



C A B I N E T S U P P L E M E N T A R Y A G E N D A P A C K

Monday, 20th July, 2020

at 6.00 pm

All Council meetings until further notice will be held remotely.
You can access and view this meeting by clicking on the following link :
<https://youtu.be/HBdL5PwSS-Y>

Tim Shields
Chief Executive

17 July 2020

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SUPPLEMENTARY AGENDA

Monday, 20th July, 2020

ORDER OF BUSINESS

Item No		Page No
8	<p data-bbox="300 539 1278 719">2020/21 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT WHICH TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY - KEY DECISION NO.FCR Q 87 TO FOLLOW</p> <p data-bbox="300 741 1278 920">This report advises Cabinet of the May 2020 OFP latest position on the Council's budgetary position in 2020/21. The report was marked 'TO FOLLOW' as the Council was awaiting notification of its allocation of the Government's third tranche of Emergency Funding which is now incorporated into the report.</p>	1 - 30
9	<p data-bbox="300 943 1278 1010">COVID 19, CORPORATE PLAN AND MEDIUM TERM FINANCIAL PLAN UPDATE - KEY DECISION NO. FCR Q90 - TO FOLLOW</p> <p data-bbox="300 1032 1278 1167">This report for Cabinet consideration was (as with agenda item 8) dependent on the full knowledge of funding levels and other key information which had been in the process of being assimilated and was therefore marked 'TO FOLLOW'.</p>	31 - 126



**2020/21 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT THAT TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY
KEY DECISION NO. FCR Q87**

<p>CABINET MEETING DATE 2020/21</p> <p>20TH JULY 2020</p>	<p>CLASSIFICATION:</p> <p>OPEN</p>
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<p>WARD(S) AFFECTED: ALL WARDS</p>
<p>CABINET MEMBER</p> <p>Deputy Mayor Rebecca Rennison</p> <p>Cabinet Member for Finance, Housing Needs and Supply</p>
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending or Savings</p>
<p>GROUP DIRECTOR</p> <p>Ian Williams: Finance and Corporate Resources</p>

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the first provisional outturn Overall Financial Position (OFP) report for 2020/21 which is based on detailed May monitoring data from directorates.
- 1.2 We are forecasting an overspend on the General Fund (i.e. excluding Housing costs) of £61m before the application of the Government's Emergency Funding (£21.4m). Of this, £59m relates to additional expenditure and reduced income incurred on the General Fund that is owed to COVID-19. The non-COVID-19 related overspend is £2m.
- 1.3 Subsequent to previous reports brought to Cabinet, this sets out the significant impact of COVID-19 across Council services.
- 1.4 While recent Government announcements offer some potential opportunities, particularly around jobs for young people under 25 at risk of long-term unemployment (although we note our concern this only references ensuring payment of the minimum wage, rather than the London Living Wage), these can only partially mitigate against the devastating impact we are seeing of COVID-19 across our communities, our businesses and Council services.
- 1.5 This report demonstrates both the additional costs and the loss of income faced by the Council. Costs have included everything, from additional staff to patrol our parks to food parcels for residents who need them. At the same time, Council income, more important than ever after a decade of austerity and £140m of central government cuts, has been decimated.
- 1.6 Further funding commitments from central Government will help us reduce the budget shortfall, and we are exploring those financial tools at our disposal to try and mitigate the remaining budget gap, but they do not place local government finance on a secure footing, and in some cases, like Council Tax, simply push difficult decisions further down the road.
- 1.7 In both this report, and in the Medium Term Financial Plan coming to Cabinet and Council as an appendix to the Corporate Plan update, we have set out as fully as possible the financial impact of COVID-19 on the Council's finances. We will continue to do all we can to ensure Hackney residents get the support they need and the high standard of service they deserve at this time. At the same time, work will continue to more fully understand the impact of COVID-19 on both this and future years' budgets.

2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 The OFP shows that the Council is forecast to have a £60.6m funding shortfall before the application of the Government's Emergency Funding. This is equivalent to 5.8% of the total gross budget and 18.6% of the net budget

2.2 As Cabinet is aware, we were awarded £17.835m of grant in the first two tranches of the Government's Emergency Funding. Earlier in the month the Government announced a further £500m but didn't publish the individual authority allocations until 16th July. Our allocation is £3.516m. In addition, the Government also announced a scheme that would partially compensate Councils for losses in some sales, fees and charges income streams arising from COVID-19. The definition obviously excludes council tax and business rates but also commercial income such as property rents and leisure centres run by third parties on behalf of the Council (thereby excluding the contributions we will be making to GLL). Under this scheme, councils bear the first 5% of losses compared to their budgeted income but the Government will then cover 75p in every pound of losses beyond this. We estimate that we will get a maximum of £9.5m from this. And so, even after the various funding streams we will still have a significant funding shortfall. It is hoped therefore that we will receive significant additional cash funding from Government to set against this requirement. It is also worth noting that we have received other much smaller grants for specific services such as safe opening of high streets fund (£252k) and a share of the £63m Local Authority Emergency Assistance Grant for Food and Essential Supplies which we can use to support people who are struggling to afford food and other essentials due to COVID-19. The allocations have yet to be announced.

2.3 The estimates contained within this report are very indicative and will be revised as more information becomes available. It must also be noted that the Government funding listed in this report is intended to cover the pandemic only and funding is of a one-off nature. It follows that, while speed has necessitated some decisions to be taken through delegated authority over recent months, to protect the Council's financial position going forward, any further expenditure commitments that are of an ongoing nature must have full political oversight and be agreed through the Cabinet process.

Those decisions made through delegated powers in response to COVID-19 have been recorded by decision makers using the delegated powers report framework. A record of the decisions are outlined in **Appendix 1**.

2.4 The position of the General Fund is shown below. The first table shows the funding shortfall of £60.6m of which £58.7m is owing to COVID-19 while the second table analyses the impact of applying Government funding.

TABLE 1: OVERALL ESTIMATED BUDGET SHORTFALL 2020/21

Revised Budgets	Service Unit	Forecast: Change from Revised Budget	Amount of Variance owed to Covid-19	Variance excluding Covid-19
		£k	£k	£k
87,515	Children's Services	5,854	5,378	476
93,921	ASC & Commissioning	6,441	4,911	1530

33,684	Community Health	740	1,170	-430
215,120	Total CACH	13,035	11,459	1576
34,414	Neighbourhood & Housing	14,535	14,567	-32
17,028	Finance & Corporate Resources	11,364	11,011	353
0	Reduced Council Tax & Business Rates Income	20,500	20,500	0
8,657	Chief Executive	1,211	1,123	88
37,659	General Finance Account	0	0	0
312,878	GENERAL FUND TOTAL	60,645	58,660	1,985

2.5 In order to look at the budgetary implications of this shortfall in 2020/21 we must first make adjustments in respect of council tax and business rates. The governing regulations require that any difference between the budgeted income and outturn income for these two income streams is not charged to the General Fund in 2020/21 but instead is charged in the following year. And so without changes to the regulations if we do make a shortfall of £20.5m on Council Tax and Business Rates income in 2020/21, it would all be charged to the General Fund in 2021/22 thereby increasing the budget gap by an equivalent amount in this year.

2.6 However, the Government is intending to partially alleviate the burden in 2021/22. It is proposing to fund part of the shortfall on Council Tax and Business Rates (but we will not know how much until it produces the next Spending Review in the Autumn which will probably be a one year only review) and it will then direct that the remaining losses after the funding will be a charge against the General Fund in 2021/22 and in the following 2 years in equal amounts. So if the Government funds 33% for example (this is just a number for illustrative purposes) and we have a shortfall of £20.5m then we will have to charge £13.7m to the General Fund over the next 3 years, at a rate of £4.6m per annum beginning in 2021/22. Obviously, we will be able to offset against this any payments we receive in respect of 2020/21 debts in 2021-22 and beyond from local taxpayers and businesses.

2.7 The application of the grant and compensatory funding is shown in table 2 below

TABLE 2: SHORTFALL AFTER THE APPLICATION OF GRANT

Revised Budgets	Service Unit	Forecast: Change from	Amount of Variance	Variance excluding
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		Revised Budget	owed to COVID-19	COVID-19
		£k	£k	£k
87,515	Children's Services	5,854	5,378	476
93,921	ASC & Commissioning	6,441	4,911	1530
33,684	Community Health	740	1,170	-430
215,120	Total CACH	13,035	11,459	1576
34,414	Neighbourhood & Housing	14,535	14,567	-32
17,028	Finance & Corporate Resources	11,364	11,011	353
8,657	Chief Executive	1,211	1,123	88
37,659	General Finance Account	0	0	0
312,878	GENERAL FUND TOTAL	40,145	38,160	1,985
	Estimated Emergency Fund (3rd Tranche Assumed to be £2.8m)	-21,351	-21,351	0
	Funding to Partially Compensate loss of Sales, Fees & Charges income	-9,575	-9,575	0
	SHORTFALL AFTER APPLICATION OF COVID 19 GRANTS	9,219	7,234	1,985

2.8 The Group Director Finance is meeting this financial challenge by :-

- Reviewing the Council's reserves to develop options for re-appropriating reserve funds to help support the Council's response to COVID-19. This may mean delaying some projects or activities initially expected to be funded from reserves.
- Refining and developing a governance process to ensure expenditure is signed off by appropriate officers to keep expenditure focused on the COVID-19 response.
- Closely monitoring the Council's income streams and debt levels to see what effect the COVID-19 crisis is having on the Council's income.

2.9 We will also be continuing to review and refine our work on the robustness of the calculation processes and data used to calculate the COVID-19 estimates over the summer.

2.10 Alongside this report, we are reporting to Cabinet with a very indicative 2021/22 budget forecast and outline three year forecast and will then produce a further iteration of this in September / October when we will have had more experience with underlying spending and income pressures and a better idea of future funding levels. We will also see the impact of removing the furlough on unemployment levels and in turn housing benefits and council tax benefit levels.

- 2.11 On other matters, On 28th April, the Government confirmed that the review of relative needs and resources (Fair Funding) and the move to 75% business rates retention will no longer be implemented in April 2021. At this stage, it is not clear when these reforms will be introduced. It also remains unclear when the Comprehensive Spending Review will take place. It is doubtful that the government will be in a position in the near future to commit to public spending levels over the medium term given the current uncertainty and flux in the economy. It follows that we will need to continue to plan with little or no funding certainty over the medium term in the context of significant additional spending and reduced income as a consequence of COVID-19.
- 2.12 As reported in previous reports to Cabinet, It is by no means clear what the longer term financial impact on local government will be as a result of COVID-19 but it looks likely that the UK faces a significant recession, possibly its sharpest recession on record. It is also worth noting that the UK's debt is now worth more than its economy after the government borrowed a record amount in May. The £55.2bn figure was nine times higher than in May last year and the highest since records began in 1993 and it sent total government debt surging to £1.95trn. Income from tax, National Insurance and VAT all dived in May amid the coronavirus lockdown as spending on support measures soared.
- 2.13 Clearly this will have an impact on future public sector and local authority budgets. It seems that at this time there is much less of an appetite for austerity than that following the financial crisis in 2008 but it seems very unlikely that sufficient resources will be available to put local government on a sound and sustainable financial footing going forward.
- 2.14 On 8th July, the Chancellor announced the Summer Economic Update. This was not a Budget but instead, the Government setting out its plans to try and kickstart the economy. Amongst the various provisions, some may impact on the local economy and the Council . These are:
- (a) A new £2 billion Kickstart Scheme will be launched which aims to create hundreds new, fully subsidised jobs for young people across the country. Those aged 16-24, claiming Universal Credit and at risk of long-term unemployment, will be eligible. Funding available for each six-month job placement will cover 100% of the National Minimum Wage for 25 hours a week – and employers will be able to top this wage up.
 - (b) Businesses will be given £2,000 for each new apprentice they hire under the age of 25. This is in addition to the existing £1,000 payment the Government already provides for new 16-18-year-old apprentices and those aged under 25 with an Education, Health and Care Plan.

- (c) Bringing forward work on £8.8 billion of new infrastructure, decarbonisation and maintenance projects, including a £3 billion green investment package. As part of this package homeowners and landlords in England will be able to apply for vouchers from a £2 billion Green Homes Grant scheme this year to pay for green improvements such as loft, wall and floor insulation; and a £1 billion programme aims to make public buildings, including schools and hospitals, greener
- (d) £5.8 billion will be spent on 'shovel-ready' construction projects to stimulate the construction industry. This includes:
 - £1.5 billion for hospital maintenance and upgrades
 - £100 million for the local roads network
 - over £1 billion to start to rebuild schools in the worst condition in England, plus £760 million this year for key maintenance work on schools and FE colleges
 - £1 billion for local projects to boost local economic recovery in the places that need it most
 - £142 million for court maintenance to repair around 100 courts across England.

2.15 The reason for the lateness of the report is because in order to give the most accurate assessment of the council's 2020/21 financial position, we wanted to include our grant allocation from the third Emergency Fund tranche of funding from the Ministry of Housing, Communities and Local Government (MHCLG). This was not published until 16th July.

3.0 RECOMMENDATIONS

3.1 To update the overall financial position for May, covering the General Fund and HRA.

4. REASONS FOR DECISION

4.1 To facilitate financial management and control of the Council's finances

4.2 CHILDREN, ADULT SOCIAL CARE AND COMMUNITY HEALTH (CACH)

The CACH directorate is forecasting an overspend of £13.0m after the application of reserves and drawdown of non-COVID-19 grants. COVID-19 related expenditure accounts for £11.5m of the reported overspend. A detailed explanation of the additional COVID-19 costs follows this narrative.

Children and Families Service (CFS)

The service is forecasting a £2.208m overspend against budget after the application of reserves. This includes a £1.735m forecast in respect of COVID-19 related spend. The draw down from reserves includes:

- £3.869m from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget.
- £1.6m for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted inspection.

The forecast also incorporates £4.650m of Social Care Grant funding (that is an additional £3.450m in 2020/21). Set against this, there is a significant increase in spend driven by looked-after children (LAC) and leaving care (LC) placements costs within Corporate Parenting where spend is forecast to increase by £3.7m (£0.9m relates to COVID-19) and an increase in forecast spend on staffing across Children and Families Services of £2.3m (£0.6m relates to COVID-19) compared to last year. Of the latter, £1.6m is linked to increased staffing levels agreed in response to increased demand and additional posts agreed to assist in responding to the Ofsted recommendations arising from the inspection in November 2019 in which the Council received a '*requires improvement*' judgement. The paragraphs below explain in more detail areas where a significant variance is forecast.

Corporate Parenting is forecast to overspend by £1.66m after the use of £3.9m of commissioning reserves (this includes £0.943m of COVID-19 expenditure). This position also includes the use of £2.5m of Social Care funding mentioned above. Gross expenditure on LAC and LC placements (as illustrated in the table below) is forecast at £26.4m compared to last year's outturn of £22.7m – an increase of £3.7m (this includes £0.943m of COVID-19 expenditure).

Placements Summary for LAC and Leaving Care - gross costs

Service Type	Budget	Forecast	Forecast Variance	Funded Placements*	Current Placements
Residential	3,131	6,730	3,599	17	36
Secure Accommodation (Welfare)	-	96	96	-	-
Semi-Independent (Under 18)	1,570	3,053	1,483	24	47
Other Local Authorities	-	83	83	-	2
In-House Fostering	2,400	2,226	(174)	99	92
Independent Foster Agency Carers	6,488	7,509	1,021	132	149
Residential Family Centre (P&Child)	-	241	241	-	2
Family & Friends	569	1,059	490	26	49
Extended Fostering	-	118	118	-	4

Staying Put	200	665	465	10	35
Overstayers	290	856	566	11	34
UASC	700	1,083	383	16	26
Semi-independent (18+)	1,370	2,720	1,350	72	112
Total	16,718	26,439	9,721	408	588

*based on the average cost of placements.

The gross position of £9.7m for placements excluding any income is then mitigated by reserves of £3.9m; £2.2m Social Care Grant; UASC Income of £1.7m; and other income of £0.2m to get to the net reported position of a £1.66m overspend.

One of the main drivers for the cost pressure in Corporate Parenting continues to be the rise in the number of children in costly residential placements which has continued to grow year-on-year and the number of under 18s in high-cost semi-independent placements. Where children in their late teens are deemed to be vulnerable, and in many cases are transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages.

