure that there is an appropriate audit trail
- to resolve problems of competing priorities
- to contribute towards an understanding of the overall costings and participate in any value engineering process
- to provide a forum for sharing information on progress and problems, for the next stage of the scheme through to completion
- to generate a real understanding of how the whole impacts on the individual parts of the scheme
- to provide a forum for raising concerns and jointly resolving them, as far as possible, to everyone's satisfaction
- to determine tactics for working with outside agencies where appropriate
- to provide a forum where changes to programme, design, and other relevant issues can be reported on and dealt with
- to consider communication issues and relationships with the broader community of the White City and Wormholt estates

6.3.2 Meetings

The steering group should meet monthly, unless the membership decides to meet more or less frequently. It should focus on high level strategy, and therefore should be attended by the key decision makers, supported by others from their organisation.

6.3.3 *Membership*

The proposed membership is as follows:

BBH (White City)	• Stephen Clarke • Sylvie Pierce
Day & Johnson (BBH's project managers)	• Gavin Johnson
LBHF	• James Reilly • Mark Jones • Miles Hooton
Contractor	• To be appointed
Notting Hill HG	• Steve Rawlings • Project managers
H&F PCT	• Miles Freeman • Golda Okpala
Lift Co (Fulcrum)	• Eugene Prinsloo
Residents Association	• Harry Audley (community agenda items only)

6.4 Consultation

The consultation programme has been designed to help local residents to:

- understand the nature and role of the White City Health and Care Centre in their community
- contribute their ideas and opinions to influence the design and development the services
- communicate their views of the ways in which they would like to access and use these services
- propose ways in which they would like to be genuinely engaged on an on-going basis in order to shape and influence the commissioning and delivery of local service provision

There has been extensive communication and consultation on the Collaborative Care Centre and the wider development. Significant consultation on the planning aspects of the overall scheme took place in the early part of 2006. These led to changes and some redesign which was be consulted upon again when the scheme was resubmitted for planning. Since mid-2006 the focus has been on agreeing the schedule of accommodation and on developing block plans so that PCT has something tangible to present for comments. The block plans were issued in April 2007 and were taken to a meeting of the Residents Group on May 31st. The initial feedback was positive.

The actions carried out so far are summarised in the table below.

Table 15: summary of consultation on the White City Centre

Event	Date	Action
Access to Health Services by Somali and Eritrean Communities	2004	This was an action research project into the health and social care needs of the above communities; approximately 1,500 residents participated in this research project. The project provides key recommendations for improved access to current services and provision of future services.
Janet Adegoke Site Residents Project Groups	Oct 2004 - 2006	The Residents' Group Chaired by Kevin Veness-Hafftra met on a monthly basis to discuss the White City LIFT Programme and comment on proposals for the White City CCC. This group was reconvened in March 2010, and shown the latest designs for the centre.
A Collaborative Approach to Developing a Diabetes Service	Dec 2004 – May 2005	This project targeted Black and Minority patients and carers as well as patients with learning and physical disabilities to identify their experiences of having diabetes and other long term conditions. The recommendations helped inform provisions for people with long term conditions.
Urban Studies Centre - White City CCC Consultation with Children and Young People	Autumn 2004 - Summer 2006	Consultations were linked to National Curriculum areas and targeted all primary and secondary schools, and community and children's centres in White City and surrounding areas.
White City CCC Consultation Event	July 2005	The consultation was carried out by the Council, the PCT, Threshold Housing Association, Richard Rogers Partnership, Groundwork, and was organised by Charlotte Pomery. This identified key health and social care themes for future consultations.
White City Open Day	Oct 2008	This successful event reported back to the community what had been identified by the community at the July 2005 event, and how plans had been changed as a direct result of that consultation. Information was given on how plans had been updated since that date. Attendees were encouraged to discuss their views, wants and desires for the health element of the facility, and these were all captured, and have been used in the specification for the interim Canberra Centre for Health.
Community Relations Group Workshop Event	Mar 2010	The workshop was targeted at Black and Minority Ethnic and Faith Communities and Community Organisations to help identify their experiences of accessing primary care services and put forward recommendations for future health and social care – including primary care services. Although the event was Borough wide, there was strong representation from voluntary and community organisations and communities in the White City.
White City Celebration Event	Apr 2010	This event was to celebrate the achievements of local people in becoming Health Champions, and the joint working with local people to promote Health and Wellbeing in White City. The event also reinforced that, in spite of the delays, the findings from the October 2008 event have been fed back to planning for the new centre.

Event	Date	Action
Hammersmith and Fulham Connected Care Action Research Project	Sept 2010	Turning Point was commissioned to undertake the project by London Borough of Hammersmith and Fulham, NHS Hammersmith and Fulham, and the Department of Health. The project has involved speaking to local people for their views on how services can be improved. The interviews were carried out by community researchers – people who live locally and are trained by Turning Point. 18 people were recruited to this position in total. Between December 2009 and June 2010, 831 people in the study area gave their views on local services through questionnaires, interviews, focus groups and community events The intention of the research is to engage with local people on providing solutions for a cost effective and sustainable integrated approach to commissioning services. The community will – through this process – become more informed and better able to make choices about the kind of services that best fit locally.

The recommendations from the above consultations strongly mirror the Government's White Paper principle of 'nothing about me without me'. As a result during September 2010 the PCT facilitated a process of bringing together local steering groups under the umbrella of a White City Health and Well-being Steering Group whose aim is to:

- promote health and wellbeing locally through coordinated working
- facilitate links across primary care and other services
- inform the design of new or reconfigured statutory services, in particular White City Health Centre proposals
- ensure local services and activities are shaped by local people
- seek to ensure funding from statutory and voluntary sources for the area are best utilised and coordinated
- promote networking across the area
- promote information sharing across services to benefit residents

Multi-agency stakeholders include, local GPs, Well London Health Champions and Community Researchers – local volunteers trained in providing signposting to local health and social care services, providing outreach and local intelligence - Local Authority representatives, Tenant and Resident Group representatives.

This structure will ensure that stakeholders are kept abreast of and influence developments, aware of any changes to the development of the site, and briefed on the involvement opportunities there are as the scheme develops.

We also want to ensure that this will not be the only way for local people to be involved in the developments and have therefore identified other stakeholder and communication and engagement channels which include:

- Residents – via HAFFTRA
- Richard Rogers
- BBH
- Catalyst
- Hammersmith Hospital
- Voluntary Sector/HAFAD/Nubian Life/MENCAP/MIND
- PCT
- West London Mental Health Trust
- LB Hammersmith and Fulham Staff Teams and practitioners – health, housing, social care, Children's Trust

- GPs
- Hammersmith & Fulham Buildings Group, Hammersmith Society and other neighbouring Amenity Groups
- Marlene Pope, Project Officer - Environment
- Regeneration (Marc Billington/Kim Dero)
- Bryony Centre/Adult education
- Members
- Local MP
- Business economy – Camber of Commerce

6.5 Project plan

This is as set out in the following table.

Table 16: project plan

Milestone Activity	Date
Tenderers prequalified	1 October 2010
Professional appointments complete	30 November 2010
Site investigations complete	30 November 2010
Scheme design to RIBA Stage C	30 November 2010
SHA approval of approach	30 November 2010
Document freeze	31 December 2010
Residential planning approval	31 January 2011
Scheme design to RIBA Stage D	31 January 2011
Planning pre-commencement conditions resolved	28 February 2011
Scheme design to RIBA Stage D+	28 February 2011
Financial close	28 February 2011
Construction partner appointed and mobilisation	29 April 2011
Construction complete	31 March 2013

It should be noted that the only outstanding planning issue relates to the housing units. Notting Hill Housing Association has requested a minor change which reduces the number of housing units from 179 to around 155. At the moment this is expected to require a revised planning submission which is due to be made in early November 2010, and is expected to be agreed by the end of January 2011. This does mean that the judicial review period will commence on 1 February 2011. However, BBH believes that the nature of the change means the likelihood of challenge is very low. The enabling works will be started while the judicial review period is still open, as it is BBH's belief that the risk of judicial review is minimal due to the nature of the changes. The original planning consultant Urban Practitioners are being used to handle the changed application.

6.6 Use of special advisers

Special advisers were used as follows:

Table 17: special advisers

Specialist Area	Adviser
Financial	Grant Thornton
Technical	Cyril Sweete
Procurement and legal	Bevan Brittan

6.7 Benefits realisation

The Benefits Realisation Plan is set out in the table below.

Table 18: Benefits realisation plan

Project Objective	Benefit description	How realised	How measured	Benefit baseline	Key date for realisation
Greater Service Integration	GPs working together in a network approach to delivering care	Space in new premises for 7 practices comprising up to 14 GPs and associated practices nurses / nurse practitioners	Number of registered patients receiving care from the new centre	Registered population of current Health Centre	April 2013
	Services working in an co-ordinated way across organisational boundaries	Space for multi-disciplinary teams to support joined up approach to delivering agreed care pathways Financial incentives aligned across pathways	Number of patients at high risk of hospital admission (based on combined predictive modelling) who are managed by multi disciplinary team (MDT) working	Number of patients at high risk of hospital admission (using combined predictive modelling) who are managed by MDT working	April 2013
	Improved medicines management	On-site pharmacy support medicines management particularly for patients on a high number of repeat medications	Reduction in admissions related to medication adverse events	Number of admissions linked to medication adverse events 2010/11	March 2014
Improved Access	Implementation of an unscheduled care pathway for White City	Unscheduled care pathway included in White City service: Minimum 12/7 walk-in access, rapid response team, cross organisational access to care plans for patients at high risk of hospital admission and enhanced paediatric care	100% of patients have access to same day walk-in slots 100% of patients are able to book a GP appointment within 48 hours. Patient satisfaction surveys and mystery shopping	Access survey 2009/10	April 2013

Project Objective	Benefit description	How realised	How measured	Benefit baseline	Key date for realisation
	Improved access for planned care for patients with long term conditions	Commission planned care pathway, including: Continuity of care, advanced appointments with a named clinician, complex case management.	100% of patients able to book up to 3 months in advance with a named clinician Reduction in unscheduled care attendance for management of long term conditions Reduction in emergency admissions for diabetes, COPD and Asthma	% of patients able to book up to three months in advance with a named clinician Number of UCC attendances for long term condition management	April 2013
	Improved access for patients outside core general practice hours	Extended hours provision as standard within the new contract	Number of hours of access to clinical services per week. (GP/ Nurse) Reduction in A&E attendances Reduced usage of Out of Hours provision	Number of hours of access 2009/10). A&E attendances for 7 practices 2009/10 Out of Hours usage 2009/10	April 2013
	Improved access to primary care services particularly for those who face barriers to accessing traditional primary care	Commission enhanced ethnicity recording and use of translation and interpretation services	% of repeat unregistered attenders at Hammersmith UCC Improved ethnic coding Take up rates for translation services	% of repeat unregistered attenders 09/10 % of patients with ethnicity recorded Audit rates to produce baseline figure 2007	March 2014 April 2013 March 2014
Improved Primary Care Quality	Provide high quality primary care premises	Replace 4 practice premises that are unsuitable for primary care	Number of practices operating from premises below minimum standards	Practice premises survey 2007	April 2013

Project Objective	Benefit description	How realised	How measured	Benefit baseline	Key date for realisation
	Increase the skills and capacity of general practice	Commission leadership for key primary care pathways relevant to the White City population including diabetes, CHD, COPD, frail elderly, mental health and paediatrics Health and Care Centre to be a training practice Requirement to meet RCGP practice accreditation	Reduction in secondary care referrals Leadership in service re-design work Number of GP trainers Practice accreditation status	Secondary Care referrals 2010/11 Leadership of service re-design by White City GPs in 2010	March 2014 April 2013
	Improve the quality of primary care services with earlier diagnosis of disease and higher quality Chronic Disease Management	Better access for target groups (especially unregistered) Better co-ordination of care services including social services. Specialist consultant / specialist nurse oversight of CDM. Engagement of Secondary care and GPs as Commissioners to design appropriate evidence based clinical pathways	Increase in rates of elective cases to PCT average. Decrease in emergency admissions Decrease in Length of Stay Increase in prevalence to PCT average	Elective rates for North Hammersmith 06/07. Emergency admissions rates for North Hammersmith	April 2013
Productivity	Improve the range of primary care services to ensure that need to attend hospital is reduced and discharge is swiftly managed	Full range of Enhanced GMS services commissioned for all patients Better co-ordination of care services including social services Develop community matron model for the North Hammersmith Community	% of patients able to access all Enhanced Primary care services Decrease in emergency admissions Decrease in Length of Stay	% patients able to access all Enhanced Primary Care Services 2010 Emergency admissions rates for North Hammersmith 2010 Decrease in Length of Stay rates to national average	April 2013 March 2014

Project Objective	Benefit description	How realised	How measured	Benefit baseline	Key date for realisation
	Better use of resources through shared management and administrative functions. Development of admin/healthcare assistant roles to create a flexible workforce	Commission for integrated reception and management functions	Reduced per patient management costs	Current spend on management and admin across existing sites	April 2014

6.8 Risk management

The strategy, framework and plan for dealing with the management of risk are as follows:

- identification of main risks agreed by Steering Group
- regular review during Steering Group meetings
- allocation of responsibility for management of risk to particular individuals
- joint responsibility of Steering Group members to ensure risks managed to achieve overall project objectives and avoid time and cost increases.

A copy of the project risk register is attached at Appendix 5.

This sets out who is responsible for the management of risks and the required counter measures.

6.9 Contract management

The overall development project is being managed by BBH along commercial lines with designated contract management arrangements. The health centre is being delivered through FundCo (part direct leasing to PCT, part LPA to Council) and is following the process normally adopted for LIFT development. Management of the fit out process is being undertaken by BBH/FundCo as agent for the PCT and as LIFT provider for the Council.

As far as the PCT is concerned the contractual arrangements needed to secure its objectives from this development are overseen by the Project Director with support from the technical, financial and legal advisers.

6.10 Post project evaluation

Post Project Evaluation will be based on the guidance issued by NHS Executive and the Department of Health.

The Project Director will be responsible for the development of the full Evaluation Plan. This forms the basis for the evaluation of all projects undertaken by LIFTCo throughout its lifetime. Although this is not strictly now a LIFT scheme the evaluation process adopted for such schemes will still be appropriate. The following will assist this process:

- the Tenants' Representative – the representative of the scheme will be responsible for ensuring that data is correctly collected and collated for use in the evaluation

- LIFTCo – the private partner will be involved in the evaluation of projects as this will considerably add to the learning curve of all parties
- Partnerships for Health – as one of the key shareholders, and the central body responsible for LIFT, they will add significantly to the understanding of how the overall process has affected the individual schemes

The Evaluation Plan will include details of:

- the objectives and scope of the evaluation
- the success criteria for assessing the project
- the indicators/data used for measurement including collection methodology
- the persons responsible for data collection, analysis and evaluation
- identified resources and budget for evaluation
- communications plan for the dissemination of the results of the evaluation
- precise timetable

6.10.1 Evaluation during construction of the project

During the construction phase the Tenants' Representative and LIFTCo will monitor issues including:

- adherence to timetable and cost
- performance against service standards
- procurement process
- fit to design solution

A detailed report will be written at the end of the Construction Phase to include:

- performance throughout the construction phase
- reasons for any variance against timetable or budget
- action suggested to prevent re-occurrence of above
- functional suitability of the building
- issues arising from design

6.10.2 Evaluation post-commissioning

After the handover, and given a reasonable 'bedding in' period, the project will be re-evaluated around 6 to 12 months after opening. The evaluation will cover:

- a re-assessment of the previous evaluation stage in the light of any arising issues
- a more detailed review of functional suitability
- building quality
- FM services
- the 'snag list' of the new facility
- initial performance against project objectives

6.10.3 *Longer-term outcomes*

The final stage of evaluation will take place once the full effects of the project are deemed to have materialised. This is expected to be within 18 months to three years of opening.

In addition to a more detailed review of all of the items noted above, the evaluation will also review:

- changes in operating costs
- changes in FM costs
- changes in risk allocation and transfer
- changes in clinical activity
- changes in clinical performance measures
- consultation with staff and users

Signed:
Date:
Senior Responsible Owner
Project Team

7 List of Appendices

01 – Space modelling

02 – Architectural drawings and plans

03 – Economic models & optimism bias

04 – Financial Analysis, detailed costings

05 – Project Plan and Procurement

06 – Risk Register

07 – Specifications and schedules - information to be submitted separately

London Borough of Hammersmith & Fulham

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE

DATE	TITLE	Wards
18 January 2011	Revenue Budget and Council Tax 2011/2012	All

SYNOPSIS

This report sets out the Cabinet's proposals for the Council's budget for 2011/12. It also sets out the Director of Finance and Corporate Service's budget projections to 2013/14 as required by the Local Government Act 2003. Finally, it provides details of the changes to the 2011/12 revenue estimates as they relate to this portfolio.

