

LONDON HOUSING CONSORTIUM (LHC)

| | |
|---------------------------|---|
| Cabinet Member | Councillor Phillip Corthorne |
| Cabinet Portfolio | Social Services, Health and Housing |
| Officer Contact | Raj Alagh, Borough Solicitor and Lloyd White, Head of Democratic Services |
| Papers with report | None |

1. HEADLINE INFORMATION

| | |
|---|---|
| Purpose of Report | To update Cabinet regarding the establishment of a Joint Committee in respect of the London Housing Consortium and to seek approval to a slight amendment to the Constitution of the Joint Committee. |
| Contribution to our plans and strategies | None |
| Financial Cost | None |
| Relevant Policy Overview Committee | Social Services, Health and Housing |
| Ward(s) affected | All |

2. RECOMMENDATIONS

That Cabinet:

1. note that at a meeting on 7 December 2012, the LHC was formally established as a Joint Committee, pursuant to the Local Government Act 1972, and in accordance with the Cabinet resolution of January 2012, with the London Borough of Hillingdon as a constituent Member.
2. consider the recommendation of the Joint Committee to amend its Constitution to allow 2 Members per authority to be appointed to the Committee and, if agreed, appoint Councillors Corthorne (Executive) and J.Cooper (non Executive) as the London Borough of Hillingdon's representatives to the Joint Committee until the date of the Local Elections in May 2014 when the appointments will be reviewed.

INFORMATION

Reasons for recommendation

To ensure Council representation on the LHC Joint Committee and to ensure that the LHC operates lawfully.

Alternative options considered / risk management

The Council could consider withdrawing from the LHC or decline to agree the change in representation. Officers have identified tangible benefits for continuing its participation in it. The Council would also lose a share of the annual surplus generated by the LHC if it were to withdraw from it.

Comments of Policy Overview Committee

Not applicable at this stage.

Supporting Information

1. Members will recall that, at the meeting of Cabinet in January 2012, approval was given to the Council participating in the formation of a Joint Committee (pursuant to section 101[5] of the Local Government Act 1972), known as The London Housing Consortium and the appointment of three Members of the Council, Councillors Corthorne, J.Cooper and Nelson, as the Council's representatives upon the Committee.
2. At the same time authority was given to the Chief Executive, in consultation with the Cabinet Member for Social Services, Health and Housing and the Borough Solicitor, to agree a Constitution for the Joint Committee based on the draft submitted to Cabinet.
3. Subsequently, detailed discussions with the other constituent authorities of the LHC have resulted in the formal establishment of the Joint Committee at a meeting on 7 December 2012 and the adoption of the Constitution for its operation and governance. Councillors Corthorne, J.Cooper and Nelson were all in attendance.
4. The Joint Committee agreed a number of minor changes to the tabled Constitution, one of which cannot be agreed under the delegation detailed above, and requires the formal approval of Cabinet.
5. This relates to the number of Members each authority is asked to appoint to the Committee which was originally 'up to' three (only one of whom would have a vote). In practice Hillingdon was the only authority that appointed three Members.
6. The Joint Committee is recommending that each authority be allowed two Members – one from the Executive and one non-Executive. A key difference is that both Members would be able to vote at meetings of the Joint Committee. This would regularise the position amongst all the constituent authorities and provide consistency and therefore Cabinet are being recommended to approve the change in appointment arrangements and consider which Members to appoint as the Council's representatives on the Joint Committee.

Background

7. The LHC was established in 1966 by a group of London Boroughs, known as the Founder Members. The objectives have evolved and changed over time so that the LHC now very successfully supports large numbers of local authorities, arms length management organisations and registered housing providers and has the following aims:

- To provide specialist technical and procurement services related to building programmes undertaken by LHC constituent authorities and other public sector bodies.
 - To establish, develop and manage framework agreements for the procurement of building components and services for the use and benefit of all constituent authorities and other public sector bodies.
8. The day to day activities of the LHC are carried out by the LHC Operations Group, a dedicated team of 17 professional staff who have, from the inception of the LHC, been employed by the London Borough of Hillingdon. Taking direction from the LHC Joint Committee, the Senior Management Team of the LHC Operations Group prepares an annual Business Plan which aims to generate a surplus of income over operating costs. In this way, the work of the LHC is self-financing and it has not required any financial support from any of the LHC members. The surplus is redistributed to all the LHC members who realise a financial gain. Over the past five years, a total sum of £5m has been redistributed.
9. In addition to the Full LHC Members, the LHC also currently accepts Associate Members. They have no voting rights but are entitled to a share of the LHC surplus in accordance with a committed level of business procured by them. There are currently over 50 LHC Associate Members. The LHC also offers its services to the wider public sector community. There are currently approximately 100 public sector authorities using the LHC as non-members.

Financial Implications

The Council currently receives a share of the annual surplus generated by the LHC. If it decided to no longer participate in the LHC, it would no longer be in receipt of the surplus. However, this surplus has fallen substantially over recent years as our use of the consortium has reduced. The rebate for 2011/12 was £22,914. There are no other financial implications arising from this report.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

There will be no effect on the residents, service users or communities of Hillingdon.

Consultation Carried Out or Required

No consultation has been carried out at this stage.

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above.

Legal

This is the report of the Borough Solicitor and all the legal implications are contained within it.

Background Papers

NIL