The forecast for Looked After Children (LAC) and Leaving Care Placements is an increase of £3.7m compared to last year, including approximately £0.9m in relation to COVID-19 additional expenditure. If we exclude the COVID-19 expenditure, the increase compared to the 2019/20 outturn is £2.8m, and this is largely attributed to increases in semi-independent placements (both under and over 18s) of £2m; and residential care £1.2m; and IFAs £0.5m. Management actions are being developed by the service to reduce the number and unit cost of residential placements. Given that the average annual cost of a residential placement is approximately £200k, a net reduction in placements would have a significant impact on the forecast.

This year we continue to see significant pressures on staffing, however this has been offset by the social care grant funding which has been allocated to the service. This is mainly due to a number of posts over and above those in the establishment recruited to meet an increase in demand (rise in caseloads), additional capacity to support the response to the Ofsted focused visit at the end of last year and cover for maternity/paternity/sick leave and agency premiums. Given the outcome of the recent inspection referred to above, alongside further increased demand in the system, as well as the ongoing impact of COVID-19, it is likely that staffing costs will continue to be above establishment and this is being built into future financial plans.

The Disabled Children's Service is forecast to overspend by £40k. Staffing is projecting an overspend of £146k due to additional staff brought in to address increased demand in the service. This is offset by £135k of additional social care grant. Commissioning is projecting a £596k overspend attributed to care packages (£391k Home Care, £255k Direct Payments, £50k Short Breaks) and (£80k) on other expenditure. This is offset by a £476k reserve drawdown.

The Safeguarding and Learning Service is forecast to overspend by £29k after the use of £62k of additional social care grant. The overspend relates to The overspend relates to the risk around an income target for which the service has yet to develop clear plans.

The Directorate Management Team is forecast to overspend by £358k after a drawdown of £635k reserves for post Ofsted staffing pressures and £166k Social Care Grant for the creation of 2 Service Manager posts. £469k of staffing pressure in relation to COVID-19 is forecast in this area, this includes an estimate of additional staffing relating to delays in closing cases.

Clinical Services is forecast to overspend by £74k as the income generated from the specialist clinicians is not confirmed for the year and there is an expectation that the Adoption Support Fund will be lower than previous years as this will be managed via the London Regional Adoption Agency.

Children's Health, Commissioning and Reporting is forecasted to overspend by £55k mainly due to the agency premium on the Service Commissioning Manager post.

Overspends across the service are partly offset by small underspends in Children in Need, Access and Assessment, NRPF, Youth Justice and Young Hackney.

Hackney Learning Trust (HLT)

HLT has a budget of £27.3m net of income of £240m. This income is primarily Dedicated Schools Grant of which the majority is passported to schools and early years settings or spent on high needs placements.

As at the end of May 2020, HLT is forecasting to overspend by around £8.7m. Approximately £3.6m of this is the forecast financial impact of the COVID-19 outbreak. The balance of the overspend (£5m) is mainly as a result of a £7m forecast overspend in SEND (Special Education Needs), offset by forecast £2m of savings in other areas of HLT. The £7m overspend in SEND is a result of previously reported factors, mainly a significant increase in recent years of children and young people with Education Health and Care Plans (EHCP's).

The Government has formally confirmed its intention to ensure that local authorities are not left with the burden of SEND cost pressures and have issued new funding regulations which state that deficits arising from Dedicated Schools Grant (DSG) shortfalls will not be met from local authorities' general funds unless Secretary of State approval is gained. The finance team are working on what exactly this will mean for the Council's finances and are also consulting with the auditors and other Councils. At this time, it is thought that it is unlikely these changes to funding regulations will have a material impact on the forecast. The Government's expectation is that the DSG overspend will remain in the Council's accounts as a deficit which will then reduce in future years as additional funding is received. However, the Government's commitment to this additional funding and the level this will be at is not clear. There is therefore a financial risk to the Council of carrying this deficit forward and we will need to consider options for mitigating this risk which might include setting aside a reserve equivalent to the deficit at year end.

A summary of the HLT variance from budget is as follows

	Variance £'000	Variance due to COVID £'000	Forecast variance excluding C19 £'000
SEND Forecast (excluding transport)	5,544	311	5,233
SEND Transport	1,723	63	1,660
HLT forecast other	1,437	3,270	-1,833
Net variance	8,704	3,644	5,060

The detailed impact of COVID-19 on Children's Services (including HLT) and costs is detailed below

Impact of COVID-19 on Children's Services (including HLT) Costs and Income

Additional Spend	Reduced Income	Net Effect	Sub-Service	Variance Narrative
640	-	640	<p>Family Learning Intervention Project</p> <p>Young Hackney and Domestic Abuse Intervention Service</p> <p>Children in Need, Access & Assessment and Disabled Children's Services</p> <p>Directorate Management Team</p>	<p>Workforce Pressure:</p> <p>Termination dates for some FLIP staff have been extended and support is being provided to other service areas (including EDT) via Rapid Support.</p> <p>This is for an additional YH business support officer and DAIS intervention officer due to a peak in workload created by COVID-19</p> <p>Delays in CIN agency staff leaving due to COVID-19 lockdown; A&A staff unable to obtain work permit due to COVID-19; additional DCS staff due to increase in workload.</p> <p>Increase staffing pressure due to workload cases that are not closed as a result of COVID-19.</p>
690	-	690	Corporate Parenting (LAC)	<p>This relates to CP placements costs, and is due to delays in step-downs, placements being extended (i.e. beyond their 21st birthday) as well as additional support hours. Also increased residential placements due to unavailability of foster carers during this period.</p>
315	-	315	<p>Corporate Parenting</p> <p>no Recourse to Public Funds(NRPF)</p>	<p>Care Leavers: April/May actual = £18k plus June £18k plus July £27k, then £27k a month for 8 months =£279k. Close to £315k so not changed.</p> <p>NRPF: This is for increasing the subsistence payment by 25%, £25 internet allowance for each family and Free School Meal allowance for childrens who are not receiving school meal allowance from their school from COVID-19 lockdown.</p>
90	-	90	DCS / Short Breaks	<p>This assumes pressure to apply a 10% increase to DCS home care packages in line with home care for adults providers.</p>
2,400		2,400	ASC - Care Support Commissioning	<p>Additional funds provided to care providers - estimated across 12 month.s</p>
648		648	ASC - Provided Services & ASC Commissioning	<p>ASC - Workforce Pressures: Cost of engaging additional care staff to cover permanent officers shielding or self-isolating. Estimated cost of support workers for COVID-19 Urgent Housing Pathway (£54k).</p>
1,413		1,413	ASC - Care Support Commissioning	<p>A number of care packages across ASC are now being funded by NHS discharge funds. This is the</p>

				full year estimate of the additional demand cost of care packages not being supported by NHS discharge funding.
	300	300	ASC - Care Support Commissioning	ASC - Loss of care charges income
150			ASC Commissioning	Delay in delivery of Housing Related Support savings
55		55	Public Health (PH)	PH - COVID 19 Triage Service: Contracted cost for the year
740		740	PH	PH - Additional Mortuary costs
375			PH	Delay in delivery of PH savings in Substance Misuse and the Healthier City and Hackney Fund
30	344	374	HLT	High Needs and School Places: Kench Hill Charity grant and loss of SEND traded income.
50	1,125	1175	HLT	Education operations: Loss of traded income and additional ICT costs
	826	826	HLT	Early Years, Early Help and Wellbeing: Loss of child care income in children's centres.
	362	362	HLT	Schools Standards and Performance: Loss of traded income.
906	-	906	HLT	Contingencies and Recharges: Mainly potential payments to schools to compensate for loss of children's centre income and potentially supporting schools with additional costs through COVID-19 in areas not covered by Government schemes.
8,502	2,957	11,459	Total	

Adult Social Care & Community Health

The May 2020 revenue forecast for Adult Social Care is an overspend of £6.4m. COVID-19 related expenditure accounts for £4.9m of the reported budget overspend. This does not include COVID-19 NHS discharge related spend of £0.56m where there is an agreement to fully recharge the cost to City and Hackney CCG.

The overall position for Adult Social Care last year was an overspend of £4.027m. The revenue forecast includes significant levels of non-recurrent funding including iBCF (£1.989m), Social Care Support Grant (£4.644m), and Winter Pressures Grant (£1.405m).

The non-recurrent funding we have received was only intended to be a 'stop-gap' pending a sustainable settlement for social care through the planned Green Paper,

however this is subject to ongoing delay. The implications of any loss of funding will continue to be highlighted in order that these can be factored into the Council's financial plans. This will include ensuring that it is clear what funding is required to run safe services for adults. Alongside this the service continues to take forward actions to contain cost pressures.

Care Support Commissioning (externally commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £4.99m pressure. COVID-19 related expenditure accounts for £4.2m of the total budget pressure. The forecast also includes £1.4m of the Winter Pressures grant to fund the ongoing additional care package cost as a result of hospital discharges. The full £1.4m was committed at the beginning of the financial year.

Care Support Commissioning (£k)

Service type	2020/21 Budget	May 2020 Forecast	Full Year Variance to budget	Variance from Apr 2020	Management Actions
Learning Disabilities	16,735	17,541	806	-	<ul style="list-style-type: none"> - ILDS transitions/demand management and move on strategy - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	13,748	17,353	3,606	-	
Memory, Cognition and Mental Health ASC (OP)	8,297	8,747	450	-	
Occupational Therapy Equipment	740	718	(21)	-	
Asylum Seekers Support	170	325	155	-	
Total	39,689	44,684	4,994	-	

Physical & Sensory Support is forecasting an overspend of £3.6m. This includes a forecast of £2.4m of additional funding support for care providers in response to the COVID-19 pandemic. The remaining pressure of £1.2m relates directly to the number and complexity of care support packages in Physical and Sensory Support. The gross forecast spend on care packages in Physical Support is £17.8m (£17.3m in 19/20) and in Sensory Support is £1.18m (£1.04m in 19/20). The forecast includes £350k of iBCF and £755k of Winter Pressure funding towards care packages in 2020/21.

Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £450k. The gross forecast spend on care packages for 20/21 is £8.9m (£9.7m in 19/20). £500k of Winter Pressure funding and £350k of iBCF have been applied to these care packages in 20/21.

The Learning Disabilities service is forecasting an overspend of £0.8m. There continues to be increased pressures related to new clients and the cost of the increasing complexity of care needs for Learning Disability clients. The gross forecast spend on care packages in Learning Disabilities is £31.9m (£30.9m in 19/20). The forecast also includes significant non-recurrent funding from the iBCF (£1m) and Social care (£4.6m) grants. In addition, a contribution from the NHS of

£2.7m (£2.1m in 2019/20) for jointly funded care packages for service users has been factored into the forecast. This is building on the work completed in 2019/20 to agree the share of funding for complex care packages.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £1.185m. The overall position is made up of two main elements - a £1.35m overspend on externally commissioned care services and £167k underspend across staffing-related expenditure. The gross spend on care packages in Mental Health (ELFT) is £4.95m (£4.9m in 19/20).

Provided Services is forecasting a £267k overspend which is largely attributed to:

- Housing with Care overspend of £642k, of which £595k is in relation to the significant cost of additional agency staff cover employed for staff absences due to shielding or self-isolating due to COVID-19.
- Day Care Services are projected to underspend by £328k, primarily due to the current staff vacancies across the service and that the Oswald Street day centre is currently closed.

Preventative services are forecasting an overspend of £7k. Forecast underspends on Concessionary Fares (£57k) and the Median Road Resource Centre (£198k) are offset by pressures of staff costs within the Hospital Social Work team and the Information and Assessment team.

ASC Commissioning is forecasting a £48k underspend which masks significant one-off reserve funding of £1.579m in 2020/21 supporting activity within commissioning - across teams and projects including the project management office, the commissioning team, the direct payments team and supporting the Lime Tree and St Peters' care scheme prior to recommissioning. Dedicated Facilities Grant has been applied in 2020/21 to the Telecare contract. Additional grant funding has been received for domestic violence services resulting in a favourable £70k variance to budget.

Care Management and Adult Divisional Support is forecasting a £35k overspend.

Public Health

Public Health is forecasting a breakeven position, and this includes £55k for the COVID-19 triage service and delays in the delivery of planned savings (£375k).

The Public Health grant increased in 2020/21 by £1.569m. This increase included £955k for the Agenda for Change costs for eligible staff working in organisations such as the NHS that have been commissioned by the local authority. The remaining grant increase has been distributed to Local Authorities on a flat basis, with each given the same percentage growth in allocations from 2019/20. There will be a separate grant allocation for PrEP related activity for which we will receive £344k.

The service has pressures in demand led services including sexual health and is working closely with commissioners to ensure future provision remains within the allocated sexual health budget in future financial years. In this year this is being offset by underspends in other areas of the service and from the increased grant allocation.

Hackney has been allocated £3.1 of the total £300m announced by Government to support Local Authorities to develop and action their plans to reduce the spread of COVID-19 in their local area as part of the launch of the wider NHS Test and Trace Service. This funding will enable the local authority to develop and implement a tailored local COVID-19 outbreak plan. A working group has been established and plans are being developed to allocate these funds accordingly.

Mortuary costs have substantially increased as one tragic consequence COVID-19, and the response to the pandemic plan required the Mortality Management Group to activate the Dedicated Disaster Mortuary (DDM) plans for London. Additional capacity was required rapidly to ensure that there was enough capacity to meet predictions in the initial wave. This has come at an increased cost of approximately £23m to date across London, and based on ONS figures, Hackney's estimated additional cost is likely to be £740k. This has been factored into the reporting position this month.

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate as at May 2020 is a £14.6m overspend, all of which is a direct result of COVID-19. The forecast includes the use of £1.2m of reserves, the majority of which are for one off expenditure/projects. Of the £14.6m, £10.9m is an income shortfall and £3.7m is additional expenditure.

Environmental Operations is showing an overspend of £3.4m which is made up of £2.4m related to a shortfall in income mainly from commercial waste and hygiene services due to the lockdown as businesses have closed and all services which require going to residents' homes have been paused in line with Government guidelines. A further £625K expenditure relates to additional supplies and services such as PPE, and hand sanitisers for all staff.

The Parking service is showing a net overspend of £6.3m of which £6.5m is an income shortfall (so an underspend of £0.2m before COVID-19). The current lockdown has meant a reduced amount of income in all income streams within Parking. In the first two months of the lockdown, parking income has dropped by 44% from last year. If this pattern is maintained for the full year then income is likely to be in the region of £14.6m against a budget of £25.8m, which would be a shortfall in income of £11.2m in the parking account. The current forecast in parking income is £19.3m, which is still a shortfall in income of £6.5m (25%) from budget. This forecast assumes easing of the lockdown and people's behaviour going back to some sort of normality in the coming months. The Parking income model is being updated on a weekly basis, taking into account actuals being received and activity volumes which will inform the forecast accordingly in the coming months.

Market and Shop Front Trading is overspent by £806k of which £795k is income shortfall and £5k additional expenditure which is a direct result of the lockdown. Combined Markets and Shop Trading income budget is £1.6m and it is expected that half of this will be achieved as the lockdown is lifted.

Even though the lockdown is beginning to be lifted on markets' activities it is difficult to make the markets safe for social distancing and therefore, take-up of market stalls is limited because the footfall into markets is restricted due to the need to maintain social distancing. This will continue to be the case for the foreseeable future and will be reflected in the reduced income forecast in the markets' budget over the coming months.

Streetscene is showing a net overspend of £476k which is due to the lockdown. The current forecast is showing a shortfall in income of £504k against a budget of £2.4m. The service is expecting things to improve in the coming months as the lockdown eases in the construction industry.

Other than the impact of COVID-19, Libraries & Heritage and Leisure and Green Spaces are forecasting a break-even position and the impact of COVID-19 on these services is listed in the table below.

Planning is forecasting an overspend of £813k which is due to a shortfall in planning application fee income. The shortfall in planning application fee income is linked to a decline in the number of very large major applications being received rather than a significant fall in overall planning application numbers. There are a number of large schemes at the pre-application stage which are due to be submitted in early 2020/21. The development industry is also putting on hold the submission of major planning applications until there is more clarity on the impact of COVID-19, Brexit and the Hackitt review on build cost and sales value as this impacts the viability and deliverability of their schemes.