The Revenue Budget and Council Tax 2011/2012 will be considered by Cabinet on 7th February 2011 and Council on 23rd February 2011.

CONTRIBUTORS

ES, FCS, RS, CHS, CS, RHO

RECOMMENDATION(S):

That the Committee considers the report and makes recommendations to Cabinet as appropriate.

CONTACT
Jane West
Director of Finance and Corporate Services
Tel: 0208 753 1900

1. BACKGROUND

1.1 The Council is obliged by legislation to set a balanced budget. It also has responsibility to set the Council Tax every year in accordance with the Local Government Act 1992.

1.2 This report sets out the main elements of the Cabinet's proposals regarding the 2011/12 Council Tax. Indicative Council Tax figures are also provided for 2012/13 and 2013/14.

2. OVERVIEW

2.1 Last year Britain's fiscal deficit was the largest in its peacetime history – the state borrowed one pound for every four that it spent. The Coalition Government came to power in May 2010 with a policy of accelerating the response to the deficit in the public finances. In June in-year savings of £6.2bn were announced. Local government's share was £1.16bn of which Hammersmith and Fulham's revenue grant reduction, excluding schools, amounted to £2.3m. The Local Government Finance Settlement (LGFS) announced on 13th December 2010 confirmed that the Coalition Government aim to tackle this deficit (£81bn) over the next four years. For local government, excluding schools, this means an average funding reduction of 8.5% in 2011/12 and 28.5% by 2014/15. For Hammersmith and Fulham, as a grant 'floor' authority the funding reduction is even greater. Formula Grant will fall by 11.3% in 2011/12 and by a further 7.4% the year after.

2.2 The LGFS did not just set financial targets. Radical changes were announced regarding the local government finance system with 90 specific grant funding streams reduced to just 9. Only 1 ring-fenced grant remains – the dedicated schools grant. These changes not only require the council to account for such resources in a different way but also represent a shift in power away from central government. A greater proportion of resources can now be allocated in line with local priorities.

2.3 The budget proposals now presented address these twin challenges. The Council is playing its part in tackling the fiscal deficit whilst focusing available resources on key local priorities. Front-line services and council tax payers are protected as far as possible **(a council tax freeze is proposed for 2011/12, following a 3% reduction each year over the last 4 years)** with a continued emphasis on value for money. A number of new cross-cutting transformational projects are to be taken forward both within the Council and with other partners – such as collaborative working with the Royal Borough of Kensington and Chelsea and the City of Westminster.

2.4 The scale of the financial challenge facing the Council is summarised in Appendix 1. **Savings of £27m are required to balance the budget in 2011/12 (12% of the Base Budget)**. This savings requirement increases to £64m by 2013/14 (29% of the Base Budget).

2.5 It is against this demanding background that the Council's revenue budget proposals are now presented to this Select Committee for comment and review. Any feedback will be presented to Cabinet prior to the submission of the budget papers to Council for final approval.

3 THE BUDGET REQUIREMENT AND KEY ASSUMPTIONS

3.1 The Director of Finance and Corporate Service's projection of the medium term budget requirement to 2013/14 is set out in **Appendix 1**. The 2011/12 forecast is summarised in Table 1.

Table 1 – The 2011/12 Budget Requirement

	£000s
2010/11 Original Budget	**184,345**
Less: Adjustment made for Economic Slowdown	(850)
Add: Grant Funded Expenditure now Mainstreamed *(para 3.2 refers)*	39,059
2010/11 Adjusted Budget	**222,554**
Plus	
Inflation *(para 3.3 refers)*	2,721
Growth	11,797
Unallocated Core Revenue Grant *(para. 3.11 refers)*	2,409
Less:	
Efficiency Savings and Income Generation	(26,890)
Net Drawdown from Earmarked Reserves (*para 3.6 refers)*	(3,161)
Gross Council Budget 2011/12	**209,430**
Less:	
Core Revenue Grants (unringfenced) *(para 3.10 refers)*	(20,141)
Budget Requirement	**189,289**
Funded From:	
Formula Grant *(para 3.7 refers)*	(124,510)
Council Tax (section 6 refers)	(64,779)
Total Resources	**(189,289)**

3.2 **Grant Expenditure Now Mainstreamed.** The Local Government Finance Settlement has provided for a significant devolution of financial control to councils. The number of separate core grants has reduced from over 90 to just 9 with just 1 ringfenced grant remaining – the dedicated schools grant, which is excluded from the Council's budget requirement. A new public health grant will also be ring-fenced, but the timing and amount is yet to be confirmed. The transition from the old system to the new system is quite complex.

- Some grants have been rolled into formula grant.
- Some grants have been rolled into the new core revenue grants.
- Some funding streams have stopped.
- The position of some grants is not yet clear.

The latest known position is set out in Appendix 5. Excluding the ring-fenced Dedicated Schools Grant (DSG), overall grant funding is estimated to have reduced by £23m from 2010/11 to 2011/12 – of which £7m is specific grant and Area Based Grant that has not been carried forward into 2011/12.

Expenditure of £39m which was previously funded through Area Based Grant (ABG), or from one of the new unringfenced core revenue grants, is now under local control and is mainstreamed within the budget requirement.

3.3 **Inflation.** In order to contain growth, no inflation has been applied except where there is a contract in place. A pay freeze is expected and no inflation has been built into the 2011/12 salary budgets. It has also been decided not to hold an inflation contingency for future pay awards but to increase the general contingency instead. This is because the uncertainty around the future economy makes it impossible to predict how financial pressures will manifest. The only certainty is that there will be pressures. Current inflation is above the long-term government target and sensitivity analysis has been undertaken to identify the potential impact should this be on-going. This is identified as a risk in Appendix 4.

3.4 **Fees and Charges.** The budget has been prepared on the basis of an average 2% increase in fees and charges. Exceptions to the average 2% inflationary uplift are detailed in Appendix 6.

3.5 **Pensions.** The funding position of the pension fund is measured by the Council's actuary every three years and the Council has now received the draft actuarial valuation results for 31st March 2010. The funding level has increased from 70% to 74% over the three year period from 31st March 2007 to 31st March 2010 and this has enabled the Council to maintain its current employer contribution rate of 24.7% for the next three years without need for further increases. The valuation report is currently still in draft and will not be signed off by the actuary until 31st March 2011, as it is possible that the government may announce changes to the local government pension scheme which could affect the valuation. Any changes would most likely improve the position on the pension fund further.

3.6 **Net Drawdown from Earmarked Reserves.** At the close of 2009/10 the Council had earmarked reserves of £32m. It is now proposed that £3.2m be drawn down as part of the 2011/12 budget. This relates to a reserve set aside for the transition from the Area Based Grant (ABG) regime. This is no longer required following the abolition of ABG. £1.8m will also be drawn down, from a planned underspend and other balances, to meet Adult Social Care Spend pressures. It is intended that use of this funding be one-off with spend pressures addressed as part of the next budget cycle.

3.7 **Formula Grant.** The Government announced a new 2-year Local Government Finance Settlement starting in 2011/12. The Council will receive Formula Grant of £124.5m – a decrease of £15.9m from the comparable 2010/11 allocation. A comparison against the London and National Position is set out in Table 2.

Table 2 – Formula Grant Decreases

	2011/12	2012/13
Hammersmith and Fulham	-11.3%	-7.4%
Inner London	-11.2%	-7.4%
Outer London	-11.3%	-7.9%
National Average	-9.9%	-7.3%

3.8 Hammersmith and Fulham will be a 'floor' authority for each year of the settlement. In a change from previous years authorities with social services responsibilities have been placed in 4 different 'floor' bands. Those authorities, including this council, that are most dependant on formula grant (i.e. have the lowest share of their budget requirement funded from council tax) have been placed in Band 1. Hammersmith and Fulham is in Band 1 – formula grant accounts for 66% of the net budget requirement in 2010/11. In comparison, formula grant accounts for 18% of the budget requirement for Richmond LB. Given this low dependency, Richmond LB is in Band 4. The impact on the respective Bands is set out in Table 3.

Table 3 – Floor Bands

Floor band	2011/12 floor	2012/13 floor
Band 1 (most dependent)	-11.3%	-7.4%
Band 2	-12.3%	-8.4%
Band 3	-13.3%	-9.4%
Band 4 (least dependent)	-14.3%	-10.4%

3.9 A consultation paper was issued in the summer on potential changes to the 2011/12 formula grant system. The options put forward largely updated and fine-tuned the existing system. The exception was the use of new data for the Area Cost Adjustment (ACA) – this recognises the higher cost of labour in certain parts of the country – which would disadvantage London. The changes to the ACA have

been accepted and Hammersmith and Fulham's notional formula grant figure is now £30m below the actual grant (previously the figure was £24m below). Were the 'floor' arrangements not in place this authority would be £30m worse-off. Unless radical changes are made to the formula grant system this authority will be at the 'floor' for the foreseeable future.

3.10 The Council continues to press for long term change. The coalition agreement set out plans to undertake a Local Government Resource Review. This is expected to commence in January 2011. Ministers have also indicated that they consider the current formula grant system to lack both clarity and common sense.

3.11 **Core Revenue Grants (unringfenced).** Details of the new unringfenced core revenue grants are set out in Table 4**.** The amount of grant funding was not confirmed until the Local Government Finance Settlement was published and further work is required to fully understand these funding streams. Out of the total grant allocation of £20.1m it is currently proposed that £2.4m be held in a contingency. This will allow the Council more time to properly consider how use of this funding is prioritised.

Table 4 – Core Revenue Grants (unringfenced)

Grant	Amount	Notes
	£'000s	
Early Intervention Grant	9,429	This is a new grant that is intended to give local areas the freedom and flexibility to invest in early intervention. It is pulled together from a number of old specific grants (such as Sure Start) and ABG.
Learning Disabilities Grant	3,962	This is replacement funding. It reimburses the Council with budgets that have transferred from the PCT.
New Homes Bonus	909 (estimated)	This is new. It rewards Councils where new homes are built by match funding the Council Tax for six years.
Council Tax Freeze Grant	1,619	This is new. It rewards Councils, like this authority, that freeze their 2011/12 council tax levels. The grant is equivalent to a 2.5% increase in 2011/12 council tax.
Housing Benefit and Council Tax Administration	2,288	This grant continues from previous years but is reduced from 2010/11 by £0.151m.
Preventing Homelessness	1,775	This continues from previous years but is £0.5m higher than in 2010/11.
Lead Flood Authority	159	This is new and intended to fund the new roles for the council under the Floods and Water Management Act 2010
Total	**20,141**	

Note: Confirmation is still awaited on the allocation for the PFI grant.

3.12 **Core Revenue Grants (ringfenced).** Funding for schools continues to be provided through ring-fenced Dedicated Schools Grant. The 2011/12 allocation for Hammersmith and Fulham will not be known until June 2012. Significant changes have been made to the funding formula with the inclusion of a new pupil premium for disadvantaged children. The direct government funding of this service requires the Council to exclude it from its budget requirement.

4 GROWTH AND SAVINGS PROPOSALS

4.1 Scrutiny Select Committees are invited to consider and comment on the growth and savings relevant to their Committee. These are detailed in Appendices 2 and 3. An overview is set out below with comments by relevant Service Directors on how the proposals impact on service delivery and business objectives provided in section 5.

Growth

4.2 In the course of the budget process departments have identified areas where additional resources are required. Additional requirements are summarised in **Appendix 2** and summarised in Table 4 below for 2011/12.

Table 4 Growth Proposals

	£000s
Children's Services	150
Community Services	2,837
Environment Services	0
Finance and Corporate Services	547
Regeneration and Housing	2,313
Residents Services	1,600
Corporate Items (includes post Spending Review growth)	4,350
Total Growth	**11,797**

4.3 Table 5 summarises why budget growth is required for the Council.

Table 5 – Reasons for Budget Growth

	£'000s
Council Priorities	1,950
Government	3,753
Other Public Bodies	2,350
Demographic and Cost Pressures	1,719
Redundancy Costs	1,500
Other	525
Total Growth	**11,797**

4.4 The main Council priority supported is £1.6m for the on-going provision of extended beat policing in the three town centres. This funding was previously met from earmarked reserves and is now mainstreamed.

4.5 £3.7m of growth is directly attributable to government policy. The main increase (£1.96m) relates to the proposed reduction in the cap on rent levels supported by housing benefit. This reduces the income receivable by the council regarding those properties it has rented/leased from landlords to house homeless persons.

4.6 £2.4m of growth relates to other public bodies. The largest element relates (£0.6m) to the freedom pass. There are a number of reasons for such growth including a move towards new usage data, changes in government funding and cost increases from the transport operators.

4.7 The unprecedented level of savings that the Council is required to deliver will inevitably result in an increased number of redundancies. Whilst action will be taken to keep these to a minimum the Director of Finance and Corporate Services considers it prudent to increase the existing provision, £1.2m, by a further £1.5m.

Savings

4.8 Over £64m of savings are required to balance the books over the next 3 years. In bringing forward proposals to meet this challenge the Council has:

- Looked to protect front-line services.
- Continued to focus on asset rationalisation to reduce accommodation costs and deliver debt reduction savings.
- Built on previous practice of seeking to deliver the best possible service at the lowest possible cost. Effective budget management is essential.
- Considered thoroughly what benefits can be obtained from commercialisation and competition.
- Recognised that more cross-cutting action is necessary. A number of council wide transformation projects, such as Smart Working, World Class Financial Management and a Business Support Review, have been put in place to deliver savings.
- Taken forward working collaboratively with others. In the past couple of years progress was made regarding integration with the PCT (for which different arrangements now apply). New collaborative working proposals are now proposed with City of Westminster and Royal Borough of Kensington and Chelsea with discussions on-going. Other shared service solutions will be taken forward as and when appropriate.

4.9 The saving proposals put forward are detailed in Appendix 3 and the 2011/12 position is summarised in Table 6.

Table 6 Savings Proposals

	£000s
Children's Services	6,515
Community Services	6,283
Environment Services	4,802
Finance and Corporate Services	3,876
Housing and Regeneration	923
Residents Services	3,791
Corporate Items	700
Total Savings	**26,890**

4.10 A categorisation of the savings is shown in Table 7. Posts will need to be deleted and the latest estimate of the reduction in employee numbers is identified. Job losses through redundancy will be kept to a minimum by focusing on vacant posts, controlling recruitment, improving redeployment procedures and releasing agency staff but significant numbers of redundancies are unavoidable. Figures are shown for the council overall. Some savings fit within more than one category – for the purposes of this analysis they are categorised according to the main element.

Table 7 - Analysis of the 2011/12 Savings

Type of Saving	£'000s
Efficiencies	(7,357)
Staffing / Productivity	(5,006)
Commercialisation / Income	(3,996)
Children's Multi Disciplinary Teams / Service Restructure	(3,260)
Transformation Projects	(2,285)
Alternative funding / Miscellaneous	(1,079)
Services	(911)
Voluntary Sector	(1,225)
Debt Interest Reduction	(700)
Buildings	(565)
Shared Services with Royal Borough of Kensington & Chelsea and City of Westminster	(506)
Total	**(26,890)**
Job Reductions (Full-Time Equivalents)	**(339)**

5. COMMENTS OF THE SERVICE DIRECTOR ON THE BUDGET PROPOSALS

Community Services

Introduction.

5.1 The budget setting process for 2011/2012 has been iterative with the full participation of all the stakeholders in Community Services and across the Council. The Councillor on the Cabinet with the lead for Community Services has been fully consulted on all proposals.

5.2 This committee is asked to review the Community Services Department budgets directly relating to its portfolio of responsibilities. Set out in this report are the budgets for Adult Social Care, Quality, Commissioning & Procurement, Resources and the Director.

5.3 The Council is budgeting for challenging financial pressures. Our priority in Community Services is to protect frontline services for vulnerable people by making savings from productivity, efficiency and innovation, supporting more people to live longer in their homes through better prevention and rehabilitation. This includes the disposal of assets where practical. Our savings are made in the context of our key programmes:-

- Maximising the benefits in terms of service delivery and re-design in light of integration with the 3 Boroughs and Health – including the development of Continuity of Care to ensure the most effective and targeted interventions for vulnerable people in the borough.
- Build on our framework for preventative services with colleagues with Health, including implementation of the Third Sector review.
- Implementation of personalised budgets for all service users and extending reablement services from a hospital discharge service to one that covers all assessments for care in the home.
- Continue the improvements made in relation to the Safeguarding of Vulnerable Adults.
- Focus on Quality - Roll-out the quality assurance framework to cover all services and ensure consistency of practise, and continue to commission services of the highest possible quality and value for money.
- Continue to meet and identify efficiency savings in light of the Medium Term Financial Strategy and the reducing financial settlement from Central Government.

The MTFS Process in Community Services

5.4 The efficiency and growth proposals for the Community Services Department are detailed within the relevant sections of Appendices 2 and 3 with budget book pages attached in Appendix 7.