Despite a 20% uplift in planning fees 2 years ago, the income has consistently fluctuated between £1.5-1.7m over the past 3 years. With a budget of £2.2m and a plateau in the housing market, this budgeted level of income is unachievable this year. The income target for minor applications of £1.2m is forecast to be achieved, however the cost of determination of minor applications is more than the fee received as Local Authorities have not yet been afforded the option by the Government of setting their own fees. In practice, major applications help subsidise minor applications therefore the shortfall in new major applications will also detrimentally affect this cross subsidy.

The Head of Planning is taking the following actions to address this budget pressure for 2020/21:

- The implementation of a new planning back office system will deliver process and cost efficiencies especially within the planning application registration and validation process, these efficiencies will help offset any underachievement of income.
- Review of the Planning Service cost base including non-staff costs.

- Benchmarking with other planning authorities with a focus on sustainable caseloads.
- Review of the Growth Team activity and Planning Performance Agreements

Impact of COVID-19 on N&H

Additional Spend	Reduced Income	Net Effect	Sub-Service	Variance Narrative
61	101	162	Libraries & Heritage	The service is not expecting any income during 20/21 for library fines, room bookings, sales etc due to the current closure and future uncertainty of when and how the service will reopen. The additional expenditure is based on a prudent approach to security where the contract has not changed despite the closures. Also additional deep cleaning will be required before the service can reopen in whatever form and some allowance has been made for this.
2,700		2,700	Leisure Services	This is the estimate of additional costs required to support GLL who manage the Leisure centres within Hackney. £700k has already been utilised for Qtr 1 being taken from the contract surplus share which GLL holds on Hackney's behalf.
145	379	524	Events & Green Spaces	Parks & Green Spaces have two main areas of expenditure relating to COVID-19, which are additional emptying and cleaning of the bins (£74k) across parks and green spaces and cleaning of the toilets (£71k) (which had to be re-opened due to increased usage of the parks since lockdown). The loss of income is primarily down to the Events Team - as no bookings are expected this year and Parks in general where all income including from internal sources is on a much reduced expectancy or none at all (corporate volunteering and General parks Events).
625	2,569	3,194	Environment Ops	Environment Ops has three main areas of expenditure that have been impacted heavily by COVID-19. The use of agency staff to cover both sickness and staff absences, use of agency staff to cover food deliveries for the council, internal vehicle cleaning every day and where required to help the service or Council (£357k). The ongoing purchase of PPE and other equipment to aid daily operational works, such as masks, gloves and sanitisers (£268k). The virus has also had a large impact on income especially Commercial Waste due to so many businesses closing during the ongoing lock down (£2,361k). Hygiene Services - the inability to go into people's homes

				and buildings (£117k) and (£50k) on Bulky waste collections which had a significant drop off in requests in Apr and May 20. Whilst the lockdown has started to ease and businesses slowly start to reopen there is still much uncertainty surrounding how many clients will reopen or struggle to continue in business or pay existing charges.
	6,500	6,500	Parking	There has been a significant impact on Parking services due to COVID-19 in all income areas from PCNs, Pay and Display, Suspension and Permits. Current full year income forecast is £19.3m against a budget of £25.8m which is a shortfall in income of £6.5m. There are various minor underspend variances in other areas of the service of (£233k) giving a net overspend position of £6.3m.
5	795	800	Markets and Shop Front Trading	Market stalls and Shop Front Trading have been heavily impacted by COVID-19 as shops and markets have been closed since the lockdown. There has been no income in April or May 2020. As the lockdown continues with the Government advice on markets being able to open the take up has been very little and it's difficult to make the areas safe for social distancing.
	504	504	Streetscene	All the variance relates to income shortfall. Whilst the current circumstances have decimated some areas, in particular around NRSWA (s74), there are some signs of recovery. The service anticipates that utilities and developers will start to use their services as lockdown eases and "normal" circumstances resume. The forecast figures are a current cautious projection for this year.
159	24	183	Community Safety, Enforcement & Business Regulation	Civil Protection - £159k overspend consists of expenditure for: 1) PPE 2) Overtime, extra staff costs and other expenses for staff recruited for COVID-19, after authorisation by Gold. 3) Training provided to other teams such as Gold Loggists. 4) Extra infrastructure and equipment costs for needs such as temporary mortuaries, the Mobile Testing Unit site, the PPE Sub regional Hub, Food Hub etc. Enforcement - reduced income £24k due to fewer Fixed Penalty Notices.

3,695	10,872	14,567		

4.4 FINANCE & CORPORATE RESOURCES

Finance and Resources is forecasting an overspend of £11.364m (before the inclusion of reduced council tax and business rates income of £20.500m, primarily reflecting lower forecast collection rates). Of this £11.011m is owed to COVID-19, which leaves a non-COVID overspend of £353k which is spread across various services.

The impact of COVID-19 on the directorate is as follows: -

Commercial Property is forecasting a £2.5m rental loss relating to COVID-19. £1.5m is expected to be written off and currently we have a 'deferred' amount of £0.94m. Of this 50% is assumed to be paid by year end. There is also increased expenditure on security and patrols of retail properties during lockdown.

Additional cost pressures in Revenues and Benefits sum to £2.5m. The collection of benefits overpayments has reduced by £1m because of COVID-19. The remaining £1.5m is primarily owed to additional staffing requirements across the service to deal with increased workload resulting from COVID-19 (particularly claims management), and there are also increased administrative costs associated with re-billing (print costs and postage costs), reduced court cost income and anticipated additional expenditure on the Discretionary Crisis Support Scheme.

Customer Services is reporting a COVID-19 related cost of £282k relating to additional staff and software needed to add capacity to handle the support for vulnerable residents.

There is an estimated £1.8m of Housing Needs costs arising from COVID-19 which result from two main sources. Firstly, the service has incurred additional staff costs to carry out the rough sleeping initiative and to move people into emergency accommodation and latterly into more settled accommodation; and has incurred additional direct costs of emergency accommodation. The service has also incurred costs with landlord incentives, required to secure accommodation and is forecasting having to make provision for those residents in Temporary Accommodation unable to pay their rents due to COVID-19.

Registration Services have been severely affected by COVID-19 which has created a forecast £700k shortfall resulting from a significant reduction in Ceremony Services (75%) and Citizenship Awards (50%). The impact of COVID-19 has led to a decrease of approximately 61% of income compared to last year whilst expenditure on staffing has also increased as there has been a requirement for sessional staff to cover front line services whilst some vulnerable staff work from home.

The Central Procurement and the Energy Team is forecasting COVID-19 related costs of £2.7m. The COVID expenditure relates to PPE which is being managed as a coordinated effort across the council with the ordering being led by Procurement. The spend on PPE to date is approximately £1.7m. It is difficult to try to estimate the usage going forward, and a number of items of equipment are still held in stock such that in some instances the stock levels will be sufficient for several months. However, the use of PPE will probably be required over a longer period of time than may have been anticipated at the start of lockdown, so a forecast of £1m further expenditure has been added to the spend to date to try to account for this.

There is a £242k COVID-19 cost in ICT resulting from the requirement for additional agency staff and equipment to ensure staff are able to work from home; and there are additional operational costs in Facilities Management (Cleaning) arising from COVID-19.

4.5 CHIEF EXECUTIVE

Overall, the Directorate is forecasting to overspend by £1.211m of which £1.123m is owed to COVID-19.

Policy, Strategy & Economic Development are reporting an overspend of £612k all of which is due to COVID-19, arising from food parcels for residents who cannot access or afford food during COVID-19 (£500k) and Emergency Grants to 4 organisations in the Voluntary Sector to provide COVID-19 related services (£121k)

Communications is forecasting an overspend of £590k, most of which is due to the impact of COVID-19, which has reduced film income by £100k; venues income by £350k (refunds and lost bookings) and advertising income by £52k

4.6 Housing Revenue Account (HRA)

The impact of COVID-19 on the HRA is to increase expenditure and reduce income by £7.4m.

It is estimated that there will be increased arrears of £5.9m in respect of dwelling rents, tenant charges and commercial income arising from COVID-19. It is assumed there will be an increase in irrecoverable debts and therefore an increase in the bad debt provision. Income, especially rent collection, is being monitored on a weekly basis and improvements in the rent collection rate will inform the level of provision for bad debts as the year progresses.

There is also likely to be a further reduction in rent income and tenant charges during the year arising from voids, increased expenditure on Housing Repairs and reduced Commercial properties income - Q1 rental charges have been deferred and Property Services are currently reviewing deferral of Q2 rents. It is estimated that income collection will reduce by £100k as some properties will require rent

reductions / rent free periods. Any non-payment of rents will be accounted for within the bad debt provision. In addition, Community halls income is forecast to reduce by £150k due to a lack of bookings.

There are also variations from budget which are not related to COVID-19 but the only significant variation is within Special Services. The Special Services variance is due to increased costs of the integration of the Estate Cleaning service which is being reduced over 3 years. The overspend here is offset by variations to budget within other services.

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

This report is primarily an update on the Council's financial position and there are no alternative options here.

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of May 2020. Full Council agreed the 2020/21 budget on 26th February 2020.

6.2 Equality Impact Assessment

Equality impact assessments are carried out at budget setting time and included in the relevant reports to Cabinet. Such details are not repeated in this report.

6.3 Sustainability

As above

6.4 Consultations

Relevant consultations have been carried out in respect of the forecasts contained within this report involving the Mayor, the Deputy Mayor and Member for Finance, Housing Needs and Supply, HMT, Heads of Finance and Directors of Finance.

6.5 Risk Assessment

The risks associated with the Council's financial position are detailed in this report.

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

7.1 The Group Director, Finance and Corporate Resources' financial considerations are included throughout the report.

8. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the

Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.

- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices and monitor compliance with them.
 - (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 8.3 Under the Council's constitution although full Council set the overall budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Council's decisions. The Cabinet must take decisions in line with the Council's overall policies and budget.
- 8.4 Paragraph 2.6.3 of FPR2 Financial Planning and Annual Estimates states that each Group Director in charge of a revenue budget shall monitor and control Directorate expenditure within their approved budget report progress against their budget through the Overall Financial Position (OFP) Report to Cabinet. This Report is submitted to Cabinet under such provision.
- 8.5 Article 13.6 of the Constitution states that Key decisions can be taken by the Elected Mayor alone, the Executive collectively, individual Cabinet Members and officers. Therefore, this Report is being submitted to Cabinet for approval.
- 8.6 All other legal implications have been incorporated within the body of this report.

Appendices

1. Appendix 1: Schedule of Delegated Decisions

Report Author	Russell Harvey – Tel: 020-8356-2739 Senior Financial Control Officer russell.harvey@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Ian Williams – Tel: 020-8356-3003 Group Director of Finance and Corporate Resources ian.williams@hackney.gov.uk

**Comments of the Director
of Legal**

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Cabinet

20 JULY 2020

2020/21

**OVERALL FINANCIAL POSITION,
PROPERTY DISPOSALS AND
ACQUISITIONS REPORT WHICH
TAKES ACCOUNT OF THE
ESTIMATED FINANCIAL IMPACT OF
COVID 19 AND THE ON-GOING
EMERGENCY**

KEY DECISION NO.FCR Q 87

Appendix 1

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Timestamp	Email address		Scheme of Delegation Reference	What decision was taken?	Description
16/04/2020 10:43:27	sinead.burke@hackney.gov	Engaging Wates to do Gas	Head of Service	14/04/2020 Sinéad Burke	The DLO usually do all gas checks for tenanted properties. They stopped doing this due to concerns about entering homes, but it remains a legal requirement for a contractor to do the On 17th January 2020 circa 80 cleaners along with 6 other staff TUPE transferred to the Council from Kier Education Services following the latter giving notice on the facilities management Staff transferred on existing terms and conditions which included entitlement to statutory sick pay only. A two-part consultation with the objective of moving all staff on to LBH T's and C On 23rd March 2020 concern was raised by schools and the Interim Head of Facilities Management that staff were incentivised to come into work despite displaying symptoms of COVID This issue was discussed with the Group Director of Finance and Corporate Resources and then referred to HR by the Director of CACH Finance for immediate action to align the clear As this is an exceptional circumstance, the Council can confirm that you will be paid sick pay as if you were on Local Government terms and conditions of employment. We will implement Terms and conditions were not altered but the staff are being paid as if they were on our sickness scheme in an exceptional circumstance. On 7th April, the Systems and Payroll Manager
16/04/2020 13:58:38	dan.paul@hackney.gov.uk	Sick pay for TUPE staff	CE24	23/03/2020 Dan Paul	
30/04/2020 09:30:57	tim.shields@hackney.gov.uk	Grant Award to receive the	CEO	27/04/2020 Tim Shields	In December 2017, Sport England announced that it had chosen and would be funding 12 locality pilots (including a pilot in the Clapton Park / Kingsmead area of Hackney) in a bold new At the time, Sport England awarded the London Borough of Hackney an initial grant of £997,419 for the development of the Local Development Pilot in King's Park Ward, which includes The Local Delivery Pilot in Hackney is known as 'King's Park Moving Together'. This report relates to the second grant award for Hackney's Local Delivery Pilot. It should be noted that further grant awards from Sport England are anticipated. The Chief Executive Approved the acceptance of a Sport England grant of £2,353,250 (£1,633,250 Hard Commitment, £720,000 In-Principle funding for capital projects) to London Borough of Hackney for funding
18/05/2020 14:26:15	ajman.ali@hackney.gov.uk	1		11/05/2020 Ajman Ali	This is to ban BBQs on London Fields unless specific permission given for an event
03/06/2020 12:27:14	ian.williams@hackney.gov.uk		Paragraph A13 of the Ger	29/05/2020 approval for grants totalling	Tim Shields agreed to the recommendations in a DPR to disburse crisis response grant funds. These funds, from the Community Partnerships budget, were repurposed from the planned
05/06/2020 16:09:58	ian.williams@hackney.gov.uk		Covid 19 Emergency Pow	03/06/2020 Local Authority Discretion	Agrees the discretionary grant eligibility criteria set out in this report. Agrees the scope of businesses and types of businesses who are able to make an application as set out in this report. Agrees the grant application process as set out in this report. Agrees the levels of grant (up to £10,000 to small businesses and up to £5000 to microbusinesses) to be provided as set out in this report. Notes the requirement for onward lobbying to Government and the Mayor of London those businesses that are still unable to access financial support.
09/06/2020 19:32:01	ian.williams@hackney.gov.uk		DPR NRPf support (Para	09/06/2020 To award grants of £30,000	soraya.zahid@hackney.gov.uk The Director of Strategy, Policy and Economic Development is asked to agree a grant total of £60,000 total to Family Action and East End Citizens Advice Bureau for a period of 3 months
06/07/2020 11:43:33	Tim.shields@hackney.gov.uk			15/05/2020 Option 1	Approval of the Municipal Calendar
14/07/2020	jackie.moylan@hackney.gov.uk			14/07/2020 Ian Williams	Decision taken to release £1.465m of retention amounts on phase one of the Britannia Project to enable the contractor to support the supply chain with improved payment terms. Retention to be built up to contractual levels before practical completion so the Council is not in any worse position at that point. Terms being agreed in a side letter with the contractor and contractor to provide monthly statements on improved terms with their suppliers.

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<p>TITLE OF REPORT - <u>COVID 19, CORPORATE PLAN AND MEDIUM TERM FINANCIAL PLAN UPDATE.</u></p> <p>Key Decision No - FCR Q90</p>	
<p>CABINET MEETING DATE (2020/21)</p> <p>20th July 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p>
<p>WARD(S) AFFECTED</p> <p>ALL</p>	
<p>CABINET MEMBER</p> <p>The Mayor / Deputy Mayor</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Affects two or more wards</p>	
<p>GROUP DIRECTOR</p> <p>Ian Williams, Group Director for Finance and Resources</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1. Covid-19 (Coronavirus) has already impacted on services, businesses and communities in ways that will resonate for many years. Unlike other crises that local government has had to respond to, there really is no "going back to normal" or "business as usual." For many in Hackney, 'normal' was also not working for them economically or socially before this crisis, and we now have an opportunity to respond to these challenges as we work to rebuild a better Hackney. We will still be responding to the direct and indirect impacts for many months and years.
- 1.2. I would like to thank everyone in Hackney who has helped respond to this unprecedented crisis - Council staff, partners, volunteers and residents. It has been a hugely challenging time and will continue to be in the weeks and months ahead. We continue to mourn the 222 Hackney residents we have lost, think about how to best collectively remember them and also support those they have left behind.
- 1.3. As we start to come out of lockdown and the rate of infection slows, it is timely that we start to take stock of the short, medium and long term impacts on the Council and the community. This has to be considered in the context of the stark financial context which is detailed in this report.
- 1.4. We are still responding to the pandemic, whilst managing the process of the Council and the borough safely coming out of lockdown and the possibility of localised outbreaks or a full 'second wave'. Working with Newham, Camden and Barnet our public health team is part of a Good Practice Network to ensure that the Council is well placed to manage any future outbreaks or rise in new infections.
- 1.5. What is also clear is that our residents will continue to be impacted and vulnerable for the foreseeable future. We are seeing increased poverty, unemployment and a struggling business, voluntary and community sector, and specific needs for more vulnerable groups like rough sleepers and people with no recourse to public funds. At the same time, the longer term issues for individuals and communities cannot be parked or we will see long and enduring impacts on individual life chances and inequalities. Even as we continue to grapple with the immediate concerns, we have to start revisiting our existing corporate and political priorities. From the very beginning of the pandemic we decided to keep community and equality impacts across different time frames under review and this is now proving to be an invaluable evidence base underpinning what we put forward in this report.
- 1.6. Coronavirus has had devastating impacts on communities, businesses and the voluntary sector, bringing inequality and specifically racial inequality into stark relief. This has reiterated the need to focus on

existing priorities, which already focused on reducing poverty and inequality, but to make sure that we understand, validate and centre our response on the lived experiences of those most negatively impacted and respond with a nuanced, informed and sophisticated understanding of inequality. We do not need to undertake more extensive research and reviews. We have a good understanding of the impacts and are already working with communities on the solutions needed, but we do need to keep listening and evolving our response, and to think about what we all need to do differently because collectively we are not making the progress we need to. This has to include a conversation about leadership and how we can lead more collaboratively and inclusively.

- 1.7. A significant part of doing things differently is going to be about doing everything in our powers to promote a far more inclusive economy. The number of Universal Credit claimants has seen a five fold increase and we know that Hackney employers have furloughed 34,000 jobs in Hackney. Even as businesses are allowed to re-open, many companies in hospitality and the arts and culture, including social enterprises, are going to struggle with viability. Just before lockdown we had adopted an inclusive economy strategy. More than ever, we need to shape the economy, tackle the skills and employment challenges and co-ordinate pathways into employment - using the levers we have in planning (the new Local Plan is also before Cabinet), procurement, Council and community assets and in creating opportunities through training, apprenticeships and jobs to respond.
- 1.8. This report sets the direction of travel for what we need to do that is different or accelerated in response to coronavirus. It includes the principles that will lead to the reopening of services and how we will continue to protect our workforce as some of them return to the physical workplace and others continue to have to work from home. The report seeks to look at everything through the prism of inequalities, vulnerability and poverty and to take a very honest look at how we need to work differently. This will include building on ways of working that have been better during the crisis, particularly with respect to the way we have worked across a whole system, going beyond institutional silos and valuing partnerships across the public sector and community.
- 1.9. In 2018 as a Mayor and Cabinet we set out an ambitious programme based on our manifesto to build a fairer, safer and more sustainable Hackney, this report seeks to renew that commitment, but also look to rebuilding a better Hackney as we come out of the first phase of this crisis. Our ambition includes ending rough sleeping, ensuring that no one in Hackney goes hungry, that the vulnerable get the support they need, the inclusive economy is supported, we keep building the homes the borough needs and there is a clear employment and skills offer available to all - whether someone is coming off furlough and lose their job or are a young person leaving school or college and needing support to start their career.

- 1.10. The financial challenges are set out in this report and in the regular updates received by Cabinet since the start of the crisis, they illustrate that Hackney has done 'whatever it takes' to support our services, residents, businesses and the voluntary sector. This is not however an 'emergency budget' nor does this report signal one in the autumn; Hackney because of its sound financial management is better placed than most, despite the high levels of need, able with further funding from Government to manage this crisis.
- 1.11. Our resolve to provide excellent services, even in an age of austerity, while tackling the challenges of inequality, poverty and climate change remains. Where we don't have the powers or resources to achieve these objectives, we resolve to continue to be a campaigning Council advocating for policy change and investment into Hackney, the emerging issues, asks of Government and public policy priorities are covered in this report.
- 1.12. None of this can be done alone, it is no coincidence that Cabinet is also considering today the work of the Hackney Young Futures Commission - illustrating that the administration and the Council has made good on our commitment to more deeply involve local people, in this case local young people, in shaping the future direction of our borough. This will continue to be an iterative and adaptive process as we grapple with the health, social and economic challenges ahead.
- 1.13. I recommend this report to Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. In 2018, Hackney adopted a Community Strategy which was rooted in extensive community engagement. This aims to keep our long term vision in focus, despite what might knock us off course. We also adopted a Corporate Plan and a Single Equality Scheme which set out how we would deliver this strategy over the medium term. These plans already identify priorities around poverty reduction, inclusive economy, housing, climate emergency, serious violence, children and families, community wellbeing and health inequalities. All these plans look at issues through the prism of key inequalities, and the Single Equality Scheme sets out the proactive objectives we adopt and the work plan that supports that.
- 2.2. In February this year, Cabinet agreed a progress update of delivery against the corporate plan. The report described the challenging context. After a decade of austerity we faced acute financial challenges in local government, with increased strains on our services and in communities, as well as continued uncertainty about the future. We talked about growing inequality and vulnerability among our residents and that, in the face of this, maintaining strong, cohesive, healthy communities was one of our greatest and most difficult tasks. This was

the assessment before the pandemic and the impact in the community and on our finances is now far worse.

- 2.3 This report takes stock of the direct and indirect impacts of pandemic and considers the ways that community, businesses and the Council has been affected. The report sets out how the Council has responded to the pandemic and will continue to respond. The stark financial context is also provided. The Council is facing combined increased costs and reduced income of £67m in this financial year due to coronavirus covering both the General Fund and HRA. This is made up of an estimated £24m in additional spending and £43m in lost income. So far, central government has provided £18m of additional support, plus we will get a share of a further £500m support package announced earlier this month (we estimate we will get c. £2.8m) and some partial compensation for income losses under which we will get a maximum of £9.5m. This still leaves us with a significant in-year shortfall for both the General Fund and HRA of c. £37m. To put this in context, the entire loss of funding during a decade of austerity was £140m. The report considers how our corporate plan will change to take account of this and the financial impacts on the Council and partners, setting out the ways of working and direction of travel for our corporate priorities. The report is clear that we cannot fully respond without financial support from central government and includes a number of public policy asks of central government.
- 2.4 This report also includes an updated overview of the Council's financial position in 2020/21 post Covid-19 and an indicative three year Medium Term Financial Plan (both included in **Appendix 2**). The Plan is necessarily indicative because we have only had three months experience of the increased cost pressures and reduced income arising from Covid-19 and there is considerable uncertainty about the future course of the economy and hence public spending plans and funding. The difficulties are exasperated by the fact that we don't know how long it will take for the local economy to recover which will impact on income from car parking, commercial properties and commercial waste; and the impact of removing the furlough on Council Tax Reduction Scheme (CTRS) claimant numbers and hence council tax income. Any significant increase in CTRS numbers will reduce our council tax income. In view of these uncertainties, we will be producing a further iteration of the Medium Term Financial Plan in September / October.
- 2.5 Specifically **Appendix 2** presents an indicative forecast of the 2021-22 budget which models three scenarios - medium, best and worse case - and an outline of the position in the following two years. This should be read in conjunction with the May OFP (also on the Agenda) which sets out the impact of Covid-19 on the 2020-21 Budget.
- 2.6 The reason for the lateness of the report is because in order to give the most accurate assessment of the council's financial position going forward, we wanted to include our grant allocation from the third

Emergency Fund tranche of funding from the Ministry for Housing, Communities and Local Government (MHCLG) and technical information from MHCLG on the working of the sales, fees and charge compensation scheme. The former was not published until 16th July and the latter has still not been made available and so we are still forced to use estimates and projections in the report.

3. RECOMMENDATION(S)

Cabinet is asked to:

- 3.1. Agree Appendix 1 - The refreshed direction of travel for the corporate plan and priorities detailed in the main body of this report, which takes account of the direct and indirect impacts of the pandemic and response and includes some key public policy asks.**
- 3.2. Note the financial considerations that underpin this direction of travel, as laid out in the medium term financial plan provided as Appendix 2.**
- 3.4 Note the updated 2021/22 Budget forecast which reflects the additional costs pressures and income reductions resulting from Covid-19 and the outline of its impact on the financial position over the following two years.**

Council is asked to:

- 3.5 Note the above recommendations and the report.**

4. REASONS FOR DECISION

REFRESHED DIRECTION OF TRAVEL FOR THE CORPORATE PLAN

- 4.1. Hackney adopted a new Community Strategy and Corporate Plan in 2018. An update on progress against the Corporate Plan was taken in February 2020.**
- 4.2. This report takes stock of the direct and indirect impacts of pandemic and considers the ways that community, businesses and the Council has been affected. The report sets out how our corporate plan will change to take account of this and the financial impacts on the Council and partners, setting out the ways of working and direction of travel for our corporate priorities.**
- 4.3. Even before the pandemic, we were trying to progress priorities in an extremely challenging context. The situation is now far worse and so this refresh of the corporate plan is needed, to set the direction of travel for the Council in terms of the corporate priorities we should all be focused on and to put this in the context of the latest financial assessment. The main risk is that we are unable to make progress with our priorities without changes to the way we work, to public policy and**

a fairer financial settlement

4.4. The refresh of the corporate plan covers:

The Impacts on the Community

The Council's Response

Resetting our Corporate Plan:

Principles for re-opening services and moving to a new normal for the workforce

Revisiting our existing corporate plan

Ways of working

Workforce strategy

Reset of strategic priorities

Planned investment in 2020/21 budget to tackle poverty and inequality

Asks of central government

2021/22 BUDGET FORECAST AND OUTLINE MEDIUM TERM FINANCIAL PLAN

4.5 To facilitate financial management and control of the Council's finances

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1. The Council could have chosen to do nothing and continue to work on the existing corporate plan. This has been rejected because we would be ignoring impacts and missing opportunities to work differently and learn from our response. We would be out of step with other local authorities making collaborations more difficult. We would lose the confidence of our staff, partners and communities who will be looking for the Council to lead a process to take stock and reset priorities.

5.2. The Council could have chosen to adopt a completely new vision and corporate plan. We have not done this because our analysis of impacts tells us that we were focused on the right priorities and approaches: poverty reduction, inclusive economy, housing, climate emergency, serious violence, children and families, community wellbeing and health inequalities and also a focus on the key inequalities. We also concluded we had identified the right ways of working in terms of workforce and engagement. This report identifies what more we need to sharpen our approach or accelerate our response, or to adopt different ways of working, rather than starting again.

5.3 With regards to the budget forecast and medium term financial plan, this is primarily an update on the council's financial position and there are no alternatives here.

6. BACKGROUND

6.1. Policy Context

In 2018, Hackney adopted a Community Strategy which was rooted in extensive community engagement. This was about helping us keep our long term vision in focus, despite what might knock us off course. We also adopted a Corporate Plan which set out how we would deliver this strategy over the medium term. These plans already identify priorities around poverty reduction, inclusive economy, housing, climate emergency, serious violence, children and families, community wellbeing and health inequalities and also a focus on the impacts on different equality groups. This was underpinned by equality objectives and an equality scheme which was also adopted in 2018. This sets out everything we need proactively to do to meet the key inequalities that we have identified and published in an evidence base. An update on progress against the Corporate Plan was taken to Cabinet in February 2020. A review of progress against the Single Equality Scheme has also been undertaken. This has been the starting point for a refresh of the corporate plan. We have considered these progress reviews and the taken stock of the impacts of the pandemic through a community impact assessment, equality assessment, review of health inequalities, consideration of the Council response and lessons learnt, public policy analysis and critically, a consideration of the financial position.

With regards to the budget forecast, this report updates the Council's financial position post Covid-19. Full Council agreed the 2020/21 budget on 26th February 2020

6.2 Equality Impact Assessment

Covid-19 has had devastating impacts on communities, businesses and the voluntary sector, bringing inequality and specifically racial inequality into stark relief. This refresh of our corporate plan reiterates the need to focus on the priorities identified in our corporate plan, but sets out a commitment to ensure that we understand, validate and centre our response on the lived experiences of those most negatively impacted and respond with a nuanced, informed and sophisticated understanding of inequality.

We have done this firstly by keeping an ongoing log of impacts, identified through community insight, survey work and data analysis, from the earliest point in mid March. We considered how these impacts might interact to create knock on impacts in communities. We used this early analysis to inform our emergency response and also to help determine existing work that should remain a high priority, For example, we kept the Hackney Young Futures Commission and the Improving Outcomes for Young Black Men Programme because we knew young people, and specifically young black men would be one of many groups would be disproportionately impacted.

The community impact assessment was kept under review to test if early hypotheses were borne out and then shared widely to check

working assumptions. We also developed an equality grid so we could consider impacts by specific equality groups, and consider impacts in the short, medium and longer term. An officer with expertise in equality analysis was embedded into the group of officers who were developing the humanitarian assistance response so that we could draw out the specific equality considerations that could be taken into account as we planned for the next phase of community support.

These impacts identified are described in this report in the section on Impacts and also under each of the priorities. This analysis has also directly informed the reset of our corporate plan:

- Ensuring that the second phase of our Covid-19 response fully takes on board equality considerations for the workforce - whether in terms of getting back to work or continuing to work from home
- Reaffirming the need to develop a leadership culture that can respond to the complex needs and inequalities in the community and in our workforce- building on our inclusive leadership work
- Continuing to progress actions to ensure that our workforce reflects the diversity of our communities at all levels and the actions which we are taking form a key part of our workforce strategy.
- Adopting a clear statement setting out our commitment to anti racism and therefore to tackling structural racial inequality and systemic racism, and developing specific actions that tackle this, building on existing work. We know that we do not need to undertake more research and reviews. We have a good understanding of the impacts and are already working with communities on the solutions needed, but we do need to keep listening and evolving our response, and to think about what we all need to do differently because collectively we are not making the progress we need to.
- Continue to progress our single equality scheme
- Ensure that supporting the vulnerable and tackling key inequalities is embedded across all priorities.

6.3 Sustainability

This report sets out the work that we need to do in relation to Climate Emergency as a specific priority and also considers how we can work towards a green recovery within other priorities.

6.4 Consultations

The refresh of the corporate plan has been developed by drawing on insights from a range of surveys, engagement activities and conversations and partnership meetings which have been run during the pandemic. These are detailed in the report. Some of the key sessions are summarised below:

- Hackney Young Futures Commission
- Residents Survey

- HCVS Neighbourhood Conversations and meetings about racial inequality
- Engagement with organisations working on community support
- Voluntary sector surveys and surveys and engagement with specific sectors
- Engagement with businesses including the cultural sector
- Fortnightly faith forum

The direction of the travel for the plan was also shared and developed further with the Community Strategy Partnership Board and in workshops with senior managers.

We know that whilst some people in the community will want to move on and get back to the new normal, there will be others left with residual questions and aspirations to rethink the way we live our lives and reflect on what this means for the big issues like inequality and climate emergency. This is why we will be sharing a public facing version of this plan widely so that we are being open and transparent about how we see coronavirus impacting on the Council and the community. We are also working with partners to develop a shared approach to how we engage with residents, about these priorities and about their aspirations:

- Working with residents to take stock and respond to impacts, understanding and building on aspirations, commemorating lives lost and celebrating huge contributions that have been made by volunteers and staff.
- Developing more inclusive ways to communicate and engage with residents about coronavirus so that everyone can access the information and support they need
- Taking an asset based approach to developing this information and supporting, working with the formal and informal sector
- Identifying the positive proactive actions needed to support community resilience, specifically with regards to promoting social distancing, addressing community tensions and promoting community safety

Relevant consultations have been carried out in respect of the financial forecasts contained within this report involving the Mayor, the Deputy Mayor and Member for Finance and Housing Needs, HMT, Heads of Finance and Directors of Finance.