5.5 For 2011/12 the initial proposals for efficiencies and growth were discussed by the Assistant Directors and these ideas were formulated by a series of planning groups consisting of service managers, commissioners and finance staff. Their aim was to model options for service improvements and efficiencies. The results of this process were then scrutinised and challenged by the departmental management team, before they were included in the corporate process.

5.6 This approach has led to the development of a range of options that meet the financial objectives of the department, whilst maintaining and improving service levels. In addition to this, the Departmental Management Team MTFS Project Board has a monthly review of all the efficiency proposals, with a particular emphasis on ensuring timely implementation and delivery of proposals. All proposals over £50,000 are managed through the Council's project management toolkit, unless that would clearly not assist in achieving the saving.

Efficiencies and Growth proposals.

5.7 Appendix 3 sets out all the savings proposals relating to Adult Social Care Services and identifies the nature of each saving (e.g. whether from efficiencies, commercialisation, etc.). CSD's savings total £6.283m, but this will be supplemented by £0.5m from an underspend carried forward from 2010/11. The analysis of the savings by type is summarised in Table 7 above.

5.8 The vast majority (70%) of the savings are being made from a combination of staffing and productivity and efficiency measures. By definition, these measures are designed to reduce costs without reducing the service to users.

5.9 Payments to the third sector will reduce by £0.985m in 2011/12, of which £0.305m will be achieved by a smaller contribution to London Councils which uses the money to fund London-wide initiatives. The impact on the local third sector will be £0.680m, or around 14%. A saving of £0.1m will come from small one-off grants (the 'fast track' budget).

5.10 A minority of the savings (£0.590m) will come from commercial/income measures.

5.11 There are 24 individual savings proposals in all, totalling £6.283m of which £1.726m is from the Adult Social Care Division, £2.766m from Quality, Commissioning and Procurement, £1.077m from Resources and £0.714m from cross cutting initiatives across the department.

5.12 Efficiencies from Adult Social Care are mostly derived from alternative ways of providing placements (£0.5m), Process Re-engineering (£0.661m) and Creative Support plans for Adult Social Care users (£0.3m).

5.13 Within the Quality, Commissioning and Procurement Division, efficiencies mainly relate to Home Care smarter procurement through lower hourly rates across the

West London Sector (£1.157m), a reprioritisation of 3rd Sector Investments Funds (£0.985m) and a reduction in head count (£0.4m).

5.14 Within the Resources division there are proposals to increase income in Residential Contributions, Careline (together £0.5m), to review supplies and services budgets (£0.26m) and to make a series of back office efficiencies (£0.22m). The Meal Service will save (£.1m) through a combination of cost reduction and increasing income

5.15 There are also additional cross cutting efficiencies by reducing expenditure formerly funded by Area Based Grants (£0.7m). This includes Supporting People budgets.

5.16 There is MTFS growth of £2.837m within the Adult Social Care Division. Of this, £0.840m is as a result of forecast demographic pressures, which will manifest in placements, packages and individual budgets payments. Some of the allocated growth (£0.703m) relates to continuing care as a result of national changes in funding from NHS to the Council. These are detailed in appendix 2.

5.17 Since the initial CSD MTFS savings plans and growth bids developed in the summer, new financial pressures have begun to impact on CSD. This means we have additional growth of £1.294m in CSD to deal with. These will be funded non-recurring from balance sheet provisions in 2011/12, but are adding to the Department's financial savings targets in 2012/13 and beyond.

Fees and Charges

5.18 The Cabinet has previously mandated officers to increase the contribution per hour for home care up to £12.40. It is proposed in this budget to increase the contribution in 2011/12 from £10.72 per hour to £12.00 (an increase of 11.9%). This is less than the maximum contribution originally set by the Cabinet. Because it is means tested only 90 out of 1650 current users would have to contribute more. Extra income raised is forecast to be around £25k. Hammersmith & Fulham will still be among the London Boroughs with the lowest contribution rates for home care, and, unlike nearly all other London Boroughs, a person's savings and property will not be taken account when assessing that person's ability to make a contribution.

5.19 For the Meals on Wheels service the price per meal is proposed to increase from £3.85 to £4.10 in 2011/12 (an increase of 6.5%), increasing income by about £15k. Some other Boroughs currently charge more, up to £5.99 per meal. Hammersmith & Fulham has kept its price lower by making efficiencies in the costs of delivery.

Risks

5.20 As the savings requirements have risen higher, so the risk of delivering them has increased. The Department also faces a number of other pressures and

demands that could have a significant impact on its future outturn and forecasts. A number of efficiencies proposed have a significant degree of operational difficulty to deliver significant service changes. There are some risks associated with the impact of grant reductions which will need to be closely monitored. Risks total £2.650m and are detailed in Appendix 4.

Potential NHS Funding for Local Government

5.21 The Government has made available extra funding to PCTs for them to spend on Social Care. NHS Hammersmith and Fulham has an extra £2.484m in 2011/12. The Operating Framework for the NHS says that "*PCTs will need to transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health gain. Transfers will need to be made via an agreement under Section 256 of the 2006 NHS Act. PCTs will need to work together with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from this investment.*".

5.22 It is anticipated that we will agree to invest this money in our joint "Continuity of Care" plans for enhanced rehabilitation and increased provision to treat and support more people at or close to home. This will be essential to achieve our plans to reduce the use of more costly residential and nursing care provision and to prevent unnecessary admissions and readmissions to acute hospital provision.

Summary of Budget Movements:

5.23 The table below shows the base budget movements from 2010/11 to 2011/12 and are detailed in Appendix 7.

Community Service Department Analysis:

	£000s
2010/11 Estimates	**77,580**
Inflation	596
Redirected Resources	4,086
Savings	(6,283)
Growth	2,837
Other (including SLA and Capital Financing adjustments)	1,296
2011/12 Estimates	**80,112**

5.24 The overall net effect taking account of inflation, redirected resources, growth, savings, and other adjustments is a net increase of £2.532m bringing the net base budget for 2011/2012 to £80.112m.

5.25 The budget proposals set out in this report provide the necessary increases in adult social care budgets to maintain frontline service levels, based on current projections of service activity levels.

Regeneration & Housing Services

5.26 The efficiency and growth proposals for Regeneration & Housing Services are detailed within the relevant sections of Appendices 2 and 3 with the department's budget book pages attached in Appendix 7.

5.27 Given the scale of the MTFS targets for 2011/12, Regeneration and Housing Services have focused on the twin priorities of developing deliverable savings proposals whilst simultaneously protecting front-line services in order to minimise the impact on service delivery and objectives.

5.28 The MTFS process for 2011/12 has produced a budget increase for Regeneration & Housing Services of £2.814m. This is comprised of inflation of £0.134m, efficiencies of (£0.923m), growth of £2.313m, the rolling into core revenue grant of Homelessness Prevention funding of £0.947m and a net increase in the allocation of support costs and capital charges of £0.343m. The changes will leave a net general fund budget of £10.502m in 2011/12.

Efficiency Proposals

5.29 Funding the Development & Regeneration function from the Housing Revenue account will provide £0.461m of the £0.923m of efficiencies proposed for 2011/12 and ensure we maintain the level of resources devoted to delivering the Decent Neighbourhoods programme. In the near future it is expected that the core staffing function will be largely self-financing from developer contributions.

5.30 The reorganisation of the Economic Development service is set to yield £0.1m, and other minor administrative changes will contribute a further £0.032m. Welfare reform and the MTFS have driven a rebranding of the service to concentrate on making the borough a better place to do business and to deliver the Work Matters programme. These objectives are being achieved through securing new external funding streams and establishing a leaner staffing function.

5.31 Housing Options are contributing £0.330m of efficiencies for 2011/12, of which £0.266m is planned to come from substituting mainstream funding for Homelessness Prevention grant. The reallocation of this grant will preserve core preventative activities. The remaining savings will be derived from a value for money review of storage, interpretation and communication costs.

5.32 In addition to the £0.923m of efficiencies planned for 2011/12, proposals have been developed for a further £1.056m of efficiencies by 2013/14, ensuring the three year target initially set is met. These are planned to derive wholly from Housing Options. This is to be achieved through a reconfiguration of the service and will minimise the impact on service delivery through shifting resources into the

front office, increasing the focus on homelessness prevention, identifying opportunities for commercialisation, increasing productivity, and working collaboratively with other key service providers.

Growth Proposals

5.33 Following the Government's introduction of caps on Housing Benefit subsidy through the Local Housing Allowance (LHA), it is estimated that this will result in a funding gap in the Council's Temporary Accommodation portfolio of £1.963m from 2011/12. Further planned changes to the caps are expected to increase the funding gap to £3.643m from 2014/15.

5.34 An action plan to mitigate adverse service and financial impacts has been implemented. In service terms, this includes consideration of ring-fencing allocations of permanent accommodation for homeless households and out of borough procurement. Progress on this plan will be reported through the monthly monitoring regime.

Risks

5.35 The Regeneration & Housing Finance function is partially funded through a number of grant schemes. As these schemes expire or transfer from the Council, there is a risk (£0.340m) that replacement funding streams may not be available.

6. COUNCIL TAX CHANGES IN 2011/12 and 2012/13

6.1 The Cabinet is proposing to freeze Hammersmith and Fulham's element of the Council Tax in 2011/12 in order to provide a balanced budget. By freezing council tax the council will receive the new council tax freeze grant. This is estimated to be £1.6m.

6.2 The Mayor of London has announced his intention to freeze the total precept for the Greater London Authority in 2011/12. Under his proposals the total GLA precept will remain at £309.82 a year (Band D household). The draft budget is currently out for consultation and is due to be presented to the London Assembly on 23rd February .

6.3 The impact on the Council's overall Council Tax is set out in Table 8.

Table 8 – Council Tax Levels

	2010/11 Band D	2011/12 Band D	Change From 2010/11
	£	£	£
Hammersmith and Fulham	811.78	811.78	0
Greater London Authority	309.82	309.82	0
Total	**1,121.60**	**1,121.60**	**0**

6.4 The robust forward financial plans set out in the Council's MTFS has enabled an indicative Council Tax figure to be provided for 2012/13. At present, for planning purposes, it is anticipated that there will a freeze in Council Tax levels.

6.5 The current Band D Council Tax charge is the 4th lowest in London and the freeze now proposed follows four successive 3% decreases. Table 9 sets out the changes in the Band D charge for the Hammersmith and Fulham element of Council Tax since 2002/03. The proposed Band D charge for 2011/12 is the lowest charge since that approved for 2002/03.

6.6 Council Tax in Hammersmith & Fulham has reduced by 11.5% from 2006/07 to 2010/11. This compares to a London average increase of 8% over the same period. This represents a £500 cash saving for Hammersmith & Fulham residents against the average Borough increase from 2006/07 to 2010/11.

Table 9 – Band D Council tax for Hammersmith and Fulham from 2002/03

	Band D Hammersmith and Fulham Element	**Change**	**Change**
	£	£	%
2002/03	772.41	0	0
2003/04	848.49	+76.08	+9.85
2004/05	890.07	+41.58	+4.90
2005/06	903.42	+13.35	+1.50
2006/07	916.97	+13.55	+1.50
2007/08	889.45	-27.52	-3.00
2008/09	862.77	-26.68	-3.00
2009/10	836.89	-25.88	-3.00
2010/11	811.78	-25.11	-3.00
2011/12	811.78	0	0
2012/13 (indicative)	811.78	0	0

7 COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

The Budget Process

7.1 The relevant Service Directors and Cabinet Members, in conjunction with the Director of Finance and Corporate Services, have considered the detail of the individual estimates. Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the robustness of the estimates for 2011/12 included in the report.

7.2 For the reasons set out below the Director of Finance and Corporate Services is satisfied with the accuracy and robustness of the estimates included in this report :

- The budget proposals have been developed following guidance from the Director of Finance and Corporate Services and have been through a robust process of development and challenge.
- Contract inflation is provided for.
- Adequate allowance has been made for pension costs
- Service managers have made reasonable assumptions about growth pressures.
- Mechanisms are in place to monitor sensitive areas of expenditure and the delivery of savings.
- Key risks have been identified and considered.
- Prudent assumptions have been made about interest rates and the budget proposals are joined up with the requirements of the prudential code and Treasury Management Strategy.
- The revenue effects of the capital programme have been reflected in the budget.
- The recommended increases in fees and charges are in line with the assumptions in the budget.
- The provision for redundancy costs has increased to meet future restructuring and downsizing.
- The use of budget monitoring in 2010 -11 in order to re-align budgets where required
- A review via the Council Executive Management Team of proposed savings and their achievability
- A Member review and challenge of each department's proposals for the budget.

Risk, Revenue Balances, Reserves and Provisions

7.3 Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the adequacy of the balances and reserves the budget provides for. The level of balances is examined each year along with the level of reserves in light of the risks facing the Authority in the medium term.

General Fund Balances

7.4 The Council's general balance stood at £15m as at 1st April 2010 and it is currently projected that they will increase by £0.1m the current financial year. This will leave approximately £15.1m in general balance at year end, which represents 8.2% of the current budget requirement.

7.5 The Council's budget requirement for 2011/12 is in the order of £189.3m. Within a budget of this magnitude there are inevitably areas of risk and uncertainty and this is particularly true for 2011/12 when a significant reduction is being made in the level of funding available to the council. The key financial risks that currently face

the Council have been identified and quantified. They are set out in Appendix E and amount to £10.8m. The Council has in place rigorous budget monitoring arrangements and a policy of restoring balances once used.

7.6 Given the unprecedented scale of change in local government funding, the Director of Finance and Corporate Services considers that a wider than normal range needs to be specified for the optimal level of balances. She is therefore recommending that reserves need to be maintained within the range £10m - £17m. This compares to a range of £8m-£9m in 2006/07. The optimal level of £10m-£17m is projected to be broadly met over the next 3 years and is, in the Director of Finance and Corporate Service's view, sufficient to allow for the risks identified and to support effective medium term financial planning.

Earmarked Reserves

7.7 The Council also holds a number of earmarked reserves to deal with anticipated risks and liabilities, and to allow for future investment in priority areas. Reviews are undertaken of the need for, and the adequacy of, each earmarked reserve as part of the budget process and again when the accounts are closed. These are formally reported to the Audit and Pensions Committee in June and September of each year.

8 CONSULTATION WITH NON DOMESTIC RATEPAYERS

8.1 In accordance with the Local Government Finance Act 1992, the Council is required to consult with Non Domestic Ratepayers on the budget proposals. The consultation can have no effect on the Business Rate, which is set by the government.

8.2 As with previous years, we have discharged this responsibility by writing to the twenty largest payers and the local Chamber of Commerce together with a copy of this report. Any comments will be reported at Cabinet.

9. LEGAL COMMENTS

9.1 The Council is obliged to set the Council Tax and a balanced budget for the forthcoming financial year in accordance with the provisions set out in the body of the report.

9.2 In addition to the statutory provisions the Council must also comply with general public law requirements and in particular it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good when setting the Council Tax and budget.

9.3 The recommendations contained in the report have been prepared in line with these requirements.

9.4 Section 25 of the Local Government Act 2003, which came into force on 18 November 2003, requires the Director of Finance and Corporate Services to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The Council must take these matters into account when making decisions about the budget calculations.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Revenue Budget 2011/12	Andrew Lord Ext. 2531	Finance Department Room 5 Town Hall
2.	Formula Grant Papers 2011/12	Andrew Lord Ext. 2531	Finance Department Room 5 Town Hall
3.	Finance and Corporate Services Budget Papers	Dave Lansdowne Ext. 2549	Finance Department Room 4 Town Hall
4.	Community Services Budget Papers	Mark Jones Ext. 5006	Community Services Department 77 Glenthorne Road
5.	Children's Services Budget Papers	Dave McNamara Ext 3404	Children's Services Department Cambridge House
6.	Housing and Regeneration Budget Papers	Kathleen Corbett Ext. 3031	Housing and Regeneration Department 77 Glenthorne Road
7.	Residents Services Budget Papers	Kathleen Corbett Ext. 3031	Residents Services Department 77 Glenthorne Road
8.	Environment Services Budget Papers	Dave McNamara Ext. 3404	Environment Department Town Hall Extension

Medium Term Budget Requirement

	Year 1 2011/12 £'000	Year 2 2012/13 £'000	Year 3 2013/14 £'000
2010/11 Council Budget	**184,345**		
Less: Adjustment for Economic Slowdown	(850)		
Add: Rolling-in of previously grant funded expenditure	39,059		
2011/12 Net General Fund Base Budget	**222,554**	**222,554**	**222,554**
Contract and Income Inflation	2,721	6,338	9,080
Growth	11,797	13,568	16,762
Departmental Efficiencies	(26,890)	(50,073)	(64,180)
Additional General Contingency	0	5,104	10,208
Provisional Local Government Finance Settlement (Unallocated Grant Funding)	2,409	2,409	2,409
Total Expenditure	**212,591**	**199,900**	**196,833**
Reduction in Drawdown from Earmarked Reserves (Economic Slowdown)	850	850	850
Draw Down from Earmarked Reserve (Community Services)	(1,794)	0	0
Drawdown from Earmarked Reserves (ABG transition)	(2,217)	0	0
Gross Budget Requirement	**209,430**	**200,750**	**197,683**
Less:			
Council Tax Freeze/New Homes Bonus Grant	2,528	3,437	4,346
Core Revenue Grants	17,613	17,613	17,085
Revenue Grants	**20,141**	**21,050**	**21,431**
Net Budget Requirement	**189,289**	**179,700**	**176,252**
Funded by:			
Formula Grant	124,510	114,921	111,473
Council Tax	64,779	64,779	64,779
	189,289	**179,700**	**176,252**
Risks	*10,848*	*18,159*	*27,032*

Children's Services				
Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Schools	Secondary Schools Capital Investment (Prudential Borrowing)	150	300	450
Total Growth		**150**	**300**	**450**

Community Services				
Existing Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Adult Social Care	Increase in demand for disabled people placements and care packages	0	205	410
Adult Social Care	Placement packages and direct payments	840	840	840
Adult Social Care	Mental Health - New Continuing Care Placements as a result of a change in funding from NHS to the Council	703	703	703
Learning Disabilities	Increase in demand for learning disability placements and care packages	0	335	335
Total Existing Growth		**1,543**	**2,083**	**2,288**

New Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Adult Social Care	Increase in demand for all aged people with care placements and care packages	0	300	1,200
Adult Social Care	Loss of ILF Funding for New Clients (Funded from earmarked reserve in 2011/12)	366	366	366
Adult Social Care	Home Care Charging Income Budget- the department has an ongoing shortfall of £400k and has decided in consultation with the head of legal services and lead cabinet member not to consult on a review of the HCC Scheme. (Funded from earmarked reserve in 2011/12)	400	400	400
Quality, Commissioning & Procurement	Loss of Supporting people funding- with the ongoing reduction of the grant, the reduced level of funding is now affecting adult social care services. (Funded from earmarked reserve in 2011/12)	363	363	363
Resources	Loss of removal income from storage of council tenants belongings: H&F Homes are reviewing where tenants belongings are stored and returning them to tenants which has resulted in an income loss to the removals service. (Funded from earmarked reserve in 2011/12)	165	164	164
Total New Growth		**1,294**	**1,593**	**2,493**

Finance & Corporate Services				
Existing Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Councillor Services	Councillor Briefings after May Elections	-15	-15	-15
H&F Direct	Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London and cost increase	586	912	1,251
H&F Direct	Admin Grant Income (tbc)	85	85	85
Local Elections	May 2010 Election and Implementing the new Electoral Administration Bill	-250	-250	-250
Total Growth		**406**	**732**	**1,071**

New Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
H&F Direct	HB Admin Grant Income (5% reduction in grant per annum)	66	274	462
Local Elections	Annual contribution to a provision to provide for the cost of future local elections and councillor briefings	75	75	75
Total Growth		**141**	**349**	**537**

Regeneration & Housing				
New Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Housing	Cap on HB subsidy (LHA) for HALS properties	1,187	1,187	1,985
Housing	Cap on HB subsidy (LHA) for PSL properties	16	16	547
Housing	Cap on HB subsidy (LHA) for HALD properties	760	760	760
Housing	Cap on HB subsidy (LHA) for PRS properties	TBC	TBC	TBC
Regeneration	Expiry of Strategic Regeneration funding arrangements	350	350	350
Total New Growth		**2,313**	**2,313**	**3,642**

Residents Services				
Growth		**2011/12**	**2012/13**	**2013/14**
Title	**Description**	**£'000**	**£'000**	**£'000**
Safer Neighbourhoods	Round the Clock Beat Policing - future costs to continue service	1,600	1,600	1,600
Total Growth		**1,600**	**1,600**	**1,600**

Corporate				
Growth	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
NNDR	Net growth arising from revaluation and fall in multiplier	431	431	431
WRWA Levy	Increase in levy payable to Western Riverside Waste Authority (landfill tax)	850	850	850
Office Accommodation	Rental and service charges increases	150	300	300
Pensions	Additional contributions to the London Pensions Fund Authority	211	211	211
Land Charges	Impact of legal review on ability of local authorities to generate land charges income and impact of economic downturn on building control fees	750	750	750
Redundancy Costs	Allowance for downsizing and restructuring	1,500	1,500	1,500
Total Growth		**3,892**	**4,042**	**4,042**

Growth post Spending Review 2010				
Growth	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
H&F Direct	HB Admin Grant Income	35	133	216
Building & Property Management	Carbon Trading Scheme	264	264	264
Highways & Engineering	New Flood Responsibilities	159	159	159
		458	**556**	**639**

Hammersmith and Fulham - Summary				
		2011/12	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Existing Growth		6,741	7,907	8,601
New Growth		5,056	5,661	8,161
Grand Total		**11,797**	**13,568**	**16,762**

Children's Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Children, Youth & Communities	Commissioning of services to reduce costs (including employment costs)	(27)	(27)	(27)	0
Children, Youth & Communities	Reduction of vehicle lease costs	(11)	(11)	(11)	0
Children, Youth & Communities	Extended services - end of match funding time limited grants	(120)	(120)	(120)	0
Children, Youth & Communities	Efficiencies from reprovision of services in schools as part of extended services offer	(200)	(200)	(200)	0
Education Services	School Improvement - Reducing Senior Management overheads and business support Deletion of 2 principal adviser posts and reduction in AD costs of 30% due to shared role in merger. 8 further posts to be deleted by Sept 2011	(50)	(250)	(250)	(10)
Education Services	Sharing of education services with WCC / RBKC	0	(150)	(500)	TBC
School Resources	BSF Core Funding & Schools Resourcing Reorganisation following the ending of the BSF and Primary Capital programmes and a further reorganisation following the completion of the merger work	(175)	(225)	(275)	(4)
School Resources	Transfer of Traded Services relating to schools into a 'Mutual'/Social Enterprise Efficiencies as expected to be achieved through further commercialisation of the services.	(50)	(100)	(200)	0
Education Services	Possible stretch related to merger - Traded Services More work is required to better understand the nature of these mergers and the developing strategies, although a further stretch of £175k on traded services if RBKC is involved seems reasonable.	0	(50)	(150)	0
School Improvement & Standards	End of inequitable discretionary grants	(8)	(8)	(8)	0
School Improvement & Standards	Special Educational Needs (SEN) staffing efficiencies	(40)	(40)	(40)	0
Social Care	H&F Advice Centre - Staffing Efficiencies	(31)	(31)	(31)	0
Social Care	Reduction in Family Support and Child Protection [FSCP], Contact and Asessment [C&A], and Safeguarding staffing following reduction in demand for services	(700)	(1,000)	(1,000)	12
Social Care	More efficient procurement of the workers providing support in the home for disabled children and their families, and reorganisation of the social work teams, following the reduction in grant funding.	(50)	(125)	(200)	0

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Social Care	Reorganisation of C&A and FS&CP will result in fewer handovers and yield efficiencies in relation to staffing without impact on the quality of child protection service. This will result in fewer 'handovers' of cases, improving the quality of service for children and their families.	0	(175)	(175)	3
Social Care	It is anticipated that following the publication of the Munro Review it will be possible to deliver process eficiencies, reducing staffing requirements.			(250)	5
Social Care	Senior management/ senior business support - delayering of management tiers.	(80)	(195)	(400)	6
Social Care	Merging the Looked After Children [LAC] and Young Peoples Service [YPS] to create one 0 - 18 service for children in care, reducing handovers of cases, so improving the service quality for children, their families and carers.	0	(125)	(250)	5
Social Care	Continuing to reduce the population of children in care with better preventative services [see Locality teams] and more timely permanent placements [Adoption/Special Guardianship/Residence]; thereby reducing placement costs	(320)	(640)	(960)	0
Social Care	Transport costs reduced as a result of there being fewer children in care	(60)	(120)	(180)	0
Social Care	Independent Reviewing Officer costs being reduced as a result of there being fewer children in care			(50)	1
Social Care	Reprovision of residential care currently provided at Dalling Road, providing more appropriate placement options.	(400)	(400)	(400)	17
Social Care	Savings in foster care costs as a result of there being fewer children in care, and subsequent possible reprovision as part of 3 Borough working	0	(50)	(300)	6
Social Care	Reduced expenditure on leaving care services resulting from there being fewer children in care	(40)	(100)	(160)	0
Social Care	More efficient procurement of placements for children in care from Independent Fostering Agencies and Private & Voluntary Residential Care Services delivering better choice and more local placements.	(150)	(375)	(675)	0
Tiers 2 & 3	Refocus of Children's Centre Programme to Sure Start model, targeting support to vulnerable children and their families. With a significant reduction in Central Government funding the programme is to be reshaped to provide support to the children most in need of it. Provision to be commissioned from schools and the third sector and to be run on a 'hub' and 'spoke' model with services being provided on an outreach basis in the 'spokes'. Further discussion to be had with the PCT/CLCH about the delivery of child health services in Sure Start Children's Centres.	(1,321)	(1,321)	(1,321)	(43)
Tiers 2 & 3	Early Years - Reduction in core early years teams to undertake statutory functions for private voluntary and independent providers and childminders	(338)	(338)	(338)	(9)

Efficiencies Appendix 3

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Tiers 2 & 3	Commissioning youth services from schools and the third sector [based on result of consultation of young people] resulting in efficiencies and reducing commissioning cost thereafter.	(297)	(297)	(297)	(6)
Tiers 2 & 3	Extended schools - ending support for school clusters, following cessation of grant funding	(290)	(290)	(290)	(3)
Tiers 2 & 3	Voluntary sector - Voluntary sector provision recommissioned with efficiencies sought.	(140)	(140)	(140)	0
Tiers 2 & 3	Children's commissioning - Reduction in Commissioning posts	(417)	(417)	(417)	(3)
Tiers 2 & 3	Connexions - recommission universal provision in anticipation of Government policy change and provision of targeted services for vulnerable children in Locality Teams	(175)	(175)	(175)	(8)
Tiers 2 & 3	Reduction in centrally employed literacy support staff - Reduction of 2 currently vacant posts,with cessation of grant.	(116)	(116)	(116)	(2)
Tiers 2 & 3	Rationalisation of business support to DMT [as DMT reduced in size] and efficiency review of Planning & Support Team	(173)	(173)	(173)	(4)
Tiers 2 & 3	Reorganisation of Traveller Support Function - Responsibility for teaching for Travellers absorbed into Locality teams. Traveller Home Liaison role retained.	(58)	(58)	(58)	(1)
Tiers 2 & 3	Playing for Success programme - Cessation of literacy project based at football clubs following the ending of the grant	(75)	(75)	(75)	(4)
Transformation Savings	Slicker Business - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme; including 3 Borough Shared Services	(212)	(476)	(593)	0
Transformation Savings	Procurement - Procurement savings, in addition to those proposed by Social Care.	(139)	(185)	(278)	0
Transformation Savings	Customer Transformation - Income Generation Increased income via Traded Services with Schools (e.g. Governor's Clerking) prior to development of new delivery model for Education Services	(75)	(175)	(175)	0
Transformation Savings	Customer Transformation - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme	(141)	(391)	(617)	0
Transformation Savings	Role of the Organisation - Linked to the potential merger of services with WCC and RBKC	(36)	(700)	(700)	0
Total		**(6,515)**	**(9,844)**	**(12,575)**	**(151)**

Community Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Community Services Department - Protecting frontline services for vulnerable people by making savings from productivity, efficiency and innovation, so more people will be supported to live longer in their homes through better prevention and rehabilitation.					
Adult Social Care	**Applying Private Finance Initiative subsidy** from nursing home contracts.	(165)	(165)	(165)	0
Adult Social Care	**More efficient equipment procurement**	(50)	(100)	(100)	0
Adult Social Care	**Transfer of Occupational Therapist costs** to the HRA Capital Programme in line with the volume of work and capital guidelines.	(50)	(50)	(50)	0
Adult Social Care	**Alternative home support for out of Borough placements for people with learning disabilities**	(400)	(700)	(1,000)	0
Adult Social Care	**Alternative home support for out of Borough placements for people with mental health conditions**	(100)	(200)	(300)	(9)
Adult Social Care	**Social Work Productivity through process re-engineering**:- Staffing efficiencies to be realised by addressing both the skills mix and productivity of social work and assessment staff to concentrate on professional social work tasks and assessment and care management as a distinct service integrated with health and housing support.	(600)	(600)	(600)	(15)
Adult Social Care	**Personal Support Plans.** Use creative care plans for people in receipt of adult social care non residential services which will result in lower cost solutions than traditional care packages.	(300)	(300)	(300)	0
Adult Social Care	**Improved intensive home support including extra care sheltered housing with nursing** to reduce reliance on nursing homes	0	0	(3,000)	0
Adult Social Care	**Eligibility Criteria**	0	(400)	(400)	0
Quality Commissioning & Procurement	**Home Care productivity through electronic monitoring.** As part of the WLA homecare framework agreement, care providers are required to provide electronic monitoring. This efficiency can be delivered by monitoring the time on a more efficient basis	(579)	(579)	(579)	0
Quality Commissioning & Procurement	**Home Care - Smarter Procurement.** As part of the WLA homecare framework agreement, the Council has managed to secure lower average hourly rates for the homecare market resulting in these contractual savings.	(578)	(578)	(578)	0
Quality Commissioning & Procurement	**Reprioritisation of 3rd Sector Investment Funds.** The proposal is to review the Councils 3rd sector providers contracts with a reallocation of the investment fund and fast track budget.	(680)	(555)	(705)	0

Community Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Quality Commissioning & Procurement	**Staffing efficiencies** and headcount reductions in Quality, Commissioning & Procurement, Programme Management, Communications, Executive Support, and Senior Managers	(415)	(675)	(877)	(16)
Quality Commissioning & Procurement	**London Borough Grant Efficiencies (London Council Levy)**	(305)	(500)	(500)	0
Quality Commissioning & Procurement	**Increased rental income from properties**	(75)	(100)	(100)	0
Quality Commissioning & Procurement	**Formalise joint commissioning through integration** - The efficiency resulting from the joint funding and streamlining of work over a two year period.	(34)	(34)	(34)	(1)
Quality Commissioning & Procurement	**Reorganisation of Advice services**	(100)	(100)	(100)	(4)
Resources	**Project Management service to be self financing** and be phased in over two years with Business Units being recharged for service required.	(120)	(180)	(180)	(3)
Resources	**Improved collection of Residential Charges**	(300)	(300)	(300)	0
Resources	**Maximising revenue from new and existing Careline products -** May include differential contributions	(200)	(400)	(400)	0
Resources	**Further productivity in Meals on Wheels costs.** The department is exploring alternative models of meals provision to reduce costs, and determine whether the charge can be increased without reducing the benefit to vulnerable people.	(100)	(100)	(100)	0
Resources	**Consolidating budget control efficiencies -** Following the 09/10 outturn position, the department has reviewed all its cost centres and its adjusting the budget in a range of areas where there were underlying underspends.	(320)	(320)	(320)	0
Resources	**World Class Financial Management (WCFM):** As part of the Councils productivity programme, it will improve the working and efficiency of the finance function across the Council by standardising a number of financial processes with an expected 20% reduction in resources.	(98)	(264)	(264)	(6)
Resources	**Productivity in management, support and procurement through 3 Boroughs Integration, and with the NHS**	0	0	(1,500)	0
Cross Cutting	**Planned Efficiencies from Area Based Grant expenditure**	(714)	(2,424)	(2,815)	0
Total		**(6,283)**	**(9,624)**	**(15,267)**	**(54)**

Environment Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Building & Property Management	Advertising Income	(375)	(375)	(375)	0
Building & Property Management	Civic Accommodation Savings	(500)	(500)	(500)	0
Building & Property Management	PCT Letting of HTHX	(200)	0	0	0
Building & Property Management	HTHX LED lighting	(33)	(33)	(33)	0
Building & Property Management	Accommodation Savings	0	(500)	(500)	0
Finance & Resources	Other Support Costs - Reduction in the Supplies and Services budget	(5)	(5)	(5)	0
Finance & Resources	Reduction in decentralised Maternity & Redundancy payments	(16)	(16)	(16)	0
Highways & Engineering	Football - the three football clubs in the borough have taken responsibility for the traffic management arrangements associated with matches at their grounds. This has released one council post as we now do not need to supervise this work.	0	0	0	(1)
Highways & Engineering	A reduction in contract costs with the removal of the shift work for the Highway Emergency Vehicle Service	(48)	(98)	(62)	0
Highways & Engineering	Carriageway Planned Maintenance a further reduction of 5%	0	(70)	0	0
Highways & Engineering	Footway Planned Maintenance reduction 33%	0	(150)	0	0
Highways & Engineering	Rationalise out of hours response to one contractor currently shared between two highways contractors	(15)	(15)	(15)	0
Highways & Engineering	Reduce gully cleansing cycle. Improved performance information from the new contractor has unidentified savings which will not affect the level of service	(40)	(40)	(40)	0
Highways & Engineering	Reduce road marking relining cycle on local roads	(25)	(25)	(25)	0
Highways & Engineering	Reduction in two staff posts(to be identified in year monitoring non fee earning posts)	(80)	(80)	(80)	(2)
Highways & Engineering	Resurfacing using different material (in appropriate circumstances)	(200)	(200)	(200)	0
Highways & Engineering	Review the use of Consultants and Agency	(100)	(100)	(100)	0
Highways & Engineering	Self-supervision of COLAS contract (the contractor would take increased responsibility with the council monitoring on an exception basis)	(100)	(100)	(100)	0
Highways & Engineering	Further review of post including the rationalisation of duties and hence the need for fewer posts	(50)	(50)	(50)	0