6.5 Risk Assessment

Even before the pandemic, we were trying to progress priorities in an extremely challenging context. The situation is now far worse and so this refresh of the corporate plan is needed, to set the direction of travel for the Council in terms of the corporate priorities we should all be focused on, and to put this in the context of the latest financial assessment. The main risk is that we are unable to make progress with our priorities without changes to the way we work, to public policy and a fairer financial settlement. This is why this report considers, under each priority, the main ways that progress is now at risk and a new direction of travel. This is also why we are setting out the financial context and challenges in the same report, along with public policy asks.

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

The Group Director, Finance and Corporate Resources' financial considerations are included throughout the report.

8. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 8.1 The Council has both express powers to deliver many of the services they have committed to in the Corporate Plan, The Corporate plan approved by Cabinet and Council in 2018 and the legal advice remains the same. This report is a refresh of the previously approved Corporate report and appropriately takes stock of the direct and indirect impacts of the pandemic and considers the ways that community, businesses and the Council has been affected. The report sets out how our corporate plan will change to take account of this and the financial impacts on the Council and partners, setting out the ways of working and direction of travel for our corporate priorities. The Council is able to rely on section 111 Local Government Act 1972, or the Local Authority's general powers of competence as set out in section 1 Localism Act 2011.
- 8.2 The Corporate Plan will continue to be supported by the Councils corporate governance arrangements which are in place. Legal and Governance Services will support and advise on all legal issues which arise from particular services and projects in order to aid the achievement of the corporate priorities.

APPENDICES

Appendix 1: Refresh of corporate plan
Appendix 2: Medium Term Financial Plan

EXEMPT

Not applicable.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

Our [community strategy 2018-2028](#) is our collective response to the big changes we've experienced and the challenges we face in our borough. It sets out our vision for the kind of future we'd like to see for our communities, and lays out the steps we're going to take to achieve this.

[Hackney – A place for everyone: corporate plan 2018 to 2022](#)

This sets out how the Council will deliver Mayoral Priorities and the Community Strategy in a medium term time frame.

Corporate Plan Progress Update February 2020 - this was agreed by Cabinet in February 2020 and provides an update on the first year of delivery of the plan.

[Community Impact Assessment](#) - considers all direct and indirect impacts logged during the pandemic

An [Equality Grid](#) considers equality impacts identified during the pandemic over the short, medium and long term

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Cabinet

20 JULY 2020

**COVID 19, CORPORATE PLAN AND
MEDIUM TERM FINANCIAL PLAN
UPDATE**

KEY DECISION NO. FCR Q90

Appendix 1

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APPENDIX 1: REFRESH OF CORPORATE PLAN (draft)

- 1. Mayor's Introduction**
- 2. The Impacts on the Community**
- 3. The Council's Response**
- 4. Resetting our Corporate Plan:**
 - Why we are doing this
 - Principles for re-opening services and moving to a new normal for the workforce
 - Reviewing our existing corporate plan
 - Ways of working
 - Workforce strategy
 - Reset of strategic priorities - overview
 - Direction of travel- strategic priorities
- 5. Planned investment in 2020/21 budget to tackle poverty and inequality**
- 6. Asks of central government**
- 7. Approach to engagement, empowerment and resilience**

1. MAYOR'S INTRODUCTION

Covid-19 (Coronavirus) has already impacted on services, businesses and communities in ways that will resonate for many years. Unlike other crises that local government has had to respond to, there really is no "going back to normal" or "business as usual." For many in Hackney, 'normal' was also not working for them economically or socially before this crisis, and we now have an opportunity to respond to these challenges as we work to rebuild a better Hackney. We will still be responding to the direct and indirect impacts for many months and years.

I would like to thank everyone in Hackney who has helped respond to this unprecedented crisis - Council staff, partners, volunteers and residents. It has been a hugely challenging time and will continue to be in the weeks and months ahead.

As we start to come out of lockdown and the rate of infection slows, it is timely that we start to take stock of the short, medium and long term impacts on the Council and in the community. We continue to mourn the 222 Hackney residents we have lost, think about how to best collectively remember them and also support those they have left behind.

This has to be considered in the context of the stark financial context. The Council has incurred £69m of additional pressure this financial year due to coronavirus, made up of £26m in additional spending and £43m in lost income. So far, central government has provided nearly £18m of additional support which leaves us with a shortfall of £51m. To put this in context, the entire loss of funding during a decade of austerity was £140m.

We are still responding to the pandemic, whilst managing the process of the Council and the borough safely coming out of lockdown and the possibility of localised outbreaks or a full 'second wave'. What is also clear is that our residents will

continue to be impacted and vulnerable for the foreseeable future. We are seeing increased poverty, unemployment and a struggling business, voluntary and community sector, and specific needs for really vulnerable groups like rough sleepers and people with no recourse to public funds. At the same time, the longer term issues for individuals and communities cannot be parked or we will see long and enduring impacts on individual life chances and inequalities. Even as we continue to grapple with the immediate concerns, we have to start revisiting our existing priorities and develop a refreshed corporate plan. From the very beginning of the pandemic we decided to keep community and equality impacts across different time frames under review and this is now proving to be an invaluable evidence base underpinning what we put forward in this report.

In 2018, Hackney adopted a new Community Strategy which was rooted in extensive community engagement. This was about helping us keep our long term vision in focus, despite what might knock us off course. We also adopted a new Corporate Plan which set out how we would deliver this strategy over the medium term of the 2018-2022 administration. These plans already identify priorities around poverty reduction, inclusive economy, housing, climate emergency, serious violence, children and families, community wellbeing and health inequalities and also a focus on the impacts on different equality groups. This was underpinned by equality objectives and an equality scheme that sets out what we need proactively to do to meet the key inequalities that we have identified and published in an evidence base.

Coronavirus has had devastating impacts on communities, businesses and the voluntary sector, bringing inequality and specifically racial inequality into stark relief. This has reiterated the need to focus on the priorities identified in our Corporate Plan, but we do need to make sure that we understand, validate and centre our response on the lived experiences of those most negatively impacted and respond with a nuanced, informed and sophisticated understanding of inequality. We do not need to undertake more research and reviews. We have a good understanding of the impacts and are already working with communities on the solutions needed, but we do need to keep listening and evolving our response, and to think about what we all need to do differently because collectively we are not making the progress we need to. This has to include a conversation about leadership and how we can lead more collaboratively and inclusively not just within the Council, but in our broader partnerships in the public sector and beyond.

A significant part of doing things differently is going to be about doing everything in our powers to promote a more inclusive economy. The number of Universal Credit claimants has seen a five fold increase and we know that Hackney employers have furloughed 34,000 jobs in Hackney. Even as businesses are allowed to re-open, many companies in hospitality and the arts and culture, including social enterprises, are going to struggle with viability. Just before lockdown we had adopted an inclusive economy strategy. More than ever, we need to shape our local economy, tackle the skills and employment challenges and co-ordinate pathways into employment - using the levers we have - procurement, commissioning, assets and jobs to respond. This again will require new ways of working with our partners, neighbouring boroughs, the London Legacy Development Corporation, our sub-region Central London Forward and the Mayor of London.

This report sets the direction of travel of what we need to do that is different or accelerated in response to coronavirus. The report seeks to look at everything through the prism of inequalities, vulnerability and poverty and to take a very honest look at how we need to work differently. This will include building on ways of working that have been better during the crisis, particularly with respect to the way we have worked across a whole system, going beyond institutional silos and valuing partnerships. Our ambition includes ending rough sleeping, ensuring that no one in Hackney goes hungry, that the vulnerable get the support they need, the economy is supported, we keep building the homes the borough needs and there is a clear employment and skills offer available to all - whether someone is coming off furlough and lose their job or are a young person leaving school or college and needing support to start their career.

Our resolve remains in Hackney to provide excellent services, even in an age of austerity, while tackling the challenges the borough faces. Where we don't have the powers or resources to achieve these objectives, we resolve to continue to be a campaigning Council advocating for policy change and investment into Hackney, the emerging issues and public policy priorities are covered in the final part of this report.

2. THE IMPACTS ON THE COMMUNITY

From the outset of this crisis, Hackney Council identified concerns and risks in our community, arising from the way that measures put in place to control the spread of infection would impact on our everyday lives and the knock on economic and social impacts. We knew that groups who were already vulnerable would become more vulnerable and that the scale of vulnerability would grow as more people were laid off, made redundant or lost business. We knew things were going to get worse over a long period of time, so that a response had to be put in place that was sustainable and future proofed as the situation evolved. We intelligently used our existing data to [map vulnerability](#), directing our early response and constantly exploring emerging issues during the crisis from gaps in humanitarian support to those left outside the support provided by the Government to businesses. We have kept an ongoing log of impacts and the way that they interact to create knock on impacts in communities. This assessment has been used directly to inform our emergency response described in the next section, but has informed the reset of our corporate plan which is set out in this report.

This assessment considers the direct and indirect impact of coronavirus. It shows how structural inequality has led to differential impacts on communities, but also how institutional issues have worsened these impacts.

The direct impacts of Coronavirus

At the time of writing, there have been 222 locally registered deaths with coronavirus in Hackney, and 789 confirmed cases via Pillar 1 and Pillar 2 testing data. The number of reported weekly cases and deaths has been going down since a peak in the first week of April, when 190 new cases and 38 deaths were recorded in one week. Due to a lack of testing, these figures are not conclusive, and are likely to be bigger. In the week 29 March – 4 April, the number of total deaths in Hackney was

almost four times the five-year average, and the increase in overall deaths coincides with the increase in weekly deaths due to coronavirus. Some groups have been disproportionately impacted:

- Older people, migrant populations (those born outside of the UK) and people from lower socio-economic backgrounds are disproportionately represented among the deaths involving coronavirus
- Factors like age, sex, ethnicity, deprivation, and occupation have an impact on the risk of contracting coronavirus and the risk of death from coronavirus
- The risk of infection for South Asian and Black adults is significantly higher compared to their White counterparts
- Underlying conditions which increase the risk of dying from coronavirus are more prevalent among poorer populations

Almost half of all confirmed coronavirus cases in Hackney and the City of London have been among residents aged 60 or over, and 90% of deaths had other pre-existing conditions.

54% of deaths where the occupation was known were among people employed in routine and manual occupations, whereas only 32% of Hackney residents worked in these jobs at the last census.

69% of residents who died with coronavirus were born outside of the UK, but only 37% of Hackney residents were born outside of the UK.

The odds of infection for South Asian and Black adults are significantly higher compared to White adults. According to local studies, an increased risk of presenting to primary care settings with coronavirus symptoms was associated with:

- Higher BMI
- Higher number of long-term conditions
- Deprivation
- Ethnicity, whereby patients from Black and South Asian ethnic background had significantly higher risk of infection compared with White patients

The recent Public Health England Review echoes much of the local insight. In addition, the review found that in England:

- After accounting for the confounding effects of age, gender and deprivation, risk of death from coronavirus was twice as high in Bangladeshi groups; and between 10-50% higher in persons from Black, Asian, Indian, and Chinese ethnic groups compared to the White population
- Death certificates that included coronavirus as one of the causes of death were found to be more likely to mention diabetes, followed by hypertension, chronic kidney disease, Chronic obstructive pulmonary disease (COPD), dementia
- Diabetes was among the most frequently mentioned conditions – around a fifth of all certificates
- The proportion of coronavirus deaths where diabetes is mentioned ranged from 18% in the White ethnic group, 43% in the Asian group to 45% in the Black group; it was also more frequently mentioned among deceased coming from more deprived areas

- The proportion of coronavirus deaths where hypertensive disease is mentioned ranged from 17% in the White ethnic group to 40% in the Black group but is also high in the Asian and Mixed groups
- Around 2% male (54) and 1.5% female (13) of known rough sleepers were diagnosed with coronavirus

Crosscutting impacts

Digital Inclusion and wider communication barriers

The lockdown has exposed the extent of the digital divide in Hackney and how this is driving inequalities. As we are likely to live more of our lives remotely to support social distancing, there is a really pressing need to scale up the response so that people can access information (including about future outbreaks and management) and services as well as participating in broader society and the economy. There will be other barriers to communication and engagement, beyond digital, that will have driven inequalities and disadvantaged communities during a lockdown that we need to more fully understand including language and also learning difficulties.

No Recourse to Public Funds (NRPF)

Those who have NRPF and were already vulnerable may have been reliant on drop-in advice and support which is no longer available. A wider group will also be made vulnerable as some will have suddenly lost their employment and will be unable to access the safety net offered by the Government through the benefits system. Under the Homelessness Act 1996, the Children Act 1989 and Care Act 2014, the Council already provides support to those who qualify for it. The Council is also supporting rough sleepers who have NRPF to ensure they are able to stay safe during the pandemic. We have worked with partners to set up a hardship fund for those with NRPF and challenged the Government to end NRPF

Shielders

According to NHS data, 7,745 residents in Hackney and the City of London are registered on the shielded patients list, meaning they are at a higher risk from coronavirus and are clinically vulnerable. These residents have been advised to take extra steps to protect themselves and are receiving food and essential supplies directly from the Government. This support is now coming to an end and we will have to look to ensure that continuing needs are understood and met where we can.

Poverty

In addition, nearly 2,000 households have registered with the Council to receive emergency food supplies. 70% of recipients say they are struggling to pay for food, and the large majority receive Housing Benefit and/or Council Tax Support and live in social housing.

There has been a significant financial impact for many households as workers have been furloughed or made redundant. As of 11 June, 34,000 workers had been furloughed in Hackney through the Government's Coronavirus Job Retention Scheme.

Hackney's JobCentre Plus centres are processing around 1,000 new Universal Credit claims a week, a 60% increase. More than 2,000 Council Tax direct debits

have been cancelled by residents, and since the beginning of March, there have been more than 1,000 new applications for Council financial support, including:

- 716 applications for Discretionary Housing Payments
- 168 applications to the Discretionary Crisis Support Scheme
- 157 applications to the Council Tax Reduction Scheme

Homelessness

The Council's Housing Needs team has seen an increase in requests for advice, although this has not yet translated into a significant increase in homelessness applications. This is likely due to the ban in evictions, and could change when this ban ends in August. Higher proportions of single people are seeking advice than usual.

The Greenhouse, which provides housing and health support for homeless people in Hackney, has seen approaches double, and the number of new rough sleepers has increased tenfold.

However, the Council and its partners have worked hard during the Pandemic to ensure that rough sleepers have a safe place to stay. We have supported 170 rough sleepers into accommodation and are supporting them to find work and permanent accommodation. We have made a clear commitment to ending rough sleeping and ensuring they don't return to the streets.

The impacts of lockdown of different groups

This is a summary of the main impacts, although there is greater detail under each of the priorities. This is based on a detailed analysis of community impacts that considers a log of all issues identified since mid March, including quantitative and qualitative data and insights.

Children and young people

At the height of the lockdown we were concerned about the impacts of families being at home together in overcrowded accommodation. We also saw a number of childcare settings and playgroups close, raising concern that we may emerge from the crisis with a diminished childcare offer in Hackney. We remain concerned about the long term impact of children not being in full time education as well as the strain on parents trying to work and care for children, and homeschool them. We recognised that single parents would become isolated and struggle to secure help if they fell ill with the virus. We were also concerned about seeing an increase in domestic violence and that this would go largely unreported, and we have seen a 60% increase in referrals into our services. With less adult oversight at home, school or in open spaces young people may be at greater risk of grooming and exploitation. With the majority of children not in school, safeguarding referrals to the Council's Children and Families service have reduced 46 per cent. 48% of children in Hackney were already living in poverty and some could now be at risk of losing their homes. We know from our work on Digital Inclusion¹ that many families are not adequately digitally connected or have insufficient devices. The factors outlined above are

¹ https://drive.google.com/file/d/1_PD1WLcjQVuwpaLx7nE1w3cchBEZ_9R/view

compounded for young people with special educational needs and disabilities. For families with autism, adjusting to social distancing and to people wearing PPE continues to present a particular challenge.

Disabled people

Over half of the Council's food parcels have been distributed to disabled people. As well as being more directly at risk, many disabled people with sensory or mobility issues would have felt more vulnerable and would have been more isolated. This is borne out with research by Inclusion London² that found that disabled people questioned had struggled to access food, medicine and necessities, had found information inaccessible and were experiencing distress and a sense of feeling forgotten and deprioritised.

Ethnicity and race

Structural and systemic inequalities have led to people from black and south asian backgrounds being disproportionately negatively impacted by coronavirus directly and indirectly. This is across all aspects of life - from the way educational outcomes are likely to be impacted, the overrepresentation in frontline roles in the public and private sector and the way poverty and inequality, including health inequality, have been exacerbated. It also raises questions about equal access and fair outcomes to health treatment. As we come out of lockdown, questions are also being raised about whether all groups are being fairly treated in enforcement and policing.

Those without English as a main language find it harder to access information and services, especially online.

Gender

Women are more likely to be impacted negatively as victims of domestic violence and also in their role as primary carers with additional pressures from working and homeschooling for caring for others. There are concerns that women will be impacted in any subsequent recession because of the sectors that are likely to be impacted. Men are more likely to be severely impacted by coronavirus itself.

Religion and belief

During the lockdown we have convened a fortnightly faith forum where we have heard concerns about access to appropriate food, especially via the Government's shielding response, as well as digital exclusion. Many faith communities have been concerned about the impacts of closing places of worship in terms of community wellbeing and social isolation. Leaders have also talked about how we need to build trust in communities that may be more distanced from the state and challenges emerging around reopening of places of worship.

Older people

Coronavirus is significant and potentially fatal, with increased risk to people with underlying health conditions and/or who are older. During the lockdown older people over 70 were advised to stay at home and have been heavily reliant on informal

² The impact of the coronavirus pandemic on Disabled people, Interim Report - June 2020, Inclusion London

support as well as the support that the Council has provided through food parcels. The average age of those receiving the Council's food parcels is 61, and 36% are over 70.

Older people are also most likely to be digitally excluded in Hackney and are more likely to be cut off from social contact and services that have gone online. We are also concerned about the long-term serious illnesses and excess deaths from other diseases that have gone undetected or untreated during this crisis. Social isolation and loneliness and the impact on mental health is likely to become even more profound. There are increased challenges as older people are not able to go to the cash machine, and therefore there are additional security safeguarding risks around financial abuse. We have worked to update our emerging Ageing Well Strategy to incorporate these concerns.

Pregnancy and maternity

Pregnancy is a risk factor for coronavirus itself, especially in the third trimester. Concerns have emerged recently about access to pre-and post natal support, especially for parents who are isolated or at risk.

Sexual orientation and gender identity

The LGBTQ+ community in Hackney can be more reliant on peer support and social networks, especially for those who have been rejected by families; safe spaces were also closed. For some, home may not be a safe space. Access to appropriate support and clinical support may also have been limited or delayed. Specifically for transgender residents, the specialist support around transitioning will have been delayed and this could impact greatly on emotional wellbeing.

Impact on the community cohesion and community relations

Coronavirus has affected everyone in some way, and tested individual and collective resilience, although the differential impact has been stark and we are left with a very mixed picture in Hackney. On the one hand, the community has really been mobilised in a way we have not seen before to reach out to vulnerable people through self organising groups such as Mutual Aid, those in the formal voluntary sector and newly recruited volunteers. We have learnt a great deal about how communities can mobilise quickly, communicate and collaborate, and how we best develop community partnerships that are inclusive and encourage community responses that are empowering.

The community however has also been under strain. The impact of coronavirus has differentially impacted communities and businesses, bringing inequality, and specifically racial inequality into stark relief. There are tensions about groups' adherence to social distancing, which we can see are growing as the lockdown eases, and this again plays into issues of fairness, if some who are also more privileged are seen to be acting with impunity. This has been a traumatic event, for individuals and collectively, and for some individuals and communities, this will come on top of previous traumatic events.

Looking ahead over the next few months, after seeing a temporary decline in serious violent crime we are beginning to see an increase again, as we come out of lockdown. There are serious risks of exploitation given many young people are not back at school or other settings, the challenge of returning to a full physical offer for

young people outside of school and parents may have to return to work. The economic impacts have been cushioned by the furloughing of some staff, but there are uncertainties about the future of some of the sectors in Hackney that may shrink, creating more economic vulnerability down the line. Uncertainties also remain about how coronavirus might impact Hackney in the future, in terms of local outbreaks or a 'second wave'. We need to ensure that the community understands what might happen in the event of a local outbreak, in terms of track and trace and self isolation, and what information and support might be available. We also need to recognise on the one hand, how difficult some residents will find it to go through this again, especially if they have already had to self isolate, and on the other hand how cautious some residents, especially those who have been shielding, will be about resuming activities outside of their home.

Whilst some will want to move on and get back to the new normal, there will be others left with residual questions and aspirations to rethink the way we live our lives and key questions about what this means for the big issues like inequality and climate emergency.

Impact on business

The enforced shutdown of many businesses and social distancing rules have had a significant effect on Hackney's local economy and the ability of businesses to operate.

The Council's recent surveys of businesses found that:

- 77% were closed
- 95% had lost income
- 25% had staff who were self-isolating and unable to work
- 24% had made staff redundant
- 7.5% had staff who were scared to work because of infection risk
- 79% had furloughed staff
- 3 in 4 faced a loss of more than three-quarters of their income
- More than half cannot sustain further losses in income

Only 2,350 businesses in Hackney will receive 100% business rate relief, and 4,500 are eligible for the Small Business Grants Fund and the Retail, Hospitality and Leisure Grant Fund. This leaves almost 7,000 businesses in Hackney who are in premises and pay business rates but cannot access this support. The £3.4m provided by the Government for the Council to run a further discretionary grant scheme will not be enough to provide support to most of these businesses.

1 in 10 jobs in Hackney are in the creative industries. The majority of cultural organisations that responded to a Council survey said they have suffered a loss in income, expect to be moderately or severely affected by coronavirus, and are not able to apply for Government funding packages.

Impact on Council services

Council buildings were closed to the public in late March, although services continue to operate with the majority of the Council's staff now working from home. Some staff have been internally redeployed to support essential services.

There has been a breakdown between the traditional idea of frontline and back office staff in the Council, with so many different parts of the organisation having to work together in new ways to provide services. However, it is important to recognise workers – such as those in the Adult Social Care, parks and waste services – who have worked tirelessly to ensure vital physical services that residents rely on continue, often in the face of increased demand.

Additional spending on key frontline services during the pandemic, coupled with losses in Council Tax, Business Rates and other income, means the Council faces a £69 million budget shortfall this year.

The funding gap is equivalent to half of the £140m in government grant cuts the Council has received since 2010 – in just one year.

So far, the Council has received just £17.7m from the Government in emergency financial support – with ministers not following up on their “whatever it takes” commitment and restricting support to a handful of select services for a short period, and often at inadequate levels.

Some Council-organised events – such as the Hackney Half-Marathon and Hackney Carnival – have been cancelled, with programmes moving online where possible. Council-run street markets were closed in March, except for Ridley Road Market which we were able to keep open for essential supplies.

Impact on workforce

- Some staff (e.g. care workers, cleaners) are at higher risk of contracting coronavirus and require adequate protection to do their job safely.
- Some staff will be under considerable stress in their role. For those with direct experience of the illness and working with those affected this could be traumatic.
- Some staff will suffer family illness and bereavement
- Some staff may be negatively impacted by lockdown (e.g. experiencing higher levels of stress, anxiety, frustration, loneliness or isolation)
- Some staff may have additional caring responsibilities at home, others may live in complex shared households both have an impact on the ability to work remotely
- Lockdown may adversely affect morale and cohesion within some teams, work may be needed to repair trust and relationships in the longer term
- Any return to work may have differential impacts and is being carefully considered with employee safety and wellbeing a key focus
- There may be worry amongst some staff about the risk of service being cut and redundancies in the longer term

3. THE COUNCIL RESPONSE

Hackney Council has worked hard to respond to the coronavirus pandemic and ensure that residents and businesses who need support get it. It is impossible to capture all of the impacts and outputs, but here is a snapshot at this stage:

- 600 volunteers deployed
- Over 800,000 items of PPE issued to staff and external providers³
- Over 14,000 emergency food parcels delivered
- 7,300 calls made to vulnerable tenants and leaseholders
- 170 rough sleepers in off the streets
- 8575 free key worker parking permits issued
- £62.5million in government grants paid to nearly 4,300 businesses
- 7 pavements widened/6 roads closed to aid social distancing with further interventions planned
- 4,000 fruit and veg vouchers accepted at Ridley Road market
- Over £62,000 in Council rent relief for voluntary and community organisation
- An additional £500,000 into its Discretionary Crisis Support Scheme and a further £120,000 has been invested to support Discretionary Housing Payments
- £100,000 invested in supporting those with No Recourse to Public Funds

Protecting public health

The Council's number one priority from the start of the crisis was to protect lives and support the health of our residents. We did this by supporting the local NHS both in terms of the Homerton and local primary care, also providing multidisciplinary support to our care homes and the wider care system. The Council has supported the Government's testing programme, including the operation of Mobile Testing Units in Dalston. Over 4,000 people have been tested at this centre. We helped support this Unit which has been operating since the start of May ensuring that there was walk-in access and additional support around issues such as domestic abuse were available. The Council through the crisis long argued for a greater role in testing and tracing and work continues to ensure that boroughs like Hackney have a more equal role, using local knowledge and capacity on behalf of our diverse communities.

The Council has developed a [Local Outbreak Control Plan](#) to guide the Hackney & City response which will be a constantly evolving document overseen by our new Local Outbreak Board and it will shape our implementation of the NHS Test and Trace system. On a day-to-day basis this work will be managed by a local Health Protection Board which is made up of key local partners and involves the voluntary sector. The Council is also participating in the London Good Practice Network (one of 11 nationwide and led in London by Camden), to play a critical friend on issues of concern and rapidly implement this plan, evaluate and share learning. Within this Network Hackney is co-leading on the communications strategy and the use of data, and training up a network of community outreach workers.

³ Including individual items (ie each glove)

At-risk residents

The Council has placed over 170 people in emergency accommodation, to make sure those sleeping rough - or at risk of sleeping rough – during the coronavirus crisis have a safe place to live.

In partnership with Volunteer Centre Hackney and Hackney CVS we launched a new volunteer portal on the Council's website and provide basic core advice to those volunteering or involved in Mutual Aid Networks. Through this work around 600 local volunteers have been recruited to support vulnerable residents – whether helping to do shopping or pick up essentials or simply regularly checking in with isolated or lonely people. Despite shielding or staying at home, many residents have still played their part in supporting their community.

The Council set up an emergency food distribution centre in Hackney Wick – an entirely new service – to deliver essential food and supplies to residents who needed support. This service has delivered more than 14,000 parcels since March, with a dedicated helpline taking thousands of calls from people asking for different forms of assistance.

There are specific religious barriers that might have prevented the Orthodox Jewish Community from finding out about coronavirus with not all households online or accessing national media. We therefore set up a dedicated helpline in the community. The strictly Orthodox Jewish community also faces very specific barriers to accessing government support for shielding residents, because of the way food needs to be stored to be in line with Kosher requirements. We have worked with partners from the Orthodox Jewish community to set up a Kosher food hub run by Bikur Cholim, with support from the Council.

Ridley Road Market remained open only to traders selling fresh fruits and vegetables and essential supplies, with Alexandra Rose vouchers accepted for families on low incomes. We worked with Hackney Food Bank and the Food Justice Network to fund additional support and ensure a stable food supply chain into the voluntary response.

The Council's Adult Social Care service has continued to care for its clients, with hundreds of thousands of items of PPE provided so that staff can continue to complete their vital work. The Council's four care homes have also been supported.

With schools closed and warnings about the risks of children spending more time online, the Hackney Safer Schools app, which offers vital safeguarding information and advice, was launched by the Council to provide support on topics including online bullying, mental health, sexting, media literacy, gaming and sexual exploitation online.

Nearly 400 older and vulnerable Council tenants are receiving help, advice or simply a friendly chat through the Council's Let's Talk initiative – ensuring that self-isolation doesn't mean social isolation for people feeling lonely, stressed or anxious during the pandemic. Older people are most likely to be digitally excluded in Hackney and are more likely to be cut off from social contact and services that have gone online, hence the importance of initiatives like Let's Talk.

We have advocated on behalf of families that faced holiday hunger, with schools eventually supported by Government to provide Free School Meal vouchers for the parents of eligible students – including through the Easter holidays and now into the summer.

Financial support for residents

To date, around 20,000 families and single people on low incomes have received a further rebate of up to £150 on their Council Tax bill through the Government scheme, and the Council has invested an additional £500,000 into its Discretionary Crisis Support Scheme, which residents can apply to for urgent financial support with emergency needs. A further £120,000 has been invested to support Discretionary Housing Payments for those needing support to pay rent.

The Council has also set up a £100,000 fund to support local residents financially impacted by the coronavirus crisis but unable to access the welfare system due to their immigration status and the inhumane ‘no recourse to public funds’ classification.

Supporting local businesses and the local economy

The Council’s measures to support small businesses – including its own tenants – and boost the local economy have included:

- A three-month no-quibbles rent deferral for all 300 commercial tenants, with an ongoing review of future payments, as well as suspension of enforcement or eviction proceedings
- Application of the Government’s business rate relief for eligible businesses, with the cancellation of direct debit payments due for existing 2020/21 bills
- Urgent payment of coronavirus business grants and a new discretionary business grant scheme, with over £60 million distributed to date
- The suspension of all commercial waste payments for businesses that have been forced to close
- The suspension of any fees and charges due from street market traders unable to trade
- Payments to local businesses for services provided to the Council made immediately rather than within 14 days

The Council’s Hackney Business Network has regularly communicated with its members and worked with the Federation of Small Businesses and East End Trades Guild to connect businesses to support. The Hackney Business Network has also provided businesses with free social distancing materials to use in premises that have recently reopened.

Supporting charities and the voluntary sector

Local voluntary and community organisations have played a crucial role in the borough’s response to coronavirus while facing their own financial challenges, we have:

- Cancelled rent for four months for voluntary and community organisations who rent Council buildings

- Signed up to the London Funders commitment to the sector, offering flexibility with programme delivery, finance and reporting together with support
- Lifted restrictions on how organisations can use our normal grants
- Funded an accelerated small grants programme to support hyper-local and grassroots-based responses to coronavirus
- Invested in Hackney Giving's coronavirus grants programme to encourage match funding from individuals and corporate donors
- Provided further financial support to organisations to mitigate long-term financial impacts
- Advocated on behalf of the sector to central Government and maintained a consistent programme of engagement and co-production

Children and young people

From the initial announcement of schools closing on 17 March, Hackney Learning Trust as part of the Council has been providing guidance and support for all Hackney schools. We provided initial support on early set up of learning at home and safe provision in school for key workers' children and vulnerable children. We have provided daily bulletins to schools with the latest local and national guidance. School improvement partners have been in weekly contact with headteachers of maintained schools. As we moved towards further opening from 1 June, we challenged the Government to ensure that concerns about safety were listened to and Hackney Learning Trust has run online webinars for headteachers and governors. This is in addition to weekly meetings with special school headteachers and weekly meetings with union representatives.

During the crisis, Hackney Learning Trust on behalf of the Council has:

- Supported secondary schools through the unprecedented process of having no formal examinations this summer, providing advice and guidance about the process of teacher assessment including how to ensure the avoidance of bias in the awarding of grades
- Worked closely with schools and Children and Families Service to ensure a safety net of partnership work between education and social care was in place to support vulnerable children – or those for whom safeguarding concerns emerged during this period.
- Worked to ensure that for pupils in Year 6, the transition from primary to secondary school goes as well as possible
- Provided online learning materials for all ages via its website and worked with Young Hackney and the Council to distribute the nearly 1,600 laptops that were finally provided by the Government
- Preparing for the summer, facilitated 15 school based summer activity programmes, providing for over 600 children

Young Hackney ensured that Hackney Youth Parliament could virtually meet, ran an online programme during the Easter holidays, and continued to run its Youth Hub activities online where possible. Youth workers have stayed in touch with young people, continuing to support them remotely, and families linked with Hackney Children's Centres have received practical resources to support their wellbeing and parenting. Children's centre staff have also been available to provide advice on

housing and welfare, and have supported families to access other necessities such as food and nappies where needed.

The Disabled Children's Service opened up its Short Breaks offer, enabling options such as the purchase of equipment to use at home, and is now expanding this to include outdoor face-to-face or online sessions such as sports, exercise, cycling, drama, dance coaching and lessons. The Local Offer was updated to reflect the changes to services and to offer online resources to children, young people and families with SEND, such as social stories explaining the changes brought about by coronavirus.