Environment Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Highways & Engineering	Street Lighting review will take place investigating the options for delivery in 2011-12.	(200)	(200)	(200)	0
Parking	Automatic Number Plate Recognition reduction	0	(1,000)	(1,000)	0
Parking	Cashless Parking - Reduction in maintenance, energy + cash collections	0	(1,000)	(1,000)	0
Parking	Parking Back Office - Subject to the ongoing Capital Ambition funded project with RBK&C	0	(500)	(500)	0
Parking	Increase in Resident parking permit charges	(400)	(400)	(400)	0
Parking	Increase in Pay and Display charges	(1,500)	(1,750)	(2,000)	0
Planning	External funding attracted for Planning Post	(100)	0	0	0
Planning	Assumed Productivity Savings relating to Development Management + other related initiatives	(30)	(60)	(60)	(2)
Public Protection	Refinement of risk-basd inspection regime	(50)	(50)	(50)	(1)
Public Protection	Support Service Review	(35)	(35)	(35)	(1)
Transformation Programme	Working with the transformational teams to secure cross departmental and council wide savings through Slicker business techniques and processes, more efficient procurement and improved use of customer channels.	(700)	(1,485)	(1,868)	0
Total		**(4,802)**	**(8,837)**	**(9,214)**	**(7)**

Finance & Corporate Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Communications	Additional income streams around new advertising opportunities: web adverts on H&F News website; lamp post advertising and neighbourhood guides	(5)	(10)	(10)	0
Communications	Review of print service	0	(50)	(100)	(1.0)
Communications	Customer Transformation - web commercialisation	(50)	(100)	(150)	0
Communications	Business support review	(40)	(40)	(40)	(1.0)
Communications	Graphic design productivity improvements	(38)	(38)	(38)	(1.0)
Communications	Information and research review	(52)	(52)	(52)	(1.0)
Communications	Reduced expenditure on developing and producing publications eg corporate plans and on professional training requirements	(5)	(5)	(5)	0
Executive Services	Slicker Business: Business Support Review	(168)	(168)	(168)	0
Finance	Debt Management and Restructuring	(100)	(200)	(200)	0
Finance	Reduction in the contribution to the Insurance Fund	(200)	(200)	(200)	0
Finance	Recharge half of DDF post to RBKC	(70)	(70)	(70)	(0.5)
Finance	Audit Contract - lower charges	(50)	(50)	(50)	0
Finance	Other Audit/CAFS savings	(75)	(75)	(75)	(2.0)
Finance	Audit Commission Fee reduction	(40)	(40)	(40)	0
H&F Direct	Improved Housing Benefit administration	(150)	(150)	(150)	0
H&F Direct	Contact Centre Improvements	(30)	(30)	(30)	0
H&F Direct	Additional services transferred to relocated contact centre	(50)	(50)	(50)	0
H&F Direct	Relocation/ Out sourcing of some H &F Direct Services	(80)	(80)	(80)	0
H&F Direct	Administration of all petty cash payments through the payroll system using Trent Self Service.	(50)	(50)	(50)	0
H&F Direct	Introduction of credit card transaction fees	(73)	(73)	(73)	0
H&F Direct	Cashiers Service - encouraging customers to use other methods of payment	(120)	(120)	(120)	(3.0)
H&F Direct	Business Rates discretionary rate relief	(100)	(100)	(100)	0
H&F Direct	Customer Transformation - more transactions on-line	(50)	(100)	(150)	(4.0)

Finance & Corporate Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
H&F Direct	Close face to face cashiers (needs policy change in Parking)	0	(180)	(180)	(5.0)
H&F Direct	End to recession should result in the scaling back of demand and enable savings to be made	(50)	(50)	(200)	(5.0)
H&F Direct	Blue Badges/ Freedom passes - move to appointments only	(30)	(30)	(30)	(1.0)
H&F Direct	Reduce benefit take up work	(30)	(30)	(30)	(1.0)
H&F Direct	Reduce cashiers opening hours (from Mo 9-5, Tu 8-5, We 9-5, Th 8-7, Fr 9-5 to Mo-Fr 9-5)	(42)	(42)	(42)	(1.0)
H&F Direct	Reduce post in funded Direct Lettings	(15)	(15)	(15)	(0.5)
H&F Direct	Baliff's Fees	(40)	(40)	(40)	0
Human Resources	Improvements through Manager and Employee self-service	(14)	(14)	(14)	0
Human Resources	Reduction in staff overheads, such as maternity costs due to a reduction in employee numbers	(150)	(150)	(150)	0
Human Resources	Re-tender of Pensions Administration (framework agreement) £50k saving to Pension Fund	0	0	0	0
Human Resources	Trent leasing budget	(100)	(100)	(100)	0
Human Resources	Reduced cost of added years	(150)	(200)	(250)	0
Human Resources	Salaries	(110)	(110)	(110)	0
Human Resources	Employee Assistance Scheme	(40)	(40)	(40)	0
Legal & Democratic Services	Lower contribution to London Councils	(58)	(58)	(58)	0
Legal & Democratic Services	Reduction in Locum staff	(50)	(50)	(50)	(1.0)
Legal & Democratic Services	Councillors Services - salaries	(23)	(23)	(23)	0
Legal & Democratic Services	Councillors Services - admin, equipment and furniture	(25)	(25)	(25)	0
Legal & Democratic Services	Legal - permanent staff to be recruited for posts currently covered by agency staff	0	(48)	(48)	0
Legal & Democratic Services	Councillors Services - reduce printing costs by decreasing the number of agendas and publications printed; improve the information provided on the internet and intranet and encouraging residents to access and submit information via the intranet	(10)	(10)	(10)	0
Legal & Democratic Services	Councillors Services - restructure of section and creation of a trainee post to allow better succession planning and avoid the use of agency staff to cover vacant posts	(4)	(4)	(4)	0
Procurement & IT Strategy	Cost Containment	(15)	(42)	(42)	0

Finance & Corporate Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
Procurement & IT Strategy	Reduced HFBP costs	(300)	(500)	(500)	0
Procurement & IT Strategy	Office Depot Stationery Rebate	(20)	(20)	(20)	0
Procurement & IT Strategy	Staffing efficiencies in procurement. First phase of market testing programme will have been completed.	(60)	(60)	(60)	(1.0)
Departmental	Rationalisation of services within FCS following the merger of Finance & Assistant Chief Executive's Departments	(122)	(122)	(122)	(1.0)
Departmental	Spans & tiers review including reducing AD numbers	(200)	(400)	(600)	(3.0)
Transformation Portfolio	Slicker Business - WCFM	(170)	(170)	(170)	(3.0)
Transformation Portfolio	Customer Transformation - Billing & Payments	(17)	(17)	(17)	0
Transformation Portfolio	Customer Transformation - Advertising & Sponsorship	(175)	(175)	(175)	0
Transformation Portfolio	Procurement - Internal Audit Contract	(60)	(60)	(60)	0
Transformation Portfolio	Procurement - H&F News	(150)	(150)	(150)	(2.0)
Transformation Portfolio	Role of the Council - Integration of H&F and RBK&C Legal Teams	(50)	(100)	(150)	(2.0)
Transformation Portfolio	Proposals being developed	0	(47)	(297)	0
Total		**(3,876)**	**(4,933)**	**(5,783)**	**(40)**

Regeneration & Housing					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Finance	Slicker Business: World Class Financial Management	(32)	(65)	(65)	(1)
Housing	Efficiency and VFM Analysis of Housing Options Functions	0	(783)	(1,023)	(40)
Housing	Review of Business Communication	(34)	(34)	(34)	0
Housing	Reduction in storage provision and costs	(20)	(20)	(20)	0
Housing	VFM efficiency in interpreting costs	(10)	(10)	(10)	0
Housing	Reallocation of Homelessness Directorate Grant funding	(266)	(266)	(266)	(4)
Regeneration	Reorganisation of Development & Regeneration function: Contribution from HRA	(426)	(426)	(426)	0
Regeneration	Reorganisation of Economic Development	(100)	(100)	(100)	0
Regeneration	Termination of subscription to West London Business	(14)	(14)	(14)	0
Regeneration	VFM efficiency in administration costs	(21)	(21)	(21)	0
Total		**(923)**	**(1,739)**	**(1,979)**	**(45)**

Residents Services					
Division	Description of Saving	2011/12 £000s	2012/13 £000s	2013/14 £000s	Reduction in FTEs 2011/12
Cleaner Greener Neighbourhoods	Review waste and street cleansing costs within the Serco contract	(100)	(100)	(100)	0.0
Cleaner Greener Neighbourhoods	Increase bulky waste charges above 5% with the minimum charge being increased from £15 to £20 for up to 5 items (rather than the offer of the current 3)	(20)	(20)	(20)	0.0
Cleaner Greener Neighbourhoods	Graffiti and clinical waste operations review	(30)	(30)	(30)	(1.0)
Cleaner Greener Neighbourhoods	Rationalising Contract Monitoring across the department	(35)	(35)	(35)	(1.0)
Cleaner Greener Neighbourhoods	Eyes and Ears - RSD (rationalising our on-street enforcement and warden teams, including transfer of locking / unlocking parks)	(300)	(395)	(395)	(8.0)
Cleaner Greener Neighbourhoods	More efficient Stray dogs arrangements	(10)	(10)	(10)	0.0
Cleaner Greener Neighbourhoods	Bring NI195 monitoring in-house	(10)	(10)	(10)	0.0
Cleaner Greener Neighbourhoods	Charge for return of shopping trolleys and set up an A Boards annual licence fee	(10)	(10)	(10)	0.0
Cleaner Greener Neighbourhoods	Reduction in Transport Insurance Premium	(50)	(50)	(50)	0.0
Cleaner Greener Neighbourhoods	Review of Commercial Waste operations, fees, charges and profitability	(110)	(110)	(110)	0.0
Commercial Income	Pitching service to hospitals as an income growth stream	(15)	(15)	(15)	0.0
Commercial Income	Explore new markets for growing cemeteries business, memorabilia, charging for a grave maintenance service and liaison with veterinary hospitals to become preferred supplier for pet crematorium services	(45)	(45)	(45)	0.0
Commercial Income	Universal product offering encompassing ENV/RSD services to large commercials	(75)	(75)	(75)	0.0
Commercial Income	Growth in the sales of professional witness & neighbourhood wardens service	(15)	(15)	(15)	0.0
Commercial Income	Consultancy Services to other authorities	(45)	(45)	(45)	0.0
Commercial Income	Sponsorship	(20)	(115)	(115)	0.0
Commercial Income	Growth in divisional income streams where there is still potential for further expansion and further review of fees and charges in areas where we are still underpriced relative to the market	(217)	(217)	(217)	0.0
Departmental	Move from 4 to 2 operational ADs over 2 years	(120)	(120)	(240)	(1.0)
Departmental	Move from 9 to 7 Heads of Service over 2 years	(130)	(130)	(130)	(2.0)

Residents Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
Departmental	Administration Review - Create admin hubs in department around billing and payment activity and general admin/report writing. Move customer activity to the contact centre	(210)	(210)	(210)	(6.0)
Departmental	Cross Cutting Contract Renegotiation	(15)	(21)	(21)	0.0
Departmental	Reduce from 7 to 6 Heads of Service. There is already an Efficiency of £120k to reduce from 9 to 7 Heads of Service from 2011/12	(65)	(65)	(65)	(1.0)
Parks & Culture	Review of GM contract	(155)	(283)	(283)	0.0
Parks & Culture	Further commercialise events programme, reducing elements that are not cost effective	(130)	(130)	(130)	(3.0)
Parks & Culture	Tennis delivery review	(55)	(55)	(55)	(2.0)
Parks & Culture	Parks & Recreation team restructure	(150)	(150)	(150)	(3.0)
Parks & Culture	Remove internal catering service	(40)	(40)	(40)	(2.5)
Parks & Culture	Rationalise Archives Service	(88)	(88)	(88)	(2.0)
Parks & Culture	Rationalise bowling greens	(22)	(22)	(22)	0.0
Parks & Culture	Future delivery of library service	(310)	(310)	(310)	0.0
Parks & Culture	Reduction of grant funding to Fulham Palace	(50)	(100)	(150)	0.0
Parks & Culture	Hammersmith AWP lease income	(50)	(50)	(50)	0.0
Parks & Culture	Net premises saving on transferring Passmore Edwards Library to the Bush Theatre	(32)	(32)	(32)	0.0
Parks & Culture	Redesign layout of Cemeteries within the borough to release additional burial space for sale	(114)	(114)	(114)	0.0
Parks & Culture	£400k targeted saving on Leisure contract review from 2012/13 - potential for some service reduction in 2011/12 and resulting part year contract management saving. Discussions underway with CHS to understand any impact for Phoenix School.	(100)	(400)	(400)	0.0
Parks & Culture	Addition to planned 2011/12 efficiencies on grounds maintenance contract.	(17)	(17)	(17)	0.0
Resources	Reduction in AD Resources post from 1 to 0.5 as part of the World Class Financial Management (WCFM) Programme. As departmental finance teams are likely to be integrated into more centralised teams, the role of departmental ADs will be reduced	(60)	(60)	(60)	(0.5)
Resources	Reduction in Resources team post achieved through increased emphasis on manager self service, therefore reducing the coordination role	(43)	(43)	(43)	(1.0)
Resources	Finance team Reorganisation as part of World Class Financial Management (WCFM) programme	(113)	(113)	(113)	(3.0)
Safer Neighbourhoods	Additional savings Out of Hours review	(99)	(99)	(99)	(3.0)
Safer Neighbourhoods	Relocation of Emergency services- reduction in SLA property charges	(40)	(40)	(40)	0.0

Residents Services					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
Safer Neighbourhoods	Reduce IT storage costs below existing SLA Target	(43)	(43)	(43)	0.0
Safer Neighbourhoods	Reduction in Security costs	(40)	(140)	(140)	0.0
Safer Neighbourhoods	SND supplies and services review	(10)	(10)	(10)	0.0
Safer Neighbourhoods	Rationalisation of Enhanced Policing Model policing working hours	(120)	(120)	(120)	0.0
Safer Neighbourhoods	Outsourcing the security service as part of the FM market testing exercise	0	(120)	(155)	0.0
Safer Neighbourhoods	Targeted 15% underspend across all former ABG budgets	(108)	(108)	(108)	(1.0)
Safer Neighbourhoods	Increase 24/7 Policing saving from £120k to £275k through service remodelling	(155)	(155)	(155)	(1.0)
Total		**(3,791)**	**(4,685)**	**(4,890)**	**(42)**

Corporate Items					
Division	**Description of Saving**	**2011/12**	**2012/13**	**2013/14**	**Reduction in FTEs**
		£000s	**£000s**	**£000s**	
Capital Debt Reduction	Debt Reduction Strategy	(700)	(1,400)	(3,380)	0
Pensions	Increase in employee contribution	0	(800)	(800)	0
Cross-Cutting	Further productivity and other efficiencies from outsourcing and new ways of working	0	(8,211)	(10,292)	0
Total		**(700)**	**(10,411)**	**(14,472)**	**0**

Hammersmith and Fulham - Summary					
		2011/12	**2012/13**	**2013/14**	**Reduction in FTEs**
		£'000	**£'000**	**£'000**	
Grand Total		(26,890)	(50,073)	(64,180)	(339)

Children's Services				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	£'000	£'000
Total		**0**	**0**	**0**

Community Services				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
All Divisions.	There are a number of new efficiencies proposed where there is a high degree of operational difficulty to deliver.	2,360	3,455	7,005
Adult Social Care	Home Care efficiency- the proposal to reduce by 5 minuite through electronic monitoring for all home care hours needs to be evaluated.	290	290	290
Adult Social Care	Loss of ILF Funding for New Clients	0	183	366
All Divisions.	The department has budget pressures and income shortfalls added as growth which will mean hthe department has an increased shortfall compared with the target as growth would have to be found. There is a risk that this shortfall may not be fully addressed	0	1,293	1,293
Total		**2,650**	**5,221**	**8,954**

Environment Services				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Total		**0**	**0**	**0**

Finance and Corporate Services				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Insurance	Increase in premiums following recent high value claims	200	200	200
Housing Benefits	Housing Benefit Subsidy Grant lower than expected	400	400	400
Total		**200**	**200**	**200**

Regeneration & Housing				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Finance	Loss of contribution to staffing costs following transfer of Adult Learning & Skills Service, closedown of New Deal for Communities programme, and expiry of Future Jobs Fund schemes	80	80	80
Finance	Loss of contribution to support costs following transfer of Adult Learning & Skills Service to Further Education College	260	260	260
Regeneration	Shortfall in rental income on new business starter units	70	70	70
Total		**410**	**410**	**410**

Residents Services				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Cleaner Greener Neighbourhoods	Review of Commercial Waste operations, fees, charges and profitability	110	110	110
Parks & Culture	£400k targeted saving on Leisure contract review from 2012/13 - potential for some service reduction in 2011/12 and resulting part year contract management saving. Discussions underway with CHS to understand any impact for Phoenix School.	100	400	400
Parks & Culture	Rationalise Archives Service	88	88	88
Total		**298**	**598**	**598**

Risks

Corporate				
Title	**Description**	**2011/12**	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Trade Refuse	Trade Refuse Transition	700	0	0
Pay	Pay Award at 2%	0	3,000	6,000
Land Charges	Land Charges	250	250	250
Inflation	Contract inflation 2% higher than currently assumed	2,140	4,280	6,420
Corporate	Potential non-delivery of savings	2,700	2,700	2,700
Corporate	Debt Reduction - downturn/delay in forecast capital receipts. Interest rate adjustments	500	500	500
Corporate	Costs incurred in asset disposal programme	1,000	1,000	1,000
Total		**7,290**	**11,730**	**16,870**

Hammersmith and Fulham - Summary				
		2011/12	**2012/13**	**2013/14**
		£'000	**£'000**	**£'000**
Grand Total		**10,848**	**18,159**	**27,032**

Revenue Grant Funding 2011/12

Funding Stream	2010/11 Award	Movement in Existing Grants/ Other Changes	2010/11 Comparable Award	2011/12 Actual Award	Change in Funding	Comment
	£000's	£000's	£000's	£000's	£000's	
Formula Grant	120,922	19,451	140,373	124,510	(15,863)	
Area Based Grant	22,668	(18,630)	4,038	0	(4,038)	
Core Revenue Grants						
- Adult Social PFI Grant	1,094	0	1,094	TBC	0	To be confirmed
- Council Tax and Housing Benefits Admin	2,439	0	2,439	2,288	(151)	
- Council Tax Freeze Grant	0	0	0	1,619	1,619	
- Early Intervention Grant	0	10,825	10,825	9,429	(1,396)	
- Lead Flood Authority Grant	0	0	0	159	159	
- Learning Disability Commissioning	3,868	0	3,868	3,962	94	
- New Homes Bonus Grant	0	0	0	909	909	
- Preventing Homelessness Grant	1,233	0	1,233	1,775	542	
New Core Revenue Grants Total	**8,634**	**10,825**	**19,459**	**20,141**	**1,776**	
Specific Grants						
- Education Grants	17,204	(15,191)	2,013	0	(2,013)	
- Non Education Grants	10,788	(9,040)	1,748	0	(1,748)	
- Adult Social Care Funding	1,434	(398)	1,036	0	(1,036)	
Specific Grants Total	**29,426**	**(24,629)**	**4,797**	**0**	**(4,797)**	
General Fund	**181,650**	**(12,983)**	**168,667**	**144,651**	**(22,922)**	
Dedicated Schools Grant	93,434	15,191	108,625	TBC	TBC	To be confirmed in June 2012
General Fund and Schools Funding	**275,084**	**2,208** [1]	**277,292**	**144,651**	**(22,922)**	

Notes

[1] The net increase of £2.208m represents new funding streams that are now included as part of formula grant. The largest element is £1.48m for Concessionary Fares

[2] There exists a number of grants whose status and/or allocations remain unclear for 2011/12. These include funding streams such as the Youth Justice Board, UASC (Under 18) and UASC (Leaving Care). In total, this represents £4.78m in 2010/11.

Appendix 6

Community Services Fees & Charges 2010/11 & 2011/12

Review January 2011

Community Services				
Fee Description by Division	**2010/11 Charge (£)**	**2011/12 Charge (£)**	**Proposed Uplift (%)**	**Reason for uplift**
Meal Service				
Meals Service	3.85	4.10	**6%**	For the Meals on Wheels service the price per meal is proposed to increase from £3.85 to £4.10 in 2011/12. Some other Boroughs currently charge up to £5.99 per meal. Hammersmith & Fulham has kept its price lower by making efficiencies in the costs of delivery.
Home Care Charging				
Home Care Charge	10.72	12.00	**12%**	The Cabinet has previously mandated officers to increase the contribution per hour for home care up to £12.40. It is proposed in this budget to increase the contribution in 2011/12 from £10.72 per hour to £12.00. This is inline with the actual cost of home care provision.
Removals				
ADDITIONAL STAFFING				
Monday - Friday - per man hour	21.68	21.68	**0%**	Uplift would otherwise make the service uncompetitive
Saturday - per man hour	22.54	22.54	**0%**	Uplift would otherwise make the service uncompetitive
Out of hours - per man hour	22.54	22.54	**0%**	Uplift would otherwise make the service uncompetitive
Saturday after 1430hrs	30.09	30.09	**0%**	Uplift would otherwise make the service uncompetitive
Waiting time per hour	38.71	38.71	**0%**	Uplift would otherwise make the service uncompetitive
Late notice of cancellation (within 24hrs)	38.71	38.71	**0%**	Uplift would otherwise make the service uncompetitive
Cancellation from store	60.28	60.28	**0%**	Uplift would otherwise make the service uncompetitive
Packing service - per man hour	21.68	21.68	**0%**	Uplift would otherwise make the service uncompetitive
Packing cases - each	3.77	3.77	**0%**	Uplift would otherwise make the service uncompetitive
Client access to store per hour	56.10	56.10	**0%**	Uplift would otherwise make the service uncompetitive
STORAGE COSTS				
0-300 cubic ft per day	2.14	2.35	**10%**	Retaining trading account position due to fall in volume of containers
351-550 cubic ft per day	4.39	4.83	**10%**	Retaining trading account position due to fall in volume of containers
Over551 cubic ft per day extra - per cubic ft	0.01	0.01	**10%**	Retaining trading account position due to fall in volume of containers
Packing crate charge per week	0.71	0.71	**0%**	Uplift would otherwise make service uncompetitive
Dump charge per container (Housing)	46.61	46.61	**0%**	Uplift would otherwise make service uncompetitive
ALL OTHER REMOVALS				
Monday-Friday 0800hrs-1500hrs Van x 2 staff	43.35	43.35	**0%**	Uplift would otherwise make the service uncompetitive
Extra staff - per man hour	21.68	21.68	**0%**	Uplift would otherwise make the service uncompetitive
Saturdays - per man hour	32.44	32.44	**0%**	Uplift would otherwise make the service uncompetitive
Sundays - per man hour	43.35	43.35	**0%**	Uplift would otherwise make the service uncompetitive

Appendix 6

Regeneration & Housing Services Fees & Charges 2010/11 & 2011/12

Review January 2011

Regeneration & Housing				
Fee Description by division	**2010/11 Charge (£)**	**2011/12 Charge (£)**	**Proposed Uplift (%)**	**Reason for uplift**
Private Sector Leasing				
Private Sector Leasing Water Charges	Varies	Varies	0.00	The charge is determined by the annual increase set by the water companies
Private Sector Leasing Rent (average per week)	296.10 as at 1 April 2010	292.50 as at 1 December 2010		The proposed fee is based on the best available (December 2010) data. From 1 April 2010, the PSL rent threshold is based on the January Local Housing Allowance (LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. The threshold formula is 90% of LHA plus £40 and subject to a cap of £500 on Inner London and Outer South West London Broad Rental Market Areas (BRMA) and a cap of £375 on other BRMAs.
Bed & Breakfast Temporary				
B & B Rent Single/Family	237.96 as at 1 April 2010	232.89 as at 1 December 2010		The proposed fee is based on the best available (December 2010) data. From 1 April 2010, the PSL rent threshold is based on the January Local Housing Allowance (LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. This fee is the LHA threshold for one bedroom properties.
B & B Amenity Charge				It is proposed to increase the charge in line with inflation to reflect the increase in the cost of B&B amenities provided to clients.
Adult	9.20	9.61	4.50	
2 Adults	11.75	12.28	4.50	
3 Adults	14.80	15.47	4.50	
4 Adults	17.35	18.13	4.50	

2011/2012 ESTIMATES

APPENDIX 7: COMMUNITY SERVICES

COMMUNITY SERVICES
CHANGE BETWEEN YEARS

Service Area Analysis	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Adjustments £000	2011/2012 Estimates £000
Head Of Directorate	229	0	0	0	0	(36)	192
Resources	1,262	3	(32)	(446)	1,294	446	2,526
Quality, Commissioning & Procurement (Qc&P)	19,862	100	425	(2,335)	0	(150)	17,902
Adult Social Care (Asc)	56,227	493	3,693	(3,502)	1,543	1,036	59,492
TOTAL	**77,580**	**596**	**4,086**	**(6,283)**	**2,837**	**1,296**	**80,112**

COMMUNITY SERVICES
SUMMARY

	2010/2011	2011/2012
Number of Full Time Equivalent staff	437	400

SUBJECTIVE ANALYSIS OF ESTIMATES	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employee Expenses	20,880	0	(171)	(1,605)	0	(1,540)	17,566
Premises Related Expenditure	2,005	0	(6)	0	0	(1,183)	817
Transport Related Expenditure	821	0	0	(25)	0	4	801
Supplies and Services	24,676	104	(5)	(1,238)	1,294	(2,984)	21,845
Third Party Payments	49,285	446	0	(2,661)	1,468	1,853	50,392
Transfer Payments	6,906	46	0	(71)	75	307	7,262
Support Services	6,929	0	0	0	0	1,835	8,763
Capital Charges	319	0	0	0	0	882	1,201
GROSS EXPENDITURE	**111,821**	**596**	**(182)**	**(5,600)**	**2,837**	**(826)**	**108,647**
Service Level Agrerement Recharges	(6,168)	0	0	0	0	2,400	(3,769)
Income							
Internal Recharge Income	(545)	0	0	0	0	0	(545)
Government Grants	(3,709)	0	398	0	0	579	(2,732)
Other Reimbursements & Contributions	(21,639)	0	3,870	(300)	0	(789)	(18,858)
Customer & Client Receipts	(2,313)	0	0	(250)	0	(68)	(2,631)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	133	0	0	(133)	0	0	0
GROSS INCOME	**(28,073)**	**0**	**4,268**	**(683)**	**0**	**(278)**	**(24,766)**
NET EXPENDITURE	**77,580**	**596**	**4,086**	**(6,283)**	**2,837**	**1,296**	**80,112**

COMMUNITY SERVICES
HEAD OF DIRECTORATE

The division contains the following areas of activity: Directors Office.

	2010/2011	2011/2012
Full Time Equivalents	1	1

Subjective Analysis of Estimates	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employees	208	0	0	0	0	0	209
Premises	2	0	0	0	0	(2)	0
Transport	1	0	0	0	0	(1)	0
Supplies & Services	36	0	0	0	0	(28)	7
Third Party Payments	0	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0	0
Support Services	(18)	0	0	0	0	(5)	(24)
Capital Charges	0	0	0	0	0	0	0
Gross Expenditure	**229**	**0**	**0**	**0**	**0**	**(36)**	**192**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	0	0	0	0	0	0	0
Reimbursements & Contributions	0	0	0	0	0	0	0
Customer & Client Receipts	0	0	0	0	0	0	0
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Expenditure/ (Income)	**229**	**0**	**0**	**0**	**0**	**(36)**	**192**

Explanation of major items above (excluding inflation)	£000	FTE
Reallocation of corporate and departmental overheads.	(36)	0
Total	**(36)**	**0**

COMMUNITY SERVICES
RESOURCES

The division contains the following areas of activity: Finance, Programme Management, Executive Office, Training Administration, Meals Service and Removals. Corporate Support & Information Technology and other centralised budgets which are fully apportioned to front line services.

	2010/2011	2011/2012
Full Time Equivalents	82	67

Subjective Analysis of Estimates	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employees	3,737	0	(28)	(425)	0	(92)	3,192
Premises	279	0	0	0	0	(20)	259
Transport	142	0	0	(20)	0	5	127
Supplies & Services	744	3	(4)	(1)	1,294	(230)	1,806
Third Party Payments	0	0	0	0	0	0	0
Transfer Payments	5	0	0	0	0	(3)	1
Support Services	628	0	0	0	0	(2,665)	(2,037)
Capital Charges	(42)	0	0	0	0	81	39
Gross Expenditure	**5,493**	**3**	**(32)**	**(446)**	**1,294**	**(2,924)**	**3,387**
Service Level Agreement Recharges	(3,220)	0	0	0	0	3,220	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(69)	0	0	0	0	69	0
Reimbursements & Contributions	(63)	0	0	0	0	29	(34)
Customer & Client Receipts	(879)	0	0	0	0	52	(827)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(1,011)**	**0**	**0**	**0**	**0**	**150**	**(861)**
Net Expenditure/ (Income)	**1,262**	**3**	**(32)**	**(446)**	**1,294**	**446**	**2,526**

Explanation of major items above (excluding inflation)	£000	FTE
MTFS staffing headcount reduction and running cost efficiencies in the Resources Division	(446)	(13)
MTFS growth allocated to fund various pressures within the Adult Social Care services (funded from earmarked reserves).	1,294	
Transfer of two budgets to Finance & Corporate Resources - Maternity and Employee Assistance	(28)	
Recovery of internal support costs to Adult Social Care Services in line with Best Value Accounting Code of Practice.	(2,665)	
Reallocation of external support costs with costs allocated directly to Adult Social Care services.	3,220	
Net transfer of budgets to Environment for Facilities Management.	(230)	
Net transfer of staffing to Regeneration and Housing Divisions.	(92)	(2)
Various income budget adjustments and other changes.	209	
Total	**1,262**	**(15)**

COMMUNITY SERVICES
QUALITY, COMMISSIONING & PROCUREMENT (QC&P)

The division contains the following areas of activity: QC&P Headquarters, Commissioning, Procurement & Contracts, Community Liaison, Information & Performance and Self Directed Support.

	2010/2011	2011/2012
Full Time Equivalents	58	39

Subjective Analysis of Estimates	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employees	3,232	0	(143)	(530)	0	(429)	2,130
Premises	554	0	(6)	0	0	(335)	214
Transport	8	0	0	(5)	0	0	3
Supplies & Services	21,331	100	(1)	(1,176)	0	(1,006)	19,247
Third Party Payments	1,553	0	0	(622)	0	257	1,189
Transfer Payments	77	0	0	(2)	0	0	75
Support Services	1,347	0	0	0	0	1,442	2,790
Capital Charges	28	0	0	0	0	86	114
Gross Expenditure	**28,130**	**100**	**(150)**	**(2,335)**	**0**	**15**	**25,762**
Service Level Agreement Recharges	(2,948)	0	0	0	0	(820)	(3,769)
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(2,517)	0	398	0	0	388	(1,731)
Reimbursements & Contributions	(2,749)	0	177	0	0	387	(2,186)
Customer & Client Receipts	(54)	0	0	0	0	(120)	(174)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(5,320)**	**0**	**575**	**0**	**0**	**655**	**(4,091)**
Net Expenditure/ (Income)	**19,862**	**100**	**425**	**(2,335)**	**0**	**(150)**	**17,902**

Explanation of major items above (excluding inflation)	£000	FTE
MTFS staffing efficiencies and headcount reduction in this division (Net General Fund reduction).	(530)	(11)
MTFS efficiencies relating to re-prioritisation of 3rd sector Investment Fund	(1,176)	0
MTFS efficiencies relating to procurement and contract management.	(629)	0
Transfer of residual Advice Service responsibilities to Regeneration & Housing Options services	(150)	0
Net re-allocation of internal and external support costs to services.	622	
Net reduction in supplies and services budgets in line with funding programme.	(230)	
Net reduction in employees in line with funding programme.	(429)	(8)
Accounting adjustment to transfer the HIV/AIDS grant which is mainstream into Formula Funding.	398	
Net other adjustments.	64	
Total	**(2,060)**	**(19)**

COMMUNITY SERVICES
ADULT SOCIAL CARE (ASC)

The division contains the following areas of activity: ASC Headquarters, Review & Quality Assurance, Community Assessment & Social Care Services, Occupational and Adaptations, Disability Services, Day Services and Support Planning, Learning Disability Services and Mental Health Services.