Individual schools are providing educational materials and support where possible to help parents to home-school children. Schools and childcare settings have remained open throughout the lockdown for the children of key workers and vulnerable pupils, and most schools have now reopened for some pupils ahead of the summer holidays.

The early years team have been supporting the wider network of childcare provision by independent nurseries, childminders and playgroups. They have provided guidance and individual support.

Finally, the Council's Hackney Young Futures Commission has organised a series of videocalls for young people to give them a safe space to discuss the issues affecting them involving a variety of speakers including the Mayor and Deputy Mayor. Young people have raised a variety of issues affecting their lives – including education and employment, health and wellbeing, the impact of domestic violence, digital poverty and the length of lockdown restrictions. Students raised specific concerns about predicted grades, applying and starting University and other courses in September and general disengagement, amid family conflict, overcrowding at home and worries about policing. All of these have helped inform our response to the crisis and will continue to shape future work going forwards.

Council tenants and leaseholders

Clear measures have been put in place to protect tenants and leaseholders in the Council's 30,000 homes as much as possible during the pandemic, while ensuring the Council continues to fulfil its responsibilities as a landlord during the lockdown period.

The priority has been to ensure the most vulnerable Council residents have the help they need by identifying those who require additional assistance due to their age, health or other circumstances, with some housing staff redeployed to focus on this essential support.

The Council has continued to provide repairs and maintenance services for urgent and emergency issues throughout the lockdown, and all evictions and pursuit of arrears for rent and service charges were paused at the beginning of the pandemic. Estate-based offices, facilities and play spaces had to temporarily close to aid social distancing, and estate cleaning and management prioritised to ensure communal areas are as hygienic as possible.

Cultural and creative industries

The Council brought together more than 220 representatives from cultural and creative industries to hear the challenges the sector faced and support them in calling for more support from the Government.

Hackney Carnival, the Windrush Generations Festival and the Discover Young Hackney festival all took place through a mix of online events and direct engagement, with new projects such as Hackney Social Radio FM, a programme focussed on digitally excluded older residents, and Hackney Circle, a free cultural membership scheme for over-55s, designed to help prevent self-isolation meaning social isolation.

The Council also responded to the Black Lives Matter movement by holding an online vigil for George Floyd, through a new review of the naming of landmarks, streets and public spaces, and the announcement of two new permanent public artworks to pay tribute to the Windrush Generation.

Faith and religious communities

The Council has convened the Faith Forum on a fortnightly basis so that we can bring everyone together during this crisis. This has helped us provide better advice and support to residents observing Passover, Easter and Ramadan, including working with faith leaders to communicate how to safely celebrate and carry out religious ceremonies.

The Council has worked particularly closely with the Orthodox Jewish community, rabbis and community leaders to ensure that Government advice and information about services reaches members of the community who may not normally access mainstream communications channels.

On May 3, a virtual prayer session hosted by the Speaker and other councillors saw members of various beliefs come together in support and solidarity for Hackney's communities, including leaders of Muslim, Jewish and Christian faiths, as well as a reverend from the New Unity non-religious church.

Social distancing

Banners and posters were put up in parks and public spaces in March encouraging residents to observe social distancing rules, and these have continued to be updated on a very regular basis in line with Government's evolving guidance. To try and keep our public spaces safe for everyone, the Council increased enforcement in the borough's parks and public spaces, with social distancing advisors speaking to residents who did not follow the guidance.

Other Council facilities – such as play areas, sports courts and toilets – were closed, although some have now reopened with strict rules in line with public health advice. Enforcement teams have patrolled the borough's parks, issuing fines for littering,

urination and defecation to discourage anti-social behaviour and try to ensure our parks remain open to everyone.

To keep our parks and green spaces open, clean and safe during the COVID-19 crisis we have had to invest in them further - with around £500,000 being spent on additional services including litter bins and emptying, additional toilet cleaning, banners and signage, cleansing, and enforcement. We remain committed to providing well maintained and safe spaces for our residents at this difficult time and for long into the future.

Emergency transport and environmental changes

With public transport for essential use only, the Council has taken a series of emergency measures to make it easier for residents to walk and cycle, and support social distancing. The Council has introduced road closures at Broadway Market, Barnabas Road, Ashenden Road, Gore Road and Ufton Road, and at seven sites where residents are experiencing difficulties with social distancing, footpaths have been widened with barriers and parking suspended to help people walk and shop safely. More such interventions are planned including a large expansion in low traffic neighbourhoods and a further 40 new school streets.

Staying in touch with residents and businesses

To make sure that all residents were aware of key public health messages, information and support for vulnerable residents together with the Council's emergency response work, decisions and service changes we have ensured a consistent access to both digital and non-digital advice:

- Delivered an information leaflet with an introduction from the Mayor to all homes with public health advice, support for at-risk residents and information on Council services
- Published four editions of Hackney Today and Hackney Life from March to June
- Delivered specific material to and worked directly with the Orthodox Jewish community and the Muslim community around key issues and festivals
- Launching a dedicated coronavirus email newsletter, keeping residents up to date on the latest developments and help available, reaching over 6,000 subscribers. This initially was daily during the week, but has now moved to a regular cycle of Monday, Wednesday and Thursday.
- Produced materials for our parks and other public spaces promoting social distancing and advising residents on the steps to take to stay safe
- Launched a resident survey about the impact of coronavirus
- Promoted the [Find Support](#) Service map of voluntary and community organisations offering help to Hackney's diverse community, especially to those who are affected by coronavirus.

4. RESETTING OUR CORPORATE PLAN

4.1 Why we are doing this

As we enter a new phase of managing coronavirus, we are determined that there is no simple slide back to business as usual. We are committed to rebuilding a better Hackney, maintaining the good things that have emerged from the pandemic, addressing the challenges and hardship that has been revealed or compounded while fundamentally remaining ambitious for the Council and the future of the borough and our residents, businesses and community organisations.

This is why we are taking stock of ongoing impacts and lessons learnt and using this to reset our Corporate Plan. This report sets out the direction of travel for our Corporate Plan but recognises that there is more to do to fully develop our response.

Just a few weeks before lockdown, in February, an update of delivery against the Corporate Plan was agreed by Cabinet. We said then that the context for making progress was challenging. After a decade of austerity we faced acute financial challenges in local government, with increased strains on our services and in communities, as well as continued uncertainty about the future. We talked about growing inequality and vulnerability among our residents and that, in the face of this, maintaining strong, cohesive, healthy communities was one of our greatest and most difficult tasks.

This was our assessment before the pandemic and the impact in our community and on our finances is now far worse as a result of coronavirus and the economic and social crisis that it has created.

This section of the report sets out the impacts, context and challenges in greater detail, but we cannot fully respond without further long term support from central government and a fulfilment of their original commitment to “do whatever it takes” to fund councils and their communities to cover the costs of their response. Otherwise a public health crisis will become a much wider public services crisis, just at the very moment that our communities and the vulnerable need us most.

4.2 Principles for re-opening services and moving to a new normal for the workforce

The Council is now planning for a re-opening of those services that closed or moved online. To stop the spread of infection, we will encourage staff to continue to work from home if they can. With regards to the re-opening of services, we will carry out risk assessments and also establish what adaptations that have been put in place might continue. We will ensure social distancing measures, hygiene practices, protective equipment (when appropriate) and staggered working hours are in place to prevent the spread of infection amongst both residents and staff. We will consider the needs of vulnerable and digitally excluded residents who may be more disadvantaged by remote working. We will build engagement into our plans - with staff, trade unions, partners, contractors and service users.

As we reopen services we are asking managers to take stock of what has changed and identify ways to put changes in place that help us rebuild a better Hackney through a different form of collaboration, reconsidering the role of the service in

tackling key inequalities, contributing to rebuilding an inclusive economy and to our climate emergency plans. The future remains uncertain, and we need to be prepared for future outbreaks and to flex and adapt services and community support in the future.

Coronavirus has taken its toll on our workforce, in their work and personal lives, and the challenges will continue. We have prioritised workforce and equalities considerations in our planning for the next phase, considering fully our responsibilities for health and safety, including those returning to a workplace and those working from home for protracted periods of time. We are also considering the potential implications for higher risk groups of staff including those who have been shielding and this will be underpinned by a vulnerability assessment. Configuration and use of our workspace is key to how we make the workplace coronavirus secure.

We will also need to look at the needs of those who will be expected to work from home in terms of living arrangements and suitability of equipment including desks and chairs. Wellbeing, culture and management practices need to take stock of the prolonged changes in our working arrangements and provide clear guidance to managers about this. We will need to reconsider HR policies and guidance and equality considerations This will include consideration of our duties under the Equality Act and our existing inclusive leadership and workforce equality priorities, and will focus on supporting a fair, flexible and inclusive approach.

4.3 Reviewing our existing corporate plan

4.3.1 Ways of Working

In resetting our priorities we need to think about what we deliver and also *how* we need to work. This section revisits the Ways of Working that we had already committed to in the corporate plan and what changes we will put in place now.

In 2018, we adopted organisational values of being open, ambitious, pioneering, inclusive, proactive and proud. We identified the following ways of working that we needed to proactively develop to embed these values:

“An innovative and forward thinking organisation, combining our strong public service ethos and values with the creativity, flexibility and efficiency that will help us to meet the challenges of the future.”

More than ever, we need to continue to be innovative and forward thinking because, even if central government does commit to meeting our financial shortfall, we are going to face greater need and have less money in the system, and we still need to be prepared for a second peak or local outbreak.

We also need to go further. Our partners and the community are assets. We could not have responded to the unexpected and unprecedented ways that coronavirus has impacted on our communities without being able to mobilise cross cutting

partnerships and residents. We now need to continue to develop approaches that go beyond institutional and departmental silos to work across the whole system.

As we move from emergency response into a new normal we need to ensure that our approaches are based on solutions which are sustainable and, alongside carefully planning, partnership working is a really important way to embed activity in the longer term.

The Council and its partners are “anchor institutions” as employers and holders of land and property, with significant purchasing and commissioning power and strong ties to a locality. We need to harness these resources if we are going to help rebuild the economy and respond to new labour market challenges.

“We will continue to be an inclusive Council, and to actively celebrate the culture and diversity of our staff and communities.”

In response to the entrenched inequalities that have been starkly revealed through the impacts of coronavirus, we need to continue to develop a leadership culture that can respond to the complex needs and inequalities in the community and in our workforce. This requires an outward facing approach, with leaders that check biases, are open to different ideas, value and engage with diversity and diverse perspectives and proactively create an inclusive culture. Our Inclusive Leadership Champions have trained nearly all of our top three tiers of senior leaders and we are now working with them on ways to embed this leadership culture further.

We are committed to our workforce reflecting the diversity of our communities at all levels and the actions which we are taking form a key part of our workforce strategy.

In June 2020, through the Mayor and Cabinet we issued a clear statement setting out our commitment to anti racism and therefore to tackling structural racial inequality and systemic racism. That work continues and we fully recognise the lasting impact of the Black Lives Matters movement, what that means in a Hackney and British context and so we are also renewing our commitment to being an overtly anti-racist organisation.

This is not just about tackling conscious hatred, like racial abuse- the most damaging aspects of racism are far more embedded in society. By structural racial inequality, we mean the inequality that is created by the social structures that disadvantage some groups more than others, now and historically. We need to continue to work with partners proactively to redress this balance. This does not mean always treating everyone equally, it means that sometimes people need more support or focus because they are more disadvantaged. By systemic racism, we mean the ways that systems can discriminate through often covert and unchecked prejudice, assumptions, ignorance, thoughtlessness and stereotyping about people from different ethnic minority backgrounds.

This is not the time for more reviews but for action, working with communities that best understand communities and best understand the institutional changes needed. We will build on the work we are already progressing in the community and in the workforce. We have already identified some budget for this year to start working with

communities on codesigning more inclusive services. We also want to start conversations in the wider community about racism, who is celebrated in the public realm and how to be a good ally.

“We will trust, and listen to our residents, and to each other.”

Listening to our residents and engaging with our communities is central to the decisions we make. Since 2018 we have increasingly sought to co-create strategies, engaging residents more openly long before any formal consultation.

Earlier in the report, we set out the ways in which the community has been impacted and the risks to cohesion. We now need to build on this approach even more to listen to our residents, build and rebuild trust:

Hackney Young Futures Commission

The Hackney Young Futures Commission is an independent and youth-led commission, organised by, and accountable to, the Council. Between March and September 2019, the Commission consulted with over 3,500 young people in the borough. The findings and the insights have informed this reset of the corporate plan and will be going to Cabinet in July with a commitment to producing an action plan to implement its findings in full.

Place-based conversations

We have been engaging with residents about change across Hackney through place-based conversations. We have engaged with over 4,000 residents through online surveying and face-to-face for our [Dalston Conversation](#). We have engaged with over 3,500 residents for our [Hackney Central Conversation](#). These need to be re-energised and reshaped coming out of this crisis to ensure they are resourced and fully fit for purpose.

Parks

We aim to go through an open process of engagement and co-production to fully understand the value of parks and open spaces and how we ensure that we develop a strategy that responds to this, building on the type of public engagement that has taken place around the redevelopment of Shoreditch Park.

Culture

Cultural, creative and artistic activities and events play a very significant part of life in the borough. Our new Arts and Cultural Strategy, which was adopted in 2019, sets out the transformative potential of culture. The Strategy identified the different ways that culture contributes to the vision for the borough, by building communities, shaping an inclusive economy, creating jobs, promoting wellbeing and providing educational opportunities.

Through the pandemic, we have demonstrated this potential for culture to help us connect with communities about the pressing concerns in Hackney today that coronavirus has exposed. This is woven through our current and future community response which is described in this report.

Through cultural activities, we can facilitate activities that respond to the issues that matter to the community:

Understanding and responding to the racial inequalities that have been revealed

- through a series of community conversations
- by seeing the work to rename monuments and street names as an educational process - a way to understand how racial injustice remains embedded into society just as its legacy is embedded in the public realm
- by using design methods to involve residents directly in the redesign of more inclusive services

Commemorating the contributions made and lives lost including understanding the impact and looking at ways to heal and come together and the need for a memorial(s), recognising that Hackney's diverse community have already been disadvantaged, most recently by austerity and the Windrush scandal,

During the lockdown, we have kept activities going, particularly keeping in mind how we tackle social isolation as well as trying to compensate for the loss of significant cultural events this year. Projects included the Windrush Generations Festival at Home, the Hackney Carnival at Home and the Discover Young Hackney festival. It has also included the Hackney Social Radio FM programme focused on digitally excluded older residents and the Hackney Circle, in association with Finding Support Services.

Cultural programming will be seen as an integral part of our approach to community engagement and is already demonstrating ways to engage communities differently, working with communities to co-produce the Windrush Day events, the Windrush artwork commission and the review of street names and monuments.

We have extensively engaged with the cultural and creative sector, looking to support their efforts to fundraise and advocate on their behalf to the Government for more support. While the Government has announced a package of support and some Hackney institutions have benefited from Arts Council England Emergency Funding, we know this won't be enough especially for grassroots organisations and performers, and will be bringing forward our own package of investment in cultural programming in the coming months.

Engagement - how we work

We need to go even further and we are working with partners to look at how we can all:

- Understand and build on aspirations for the way we build back better
- Develop more inclusive ways to communicate and engage with residents so that everyone can access the information and support they need
- take an asset based approach to working in communities
- Identify the positive proactive actions needed to address community tensions and promote community safety

Placing data at the heart of decision making

Making better use of the data we hold allows us to combine our strong public ethos with innovative and efficient design of services. It allows us to ask intelligent

questions, make efficient decisions and deliver the most appropriate services, leading to better outcomes for residents and businesses. Using data has been key to predicting the need for humanitarian assistance and is now key to developing our approaches to poverty reduction.

4.3.2 Workforce strategy

Our Workforce Strategy sets out our approach to retain and develop talented and committed employees and reduce agency spend in order to provide the best services for residents, over the next 5 years. We are developing our workforce profile to provide a more granular understanding of workforce dynamics, and this is more important than ever as we respond to the disproportionate impacts that coronavirus has had on different groups in our workplace. During the lockdown we have run pulse surveys to gauge staff views and actions needed and these will continue.