	2010/2011	2011/2012
Full Time Equivalents	296	293

Subjective Analysis of Estimates	**2010/2011 Estimates £000**	**Inflation £000**	**Redirected Resources £000**	**Efficiencies £000**	**Growth £000**	**Other Variations £000**	**2011/2012 Estimates £000**
Expenditure							
Employees	13,703	0	0	(650)	0	(1,019)	12,035
Premises	1,170	0	0	0	0	(826)	344
Transport	670	0	0	0	0	0	671
Supplies & Services	2,565	1	0	(61)	0	(1,720)	785
Third Party Payments	47,732	446	0	(2,039)	1,468	1,596	49,203
Transfer Payments	6,824	46	0	(69)	75	310	7,186
Support Services	4,972	0	0	0	0	3,063	8,034
Capital Charges	333	0	0	0	0	715	1,048
Gross Expenditure	**77,969**	**493**	**0**	**(2,819)**	**1,543**	**2,119**	**79,306**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	(545)	0	0	0	0	0	(545)
Government Grants	(1,123)	0	0	0	0	122	(1,001)
Reimbursements & Contributions	(18,827)	0	3,693	(300)	0	(1,205)	(16,638)
Customer & Client Receipts	(1,380)	0	0	(250)	0	0	(1,630)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	133	0	0	(133)	0	0	0
Gross Income	**(21,742)**	**0**	**3,693**	**(683)**	**0**	**(1,083)**	**(19,814)**
Net Expenditure/ (Income)	**56,227**	**493**	**3,693**	**(3,502)**	**1,543**	**1,036**	**59,492**

Explanation of major items above (excluding inflation)	**£000**	**FTE**
Accounting adjustment to transfer the Learning Disability grant (Previously funded by Health)	3,870	0
MTFS staffing efficiencies and headcount reduction from social work productivity and process re-engineering	(650)	(12)
MTFS efficiencies relating to smarter procurement in the Home Care market and providing alternative home support for out of borough placements.	(2,169)	(3)
MTFS efficiencies through increased income in residential charging and careline	(550)	
MTFS efficiency by reducing the Private Finance Initiative (PFI) subsidy.	(133)	0
Growth in Adult Social Care market due to demographic and cost pressures	1,543	0
Reallocation of direct employees costs budgets into 3rd party payments and transfer payments	(709)	
Transfer of Occupational Therapist and adaptation service from Housing to Adult Social Care and Benefit Advisors to Resource Division. (Budget shown in the original estimate)	0	15
Reallocation of external support costs previously shown in premises, supplies and services and increased in external support costs.	517	
Increased expenditure mainly funded by joint working with NHS Hammersmith and Fulham	1,596	
Increased in depreciation charges principally related to PFI nursing homes	715	
Increased contributions from joint working with NHS HF	(1,205)	0
Other changes	(55)	
Total	**2,770**	**1**

2011/2012 ESTIMATES

APPENDIX 7: REGENERATION & HOUSING SERVICE

REGENERATION & HOUSING
CHANGE BETWEEN YEARS

Service Area Analysis	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Adjustments £000	2011/2012 Estimates £000
Housing Options	3,582	133	947	(330)	1,963	137	6,431
New Deals For Communities	1,874	0	0	0	0	(1,873)	0
Housing Strategy & Regeneration	1,584	0	(136)	(561)	350	2,256	3,494
Regeneration & Housing Finance Division	650	0	(9)	(32)	0	(32)	577
TOTAL	**7,690**	**133**	**802**	**(923)**	**2,313**	**488**	**10,502**

REGENERATION & HOUSING
SUMMARY

	2010/2011	2011/2012
Number of Full Time Equivalent staff	174	163

SUBJECTIVE ANALYSIS OF ESTIMATES	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employee Expenses	8,703	0	(156)	(605)	350	(469)	7,824
Premises Related Expenditure	6,514	110	0	0	0	583	7,206
Transport Related Expenditure	20	0	0	0	0	(6)	13
Supplies and Services	3,561	0	9	(52)	0	(1,673)	1,847
Third Party Payments	640	9	0	0	1,947	(300)	2,297
Transfer Payments	618	14	0	0	0	15	648
Support Services	1,470	0	0	0	0	1,564	3,034
Capital Charges	1,995	0	0	0	0	(2)	1,992
GROSS EXPENDITURE	**23,521**	**133**	**(147)**	**(657)**	**2,297**	**(288)**	**24,861**
Service Level Agrerement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(5,233)	0	949	(266)	0	1,274	(3,277)
Other Reimbursements & Contributions	(1,469)	0	0	0	0	(10)	(1,479)
Customer & Client Receipts	(9,129)	0	0	0	16	(488)	(9,603)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
GROSS INCOME	**(15,831)**	**0**	**949**	**(266)**	**16**	**776**	**(14,359)**
NET EXPENDITURE	**7,690**	**133**	**802**	**(923)**	**2,313**	**488**	**10,502**

REGENERATION & HOUSING
HOUSING OPTIONS

The division covers three Housing service areas - Housing Options Central (which includes divisional management, the enhanced housing options project, the adaptations & occupational therapy team & the H&F Advice Centre), Accommodation Services (made up of temporary accommodation, housing support & rehousing) Assessment & Advice (including the homebuy service, the Placement and Assessment Team for Homeless Singles (PATHS) team and various other homeless projects).

	2010/2011	2011/2012
Full Time Equivalents	89	77

Subjective Analysis of Estimates	**2010/2011 Estimates £000**	**Inflation £000**	**Redirected Resources £000**	**Efficiencies £000**	**Growth £000**	**Other Variations £000**	**2011/2012 Estimates £000**
Expenditure							
Employees	3,810	0	(2)	(34)	0	(244)	3,530
Premises	6,033	110	0	0	0	715	6,857
Transport	15	0	0	0	0	(3)	12
Supplies & Services	943	0	0	(30)	0	(511)	405
Third Party Payments	537	9	0	0	1,947	(274)	2,219
Transfer Payments	603	14	0	0	0	5	623
Support Services	540	0	0	0	0	806	1,346
Capital Charges	68	0	0	0	0	(56)	11
Gross Expenditure	**12,549**	**133**	**(2)**	**(64)**	**1,947**	**438**	**15,003**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(1,046)	0	949	(266)	0	141	(223)
Reimbursements & Contributions	(49)	0	0	0	0	(42)	(91)
Customer & Client Receipts	(7,872)	0	0	0	16	(400)	(8,258)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(8,967)**	**0**	**949**	**(266)**	**16**	**(301)**	**(8,572)**
Net Expenditure/ (Income)	**3,582**	**133**	**947**	**(330)**	**1,963**	**137**	**6,431**

Explanation of major items above (excluding inflation)	**£000**	**FTE**
MTFS Efficiencies resulting from reallocation of Homelessness Prevention grant (£266k), and review of storage, interpretation, and business communication costs	(330)	(6)
MTFS growth arising from implementation of caps on Housing Benefit subsidy (Local Housing Allowance)	1,963	-
Temporary Accommodation net extra cost on premises to reflect the extra units on Private Sector Leasing (PSL) scheme & Bed and Breakfasts (B&B)	441	
Temporary Accommodation net income from tenants to reflect the extra units on PSL scheme & B&B.	(442)	
Reapportionment of internal & central overheads and capital charges	239	
Reduction of Government grant from Communities & Local Government (CLG)	141	
Reduction and termination of grant funded projects	(244)	(6)
Mainstreaming of Homelessness Prevention grant allocation	949	
Total	**2,717**	**(12)**

REGENERATION & HOUSING
NEW DEALS FOR COMMUNITIES

The Council acts as the accountable body in working with the North Fulham New Deal for Communities (NDC). This is a Government funded programme which focuses on generating beneficial economic, health and environmental outcomes for local residents. The current programme is set to continue until 2011.

	2010/2011	2011/2012
Full Time Equivalents	0	0

Subjective Analysis of Estimates	**2010/2011 Estimates £000**	**Inflation £000**	**Redirected Resources £000**	**Efficiencies £000**	**Growth £000**	**Other Variations £000**	**2011/2012 Estimates £000**
Expenditure							
Employees	199	0	0	0	0	(199)	0
Premises	27	0	0	0	0	(27)	0
Transport	1	0	0	0	0	0	0
Supplies & Services	621	0	0	0	0	(621)	0
Third Party Payments	0	0	0	0	0	0	0
Transfer Payments	15	0	0	0	0	(15)	0
Support Services	0	0	0	0	0	0	0
Capital Charges	1,873	0	0	0	0	(1,873)	0
Gross Expenditure	**2,736**	**0**	**0**	**0**	**0**	**(2,735)**	**0**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(862)	0	0	0	0	862	0
Reimbursements & Contributions	0	0	0	0	0	0	0
Customer & Client Receipts	0	0	0	0	0	0	0
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(862)**	**0**	**0**	**0**	**0**	**862**	**0**
Net Expenditure/ (Income)	**1,874**	**0**	**0**	**0**	**0**	**(1,873)**	**0**

Explanation of major items above (excluding inflation)	**£000**	**FTE**
Cessation of NDC programme: reversal of income and expenditure budgets	862/(862)	-
Transfer of capital charges budgets to Regeneration	(1,873)	-
Total	**(1,873)**	**0**

REGENERATION & HOUSING
HOUSING STRATEGY & REGENERATION

The Regeneration division provides physical, social and economic initiatives with its partners across West London to promote business growth, increase job creation and employment, attract inward investment and improve skill levels. This work is supported by bidding for external regeneration funds for Hammersmith & Fulham.

	2010/2011	2011/2012
Full Time Equivalents	79	81

Subjective Analysis of Estimates	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Variations £000	2011/2012 Estimates £000
Expenditure							
Employees	4,311	0	(145)	(539)	350	(17)	3,961
Premises	434	0	0	0	0	(102)	332
Transport	4	0	0	0	0	(3)	1
Supplies & Services	1,817	0	9	(22)	0	(361)	1,442
Third Party Payments	103	0	0	0	0	(26)	78
Transfer Payments	0	0	0	0	0	25	25
Support Services	855	0	0	0	0	593	1,448
Capital Charges	54	0	0	0	0	1,927	1,981
Gross Expenditure	**7,578**	**0**	**(136)**	**(561)**	**350**	**2,036**	**9,268**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	(3,325)	0	0	0	0	271	(3,054)
Reimbursements & Contributions	(1,412)	0	0	0	0	37	(1,375)
Customer & Client Receipts	(1,257)	0	0	0	0	(88)	(1,345)
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(5,994)**	**0**	**0**	**0**	**0**	**220**	**(5,774)**
Net Expenditure/ (Income)	**1,584**	**0**	**(136)**	**(561)**	**350**	**2,256**	**3,494**

Explanation of major items above (excluding inflation)	£000	FTE
Transfer to Economic Development of Shepherd's Bush Advice Centre budget to One Place Job Centre Plus service	149	3
Transfer of Strategic Regeneration debt reduction savings budget	(284)	
MTFS Efficiency: Reorganisation of Development & Regeneration function: Contribution from HRA	(426)	(6)
MTFS Efficiency: Reorganisation of Economic Development	(100)	-
MTFS Efficiency: Administrative cost savings	(35)	-
MTFS Growth: Expiry of Strategic Regeneration funding arrangements	350	-
Reapportionment of internal & central overheads and capital charges	2,255	-
Net effect of cessation and commencement of apprenticeship schemes	220/(220)	5
Total	**1,909**	**2**

REGENERATION & HOUSING
REGENERATION & HOUSING FINANCE DIVISION

The Regeneration & Housing Finance Division provides a comprehensive financial support service to the department. These budgets are due to be transferred to Finance & Corporate Services in line with the World Class Financial Management programme from 2011/12.

	2010/2011	2011/2012
Full Time Equivalents	6	5

Subjective Analysis of Estimates	**2010/2011 Estimates £000**	**Inflation £000**	**Redirected Resources £000**	**Efficiencies £000**	**Growth £000**	**Other Variations £000**	**2011/2012 Estimates £000**
Expenditure							
Employees	383	0	(9)	(32)	0	(9)	333
Premises	20	0	0	0	0	(3)	17
Transport	0	0	0	0	0	0	0
Supplies & Services	180	0	0	0	0	(180)	0
Third Party Payments	0	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0	0
Support Services	75	0	0	0	0	165	240
Capital Charges	0	0	0	0	0	0	0
Gross Expenditure	**658**	**0**	**(9)**	**(32)**	**0**	**(27)**	**590**
Service Level Agreement Recharges	0	0	0	0	0	0	0
Income							
Internal Recharge Income	0	0	0	0	0	0	0
Government Grants	0	0	0	0	0	0	0
Reimbursements & Contributions	(8)	0	0	0	0	(5)	(13)
Customer & Client Receipts	0	0	0	0	0	0	0
Interest & Other	0	0	0	0	0	0	0
Use of Balances & Reserves	0	0	0	0	0	0	0
Gross Income	**(8)**	**0**	**0**	**0**	**0**	**(5)**	**(13)**
Net Expenditure/ (Income)	**650**	**0**	**(9)**	**(32)**	**0**	**(32)**	**577**

Explanation of major items above (excluding inflation)	**£000**	**FTE**
MTFS: World Class Financial Management Efficiency	(32)	(1)
Realignment of maternity budget allocation	(9)	-
Apportionment of internal and central overheads	(32)	-
Total	**(73)**	**(1)**

London Borough of Hammersmith & Fulham

HOUSING, HEALTH & ADULT SOCIAL CARE SELECT COMMITTEE

DATE	TITLE	Wards
18 January 2011	Task Group: Hammersmith & Fulham: Lift Maintenance	All

SYNOPSIS

The report informs the committee of the proposal to establish a task group to review the issues in respect of lift maintenance provided on Hammersmith & Fulham Estates, and to determine ways to improve performance.

CONTRIBUTORS

Sue Perrin

RECOMMENDATION(S):

The committee is asked to support the proposal and to make recommendations to the Overview and Scrutiny Board in respect of Task Group membership.

NEXT STEPS

The committee's recommendations will be submitted to the Overview and Scrutiny Board, for decision at its meeting on 25 January 2011.

CONTACT

Sue Perrin
Ext . 2094

Scrutiny Task Group Review Scoping Document

Title of Review	**Hammersmith & Fulham Estates: Lift Maintenance**
Outline Purpose (reason)	To review the issues in respect of maintenance of lifts provided on Hammersmith & Fulham Estates, and to determine ways to improve performance.
Expected Timescale of review	February – April 2011
Terms of Reference	To review the performance of lifts and lift maintenance on H&F estates. To review measurable performance standards for estate lifts. To make recommendations in respect of possible solutions and improvements to lift provisions on H&F estates.
Exclusions	Factors relating to the number of lifts or lack of provision. Non H&F properties. Fire safety and general safety issues in lifts.
Key Lines of Enquiry (Research required)	Data collection on estates/ provision of lifts, type of lifts and alarm/intercom systems. Analysis of lift procurement and maintenance agreements, including contractor performance, quality control process, alarm response times and routine checks Key performance indicators for lift breakdowns and repair, including targets, benchmarking with performance in RSLs neighbouring boroughs and private

	properties. Analysis of causes of lift breakdowns and repairs. Proposed improvements and specialist advice. Review lift replacement policy and Indicative costs for lift replacement. Guidance provided to residents. Alternative procurement options Case study estate: proposal for Charecroft Estate because of recent problems reported to ward councillors.
Publicity for review	Press releases in H&F News/ HFH tenants publications to attract tenant response and comment
Possible witnesses	Case study estate: tenants and residents association, concierge and estate improvement officers. Contractors London Fire Service (call outs to trapped users) Officers from neighbouring boroughs/ in borough RSLs Commissioning Officers
Expected outcomes (link to corporate priorities)	To identify key service performance issues and problems. To raise performance against measurable standards
Value for Money outcomes	To achieve longer term better value and lower cost in procurement and service contracts.
Potential sources of information	Ward councillors LBHF and HFH officers Scrutiny reviews undertaken by other boroughs Housing Associations Private development Tenant Groups (HAFFTRA) London Fire Service (e.g. comparative call

	outs) Residents' complaints
Lead Officer	Sue Perrin, Committee Co-ordinator
Key departmental contacts	To be determined.
Risks	Additional resources requested for improved maintenance contracts and replacements lifts. Focus diverted, given scope of subject. Timetable slippage.
Potential co-optees	HAFFTRA
Potential Activities (e.g. visits/consultation)	Visit to case study estates.
Potential Costs	Travelling Expenses (nominal)

London Borough of Hammersmith & Fulham

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE

DATE	TITLE	Wards
18 January 2010	Work Programme and Forward Plan 2010-2011	All Wards

SYNOPSIS

The draft work programme has been drawn up, in consultation with the Chairman, from items in the Forward Plan and from action arising from previous meetings of the Housing, Health and Adult Social Care Select Committee and its predecessor committees.

The committee is requested to consider the items within the proposed work programme set out at Appendix A to this report and suggest any amendments or additional topics to be included in the future.

Attached as Appendix B to this report is a copy of the Forward Plan items showing the decisions to be taken by the Executive at the Cabinet.

CONTRIBUTORS

Finance and Corporate Services

RECOMMENDATION(S):

That the committee considers and agrees its proposed work programme, subject to update at subsequent meetings of the committee.

CONTACT

Sue Perrin
020 8753 2094

NEXT STEPS

APPENDIX A

HOUSING, HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE, WORK PROGRAMME 2010/2011

June 2010
The New Government's Proposals on Health and the Likely Impact on Hammersmith & Fulham
Introduction to Housing Services
Introduction to and Challenges in Adult Social Care
September 2010
The Implications for the Council of the White Paper: Equity and Excellence; Liberating the NHS
Carers' Strategy Review: Progress Update
Consultation with Residents on Bringing the Housing Services Back to the Council
November 2010
Comprehensive Spending Review
Housing Benefit Changes
The London Health Inequalities Strategy
Developments in Day Care: Briefing Report for Information
LINks Update/submission to White Paper consultation
January 2011
Revenue Budget and Council Tax, 2011 – 2012
The White Paper for Public Health: Health Lives, Healthy People
White City Health and Care Centre: Full Business Case
February 2011
Voluntary Sector – Working in Partnership
H&F Homes Update

Housing Benefits Update
LINKs Update Report
Health Inequalities Task Group: Final Report
Dementia Strategy: For information
April 2011
Estate Regeneration
Integration with the Royal Borough of Kensington & Chelsea and the City of Westminster Council
Out of Hospital Care
Personal Budgets Update
Other Items
GP Surgeries • Access • Incentives for GPs to move into the north of the borough • Patient Experience: Monitoring
Home Care and Housing Related Support: Update
Housing Allocations Scheme: Post Implementation Review
Housing Initiatives: Progress Report (to include Overcrowding)
Local Development Framework
Maternity Services, to include: Quality and continuity of care for mothers and babies
Older People's Strategy
Taxicard Scheme: Public Consultation
Briefing Reports
Safeguarding Adults: Annual Report

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Forward Plan, September – December 2010	Sue Perrin/Extension 2094	Hammersmith Town Hall

APPENDIX B

FORWARD PLAN OF KEY DECISIONS

Proposed to be made in the period January 2011 to April 2011

The following is a list of Key Decisions, as far as is known at this stage, which the Authority proposes to take in the period from January 2011 to April 2011.

KEY DECISIONS are those which are likely to result in one or more of the following:

- **Any expenditure or savings which are significant, regarding the Council's budget for the service function to which the decision relates in excess of £100,000;**
- **Anything affecting communities living or working in an area comprising of two or more wards in the borough;**
- **Anything significantly affecting communities within one ward (where practicable);**
- **Anything affecting the budget and policy framework set by the Council.**

The Forward Plan will be updated and published on the Council's website on a monthly basis. (New entries are highlighted in yellow).

NB: Key Decisions will generally be taken by the Executive at the Cabinet. The items on this Forward Plan are listed according to the date of the relevant decision-making meeting.

If you have any queries on this Forward Plan, please contact
***Katia Richardson** on 020 8753 2368 or by e-mail to katia.richardson@lbhf.gov.uk*

Consultation

Each report carries a brief summary explaining its purpose, shows when the decision is expected to be made, background documents used to prepare the report, and the member of the executive responsible. Every effort has been made to identify target groups for consultation in each case. Any person/organisation not listed who would like to be consulted, or who would like more information on the proposed decision, is encouraged to get in touch with the relevant Councillor and contact details are provided at the end of this document.

Reports

Reports will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the relevant meeting.

Decisions

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this Forward Plan by contacting the officer shown in column 6. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) are on the front sheet of each Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2009/10

Leader:	**Councillor Stephen Greenhalgh**
Deputy Leader (+Environment and Asset Management):	**Councillor Nicholas Botterill**
Cabinet Member for Children's Services:	**Councillor Helen Binmore**
Cabinet Member for Community Care:	**Councillor Joe Carlebach**
Cabinet Member for Community Engagement:	**Councillor Harry Phibbs**
Cabinet Member for Housing:	**Councillor Lucy Ivimy**
Cabinet Member for Residents Services:	**Councillor Greg Smith**
Cabinet Member for Strategy:	**Councillor Mark Loveday**

Forward Plan No 104 (published 15 December 2010)

LIST OF KEY DECISIONS PROPOSED JANUARY 2011 TO APRIL 2011

Where the title bears the suffix (Exempt), the report for this proposed decision is likely to be exempt and full details cannot be published.

New entries are highlighted in yellow.

* 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: (ie Council or Cabinet)	**Date of Decision-Making Meeting and Reason**	**Proposed Key Decision**	**Lead Executive Councillor(s) and Wards Affected**
January			
Cabinet Full Council	10 Jan 2011 26 Jan 2011	**Council Tax Base & Collection Rate 2011/12** This report contains an estimate of the Council Tax collection rate and calculates the Council Tax base for 2011/12.	Leader of the Council
	Reason: Budg/pol framework	The Council Tax base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2011/12.	Ward(s): All Wards;
Cabinet	10 Jan 2011	**Family Support Programme** Proposals for future provision of support to vulnerable families in Hammersmith and Fulham.	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000		Ward(s): All Wards;
Cabinet	10 Jan 2011	**Integrated Care Programme** To seek delegated authority for the Director of Community Services to agree arrangements for integrating care services with Central London Community Healthcare Trust. Also to commence discussions with Royal Borough of Kensington & Chelsea and Westminster City Council about undertaking this jointly.	Cabinet Member for Community Care
	Reason: Expenditure more than £100,000		Ward(s): All Wards;
Cabinet	10 Jan 2011	**Library Strategy 2009-14 - Update and Review** Update for Members on progress against actions in Library Strategy 2009-14 and proposals for next steps to continue modernisation of library service.	Cabinet Member for Residents Services
	Reason: Affects more than 1 ward		Ward(s): All Wards;

Decision to be Made by: (ie Council or Cabinet)	**Date of Decision-Making Meeting and Reason**	**Proposed Key Decision**	**Lead Executive Councillor(s) and Wards Affected**
Cabinet	10 Jan 2011 Reason: Expenditure more than £100,000	**The General Fund Capital Programme, Housing Revenue Capital Programme and Revenue Budget 2010/11 - Month 7 Amendments** Report seeks approval to changes to the Capital Programme and Revenue Budget.	Leader of the Council Ward(s): All Wards;
Cabinet	10 Jan 2011 Reason: Expenditure more than £100,000	**Offsite Records Storage Service Re-tender** Recommending a supplier for the Offsite Records Storage Service, 2011-2016.	Leader of the Council Ward(s): All Wards;
Cabinet	10 Jan 2011 Reason: Affects more than 1 ward	**H&F Buildings Report** This report outlines recommendations for the future of a number of H&F owned or leased buildings, recently the subject of a consultation exercise.	Cabinet Member for Community Care Ward(s): All Wards;
Cabinet	10 Jan 2011 Reason: Expenditure more than £100,000	**Option Appraisal on the Future of 120, Dalling Road Children's Home** This report outlines the options for the future of Dalling Rd Children's Home in the context of the Children's Services MTFS and placements strategy for looked after children.	Cabinet Member for Children's Services Ward(s): All Wards;
Cabinet	10 Jan 2011 Reason: Affects more than 1 ward	**The Future of the Housing Management Service** The management agreement with H&F Homes, the Council's Arms Length Management Organisation (ALMO), ends on the 31 March 2011. This report proposes the return of the housing service to the Council and the creation of a single Housing and Regeneration Department within the Council, thereby giving rise to the direct management of services in the future. This follows the outcome of the consultation with tenants and leaseholders on the Council's proposal to directly manage the housing service.	Cabinet Member for Housing Ward(s): All Wards;

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	10 Jan 2011	**Progress on Sharing of Children's Services with Westminster City Council and Royal Borough of Kensington & Chelsea** The report outlines progress on proposals to merge Children's Services across Westminster City Council (WCC), Royal Borough of Kensington & Chelsea (RBKC) and London Borough of Hammersmith & Fulham (LBHF), to be implemented in phases from 2011 to 2012.	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward		Ward(s): All Wards;
Cabinet	10 Jan 2011	**Measured Term Contract & Framework Agreement for Non-Housing Properties 2011-2015** Works to include refurbishment, conversion or repair works (£20,000 - £750,000.	Deputy Leader (+Environment and Asset Management)
	Reason: Affects more than 1 ward		Ward(s): All Wards;
Cabinet	10 Jan 2011	**Possible Changes to Taxicard Scheme: Public Consultation** Taxicard is a pan-London transport scheme for disabled residents jointly funded by London Boroughs and Transport for London, co-ordinated by London Councils. Due to a projected pan-London overspend for the scheme, London Councils have recommended changes to the Taxicard scheme. The Taxicard projected overspend for LBHF this financial year could be up to £90K, with further overspend in following years, unless remedial actions are put in place. To reduce this overspend LBHF have the option to implement changes to the scheme proposed by London Councils. Public consultation will occur to consider various changes to the LBHF scheme including eligibility criteria and proposals from London Councils.	Cabinet Member for Children's Services, Cabinet Member for Community Care
	Reason: Affects more than 1 ward		Ward(s): All Wards;

February

Cabinet	7 Feb 2011	**The General Fund Capital Programme, Housing Revenue Capital Programme and Revenue Budget 2010/11 - Month 8 Amendments** Report seeks approval to changes to the Capital Programme and Revenue Budget.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards;

Decision to be Made by: (ie Council or Cabinet)	**Date of Decision-Making Meeting and Reason**	**Proposed Key Decision**	**Lead Executive Councillor(s) and Wards Affected**
Cabinet	7 Feb 2011 Reason: Affects more than 1 ward	**Merger of day services for older and disabled people and close 147 Stevenage Road, which is the building that the Sunbury Independent Living Service currently occupies** A consultation on the above proposal ran for 12 weeks from 23rd August - 29th October 2010. Officers are seeking a Cabinet decision on the recommendation to merge the day services for older and disabled people and provide them from two building rather than three, thus closing 147 Stevenage Road, which is the building currently occupied by Sunbury Independent Living Service (ILS).	Cabinet Member for Community Care Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Expenditure more than £100,000	**Corporate Planned Maintenance Programme 2011/2012** 2011/2012 Corporate Planned Maintenance programme undertakes regular servicing and maintenance of plant and equipment as well as refurbishment and improvement works to all of the council's property assets excluding schools and housing properties which have their own separate programmes.	Leader of the Council Ward(s): All Wards;
Cabinet Full Council	7 Feb 2011 23 Feb 2011 Reason: Expenditure more than £100,000	**Treasury Management Strategy Report** This report provides information on the Council's Treasury Management Strategy for 2011/12 including interest rate projections, borrowing and investment activity report. The report seeks approval for borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in the year 2011/12.	Leader of the Council Ward(s): All Wards;
Cabinet Full Council	7 Feb 2011 23 Feb 2011 Reason: Expenditure more than £100,000	**Capital Programme 2011/12 to 2015/16** This report sets out an updated resources forecast and a capital programme for 2011/12 to 2015/16.	Leader of the Council Ward(s): All Wards;
Cabinet Full Council	7 Feb 2011 23 Feb 2011	**Revenue Budget and Council Tax levels 2011/12** This report sets out the proposed 2011/12	Leader of the Council

Decision to be Made by: (ie Council or Cabinet)	**Date of Decision-Making Meeting and Reason**	**Proposed Key Decision**	**Lead Executive Councillor(s) and Wards Affected**
	Reason: Budg/pol framework	revenue budget and associated Council Tax charge.	Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Affects more than 1 ward	**Local Housing Company** Consideration to establish organisational structures for a Local Housing Company.	Cabinet Member for Housing Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Expenditure more than £100,000	**Housing Revenue Account Budget Strategy 2011-12** This report sets out the budget strategy for the Housing Revenue Account (HRA) to 2013/14, with detailed revenue estimates and the proposed rental and service charge increases for 2011/12.	Cabinet Member for Housing Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Expenditure more than £100,000	**Request for delegated authority for the Independent Mental Capacity Advocacy Service** Seeking delegated authority for the lead cabinet member to sign off on the award of contract for March 11.	Cabinet Member for Community Care Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Affects more than 1 ward	**Economic Development Update** This report updates Members on work to maximise jobs and employment opportunities for residents and to support business growth and retention.	Leader of the Council Ward(s): All Wards;
Cabinet	7 Feb 2011 Reason: Affects more than 1 ward	**School Organisation Plan** 10 year capital strategy to provide accommodation for projected pupil demand for school places.	Cabinet Member for Children's Services Ward(s): All Wards;
Cabinet	7 Feb 2011	**Earls Court & West Kensington Opportunity Area Joint Borough Supplementary Planning Brief** Joint draft planning brief produced by LBHF,	Deputy Leader (+Environment and Asset Management), Leader of the Council

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
	Reason: Affects more than 1 ward	RBKC and GLA to guide redevelopment of the Earls Court and West Kensington Opportunity Area. The report seeks agreement to go out to consultation on the draft document.	Ward(s): Fulham Broadway; North End;
Cabinet	7 Feb 2011 Reason: Expenditure more than £100,000	**The Future of Children's Centres** Agreement is sought for the refocus of the Children's Centre Programme and for Lead Member delegation on decisions re staffing issues with external providers.	Cabinet Member for Children's Services Ward(s): All Wards;

March

Cabinet	21 Mar 2011 Reason: Affects more than 1 ward	**Council's Corporate Plan 2012/14 & Executive Summary** The corporate plan and its executive summary encapsulates the Council's key priorities for improvement over the next 3 years. It is linked to the Local Area Agreement (LAA) and the national indicators. The plan has been developed from departmental plans following consultation with the Leader. Other Cabinet Members have been consulted by Directors concerning the departmental plans relevant to their portfolios. The plan will enable the Council to monitor progress against key priorities. The Corporate plan and executive summary are available under separate cover.	Leader of the Council Ward(s): All Wards;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**The General Fund Capital Programme, Housing Revenue Capital Programme and Revenue Budget 2010/11 - Month 9 Amendments** Report seeks approval to changes to the Capital Programme and Revenue Budget.	Leader of the Council Ward(s): All Wards;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Tender award report for Phase 1C to the Key Decision on 13 July 2009 - the Centralisation and Improvements to CCTV on H&F Homes Estates** Report seeks approval for tender(s) award to new CCTV installation systems on White City/Batman Close, Becklow Gardens and Bayonne/Lampeter Square estates.	Cabinet Member for Residents Services Ward(s): Askew; Fulham Reach; Wormholt and White City;

Decision to be Made by: (ie Council or Cabinet)	**Date of Decision-Making Meeting and Reason**	**Proposed Key Decision**	**Lead Executive Councillor(s) and Wards Affected**
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Disposal of 2 Byam Street, SW6** This property has been used to provide a supported housing service, which has been decommissioned.The property is surplus to the Council's requirements.	Cabinet Member for Community Care Ward(s): Sands End;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Shepherds Bush Common Improvement Project** Approval to appoint works contractors to undertake restoration works on Shepherds Bush Common.	Cabinet Member for Residents Services Ward(s): Shepherds Bush Green;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Closure of Tamworth supported housing** Closure of Tamworth supported housing, which is a 14 unit high/medium supported housing project for people with mental health issues.	Cabinet Member for Community Care Ward(s): All Wards;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Disposal of Air Rights at Planetree Court** This report recommends the disposal of air rights above the vehicular entrance of Council owned accommodation at Planetree Court to the adjacent Jacques Prevert school to facilitate classroom and playground expansion for the school.	Cabinet Member for Housing Ward(s): Avonmore and Brook Green;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**2011/12 Transport for London integrated transport investment** This report summarises the Transport for London funded schemes proposed for 2010/11 for approximately £2 million investment in integrated transport in the borough.	Deputy Leader (+Environment and Asset Management) Ward(s): All Wards;
Cabinet	21 Mar 2011 Reason: Expenditure more than £100,000	**Provision of body collection and transportation services for the West London Coroner** Approval of contracts for the provision of body collection and transportation services on behalf of the West London Coroner. This report presents the recommendations from the recent procurement exercise. The contracts are for services to HM Coroner, whose jurisdiction covers six West London Boroughs, where H&F is by designation of the MoJ, the responsible	Cabinet Member for Residents Services Ward(s): All Wards;

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
		Authority.	

April

Cabinet	18 Apr 2011 Reason: Expenditure more than £100,000	**The General Fund Capital Programme, Housing Revenue Capital Programme and Revenue Budget 2010/11 - Month 10 Amendments** Report seeks approval to changes to the Capital Programme and Revenue Budget.	Leader of the Council Ward(s): All Wards;
Cabinet	18 Apr 2011 Reason: Expenditure more than £100,000	**Request for remaining funds to complete SmartWorking Stage C rollout** Request for remaining funds from the overall sum requested at Cabinet on 1st July 2010 to complete the Stage C corporate rollout of SmartWorking.	Leader of the Council Ward(s): All Wards;
Cabinet	18 Apr 2011 Reason: Budg/pol framework	**A transport plan for Hammersmith & Fulham 2011 - 2031** The Local Transport Plan for Hammersmith & Fulham is a statutory document required by all London Boroughs to show how they intend to implement the Mayor's Transport Strategy.	Deputy Leader (+Environment and Asset Management) Ward(s): All Wards;