We have started to modernise our approach to recruitment and will now need to take stock of this and what is needed now as our workforce practices and behaviours change. We had already started a campaign to attract more local residents and this seems to be all the more relevant now.

Hackney has been rated as Excellent in the Healthy Workplace Charter and the Mayor of London's Good Work Standard. This provides really strong grounding for the work we need to meet the workforce challenges and needs we now face.

Our workforce strategy sets out a commitment to diversity at senior levels. We are taking a dual approach, promoting demographic diversity and an inclusive leadership culture that enables all staff to thrive. We have considered the risks and impacts arising from the ways that we are all having to work and lead differently. This is a key issue that is being raised by our staff. We are now putting stronger measures around accountability, transparency and support for managers and staff, as well as putting in place systems to ensure that this is deeply embedded and owned by teams and managers across the Council.

Our multi-award winning corporate apprenticeship programme is and will continue to play a key role in building a pipeline of future talent across the organisation, and putting in place the building blocks to increase diversity at all levels of the Council. Since the launch of the Corporate programme in 16/17, 181 apprentices have been employed by the Council. During Covid-19 lockdown, the decision was taken to continue with the recruitment of over 50 apprenticeship roles during the summer recruitment round - to demonstrate the Council's commitment to leading by example to creating high quality and inclusive opportunities to local residents. Over 1000 applications were received.

Overall, apprentices employed by the Council are disproportionately from minority ethnic groups - in comparison to the borough population as a whole. Since the start of the Corporate programme, 78% of all apprentices have completed their qualification and moved into a job, higher level apprenticeship or higher education; with 69% of apprentices remaining at the Council, The Council's Apprenticeship programme not only create a significant number of high quality opportunities, which are ringfenced for local residents, and where the approach to recruitment is

intentionally inclusive; but also enables the Council to act as a catalyst for organisations in the borough across the public, private and 3rd sector to follow suit. The Council influences and supports this wider work via the Hackney Apprenticeship Network - which is a key pillar of the Council's commitment to creating a more inclusive local economy.

4.3.3 Reset of strategic priorities- overview

We have simplified and consolidated the 9 priorities in our 2018 corporate plan into 7. Nothing is lost but we have reframed priorities more squarely from the perspective of the challenges in our communities, rather than the corporate challenges. Our approach to supporting the vulnerable and tackling key inequalities is now embedded across all priorities.

<p>Existing high level vision in Community Strategy: Make Hackney a fairer, safer and more sustainable place for everyone, and to protect Hackney's open, inclusive community spirit for future generations Our five cross-cutting priorities: 1. A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth 2. A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life 3. A greener and environmentally sustainable community which is prepared for the future 4. An open, cohesive, safer and supportive community 5. A borough with healthy, active and independent residents</p>	
Existing Corporate Plan Priorities	Revised Corporate Plan Priorities
<ol style="list-style-type: none"> 1. Reducing poverty, inequality and building social cohesion 2. Continuing to deliver lasting solutions to London's housing crisis 3. Tackling homelessness 4. Supporting residents through the implementation of Universal Credit 5. Ensuring that Hackney is a sustainable borough, fit for the future 6. Improving recycling on our estates 7. Tackling gang crime and serious youth violence through working with community groups, other statutory agencies, and directly with young people 8. Responding to increased demand across adult and children's social care 	<p>Crosscutting: Keep in focus the most vulnerable and key inequalities, and specifically racial inequality</p> <p>Fairer</p> <ol style="list-style-type: none"> 1. Poverty reduction 2. Rebuilding an inclusive economy 3. Lasting solutions to London's housing crisis and homelessness 4. Supporting children and families to thrive 5. Community wellbeing and tackling health inequalities <p>Safer</p> <ol style="list-style-type: none"> 6. Reducing harm <p>Greener</p>

<p>9. Tackling key health inequalities whilst responding to major change in the health sector and integrated commissioning.</p>	<p>7. Responding to the climate emergency</p>
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Keep in focus the most vulnerable and tackling key inequalities, and specifically racial inequality

“Tackling Inequality” has been the first of five Mayoral priorities for Hackney’s Mayor, elected in 2016 and re-elected in 2018. To meet this priority, we need to consider how we tackle inequality in all Council services and this needs to be proactive. It needs to be reflected in our strategic plans, and in the way we design and deliver services. For example equality and cohesion need to be considered in our planning documents and community safety plans. We need to think about how we make Hackney a fairer, more equal borough when we design services, from children’s centres to care for vulnerable adults. We also need to make sure that residents can see this commitment reflected in the way we deliver services and they are fully involved in co-producing solutions.

Whilst tackling inequality should be viewed as “business as usual,” we have also decided that we need to look at the proactive work required to tackle specific inequalities for different groups. This is because we know that a mainstream approach will not be enough to shift complex inequalities. Neither will it change the external factors which disadvantage some groups such as low wages. Even in a borough that is diverse and tolerant, some groups experience discrimination and disadvantage because of who they are and this needs to be identified and tackled.

In 2018, we adopted a Single Equality Scheme that identifies the key objectives and associated actions which we will adopt as proactive work, alongside key plans and strategies. The Scheme will not reflect everything that is included in other plans that helps promote equality and cohesion. The Scheme and the evidence base which has been developed to inform it is used to help sharpen our focus on equality as we develop and adopt future plans and strategies and to frame a detailed action plan which sets out the proactive work which is being progressed. Equality is considered from different perspectives. Inequality is most likely to be linked to poverty, so tackling poverty and socio-economic disadvantage is our first objective. By poverty we mean that a person does not have sufficient resources to meet their basic needs. We also recognise that people can be disadvantaged and discriminated against because of who they are, for example gender, race and age. Identifying and tackling this is our second objective.

Hackney is a diverse and tolerant borough, but it is also a borough which has undergone rapid growth and change and where there are stark inequalities. We want to ensure communities continue to get on well together and building an inclusive and cohesive borough is the third objective. There are also changes we want to see in

the way we work. We have two “Enabling Objectives.” The first embeds prevention into service delivery. The second identifies actions which will promote an inclusive leadership culture.

We have reviewed progress against the scheme and also considered in detail the community and equality impacts arising from coronavirus and have identified that the following will need additional focus or acceleration:

Continuing and intensifying the work on Inclusive Leadership and workforce diversity: Hackney takes a bold approach to workforce diversity, with a dual focus on demographic diversity and on building an inclusive leadership culture. We empower staff to work with leaders to develop their inclusive leadership behaviours. In order to increase the representation of black and minority staff at senior levels we are looking at how we can make all stages of the employee journey more inclusive and looking at institutional culture through many prisms including that of racial inequality. We are also working with our staff on the solutions needed. We are currently developing ways to strengthen the ways this work is further cascaded across the organisation, strengthening accountability and staff voice.

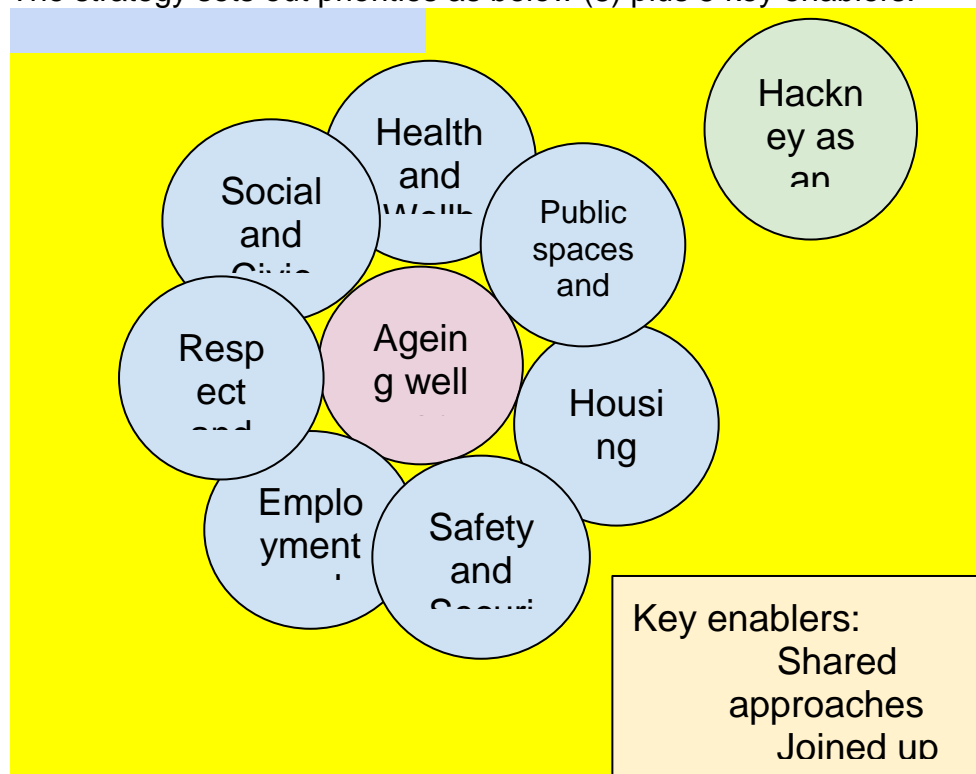
Delivering the Improving Outcomes for Young Black Men Programme: Since 2015, Hackney Council has worked with voluntary sector umbrella organisation Hackney CVS and a multi-agency partnership (e.g. police, NHS) on an ambitious 10 year programme to improve outcomes for young black men in Hackney. Led by the Deputy Mayor, the Programme came about in response to the fact that young black men (YBM) tend to fare worse than their peers in many ways. Outcomes tend to be disproportionately worse in a range of areas including criminal justice, child protection, educational achievement, health and wellbeing, employment and Housing. At the centre of the YBM programme is our commitment to co-production; a group of young men have been trained as inspirational leaders by Hackney CVS to engage other young people in positive activities and to support co-production of the programme. We are now working to take the programme to the next level and develop governance and accountability led by young people and to resource young people to co-design services - funding for this has been agreed for 2020/21 as part of proposals to tackle poverty and inequality. These proposals are detailed in full later in this report.

Finalising the Ageing Well Strategy: The ageing well strategy fulfils a 2018 manifesto commitment which pledged that:

We will develop a new Older People’s Strategy, through a process led by older people, ensuring they have a central place in shaping all council services and the wider priorities of the Council.

A key aspect of developing the strategy has been co-production. We worked with Connect Hackney (HCVS) to recruit and train five older residents as community engagement facilitators. Using this approach, we spoke to approximately 400 Hackney older residents either through one to one interviews, focus groups or online submissions. The questions centred around residents’ needs and interests in the context of ageing well.

The strategy sets out priorities as below (8) plus 5 key enablers:



We are waiting to go through a final round of consultation (and this is currently on hold) before this is finalised later this year. We are committed to embedding in this work lessons from the coronavirus crisis and ensuring that building resilience to future similar challenges is incorporated.

Tackling the digital divide: One of Hackney's Manifesto Commitments is to:

Improve Hackney's digital inclusion; further improving online access through our libraries and other Council facilities and increasing the number of digital skills training courses available to support residents getting online for the first time.

Coronavirus has exposed the extent of the digital divide in Hackney and how this is driving inequalities. As we are likely to live more of our lives remotely to support social distancing, there is a really pressing need to scale up the response so that people can access information (including about future outbreaks and management) and services as well as participating in broader society and the economy. This is going to require us to work closely with partners from all sectors to maximise the impact of their efforts, alongside the Council's direct interventions which are:

- Improving access to connectivity (mobile data, inc 5G, and full fibre broadband) across the borough
- Support for education and young people
- (Skills) support for adults and older people

Our current resources can be found here: <https://hackney.gov.uk/digital-skills>

This partnership response is currently being developed and will enable us to:

- Work to ensure our partners and especially the local voluntary and community sector have the digital skills and access they need
- Harness the collective efforts of partners
- Improve reach and engagement in diverse communities
- Maximise external investment
- Develop an inclusive and culturally competent response
- Address the complexity of barriers which some sections of the community will encounter, that will require a sustained and rounded collective response - based on the “furthest first approach⁴”

Other priorities in the Single Equality Scheme

We also need to return to and make progress on other priorities which have had to be deferred:

- Beginning work looking again at Turkish and Kurdish inequalities and more broadly more recent migrants and refugees - this is key to responding to the impacts highlighted by coronavirus
- Reviewing opportunities to make services and facilities more inclusive of transgender people
- Encouraging men to seek help earlier
- LGBTQ+ Equality plan
- Hackney an Accessible Place for Everyone - working with the community and Council services to identify ways to make Hackney more accessible. This links closely to making Hackney a Child Friendly borough.

4.3.4 Direction of Travel - Strategic Priorities

Poverty Reduction

Before the pandemic

Up to March 2020 Hackney had experienced consistent business growth, increased levels of employment and a more highly skilled population in higher paid occupations. However, despite these improvements this has led to increased inequality and displacement as the borough became increasingly unaffordable for residents on lower incomes. A focus on maximising opportunities alone is inadequate. Other factors such as the introduction of Universal Credit in late 2018 and the way that housing costs and low wages were driving up poverty and increasing in-work poverty in London reinforces the need for the council to directly address poverty.

The Inclusive Economy Strategy was agreed in November 2019 and takes a broader approach to local economic development and the ways in which residents and businesses are able to participate in and benefit from the local economy. It focuses not only on traditional forms of economic development such as inward investment,

⁴ Advocated by the Digital Inclusion charity [Good Things Foundation](https://goodthingsfoundation.org/) and adopted by Leeds City Council as part of their 100% Digital campaign: <https://digitalinclusionleeds.com/>

major development and employment but also addresses wider issues such as reducing economic inequality, creating a more environmentally sustainable economy, and how residents and businesses can shape the local economy. Hackney has followed the recommendation of the Joseph Rowntree Foundation to develop alongside its overall economic development strategy a strategic framework for poverty reduction. This focus on poverty reduction will help us consider the conditions that need to be in place to allow someone to benefit from opportunities such as affordable childcare and volunteering opportunities to build confidence.

At the point when the pandemic began, we were beginning to develop proposals for how the development and delivery of the strategic framework could include the experiences of residents affected by poverty in a sensitive and meaningful way.

We had also just adopted a Food Poverty Action Plan which identified the need to develop a more coordinated approach to tackling food poverty.

How coronavirus has impacted on our ability to progress this priority

Short term - September 2020

The expectation is that the UK economy will experience a considerable, perhaps historically unprecedented, recession and that unemployment could more than double to over 10%. The opportunity for households to have a rent or mortgage holiday up to June 2020 and the suspension of debt recovery will create some protection from the worst effects of a sudden loss in income, but the long term impact on those coming off furlough or finding their homes at risk because of the end of the eviction ban could be significant. The early economic effects of the pandemic have not been shared equally and lower paid sectors of the economy have been more affected. With lower levels of savings and higher levels of debt this creates immediate challenges for people already on low incomes. The closure of physical frontline services, including key points of contact like the service centre libraries, will have meant that the most vulnerable will have lost the face to face contact they may have relied on for help and digital support.

Medium term - Spring 2021

In the medium term it is expected that unemployment will continue to rise as the economy contracts and government schemes are scaled back. Residents and businesses with increased debt built as a result of the crisis will need to start paying some of it back putting further pressure on incomes.

Longer Term - Spring 2022

In the longer term it is reasonable to expect that the economic effects of the pandemic will still be affecting many people's lives. It is expected that unemployment will still be significantly higher than when the pandemic began. For those residents who became unemployed in 2020 and remain unemployed this will have become a period of long term unemployment which is associated with experiencing greater barriers to finding a job than a shorter period of unemployment. Similarly, it is expected that youth unemployment will increase considerably because of the

pandemic. Unemployment early in life is associated with long term negative consequences in relation to pay and employment. It is difficult to predict how the housing market will change in the longer term and the effects on income.

Local insight

- Residents seeking help from our Employment and Skills Service were at first unsure what to do about looking for work with many feeling it was unsafe to do so as long as lockdown continued. The situation has now changed and residents are willing to consider and apply for a wide range of job opportunities. Residents are anticipating hard economic times ahead and prioritising finding work above anything else.
- Residents who have been furloughed are extremely worried about job loss and a substantial drop in income. The Job Retention Scheme offered income protection of around 80% whereas the benefits system only offers protection of around 20% for an average earner.
- The impact of food poverty and insecurity in the lives of many Hackney residents has been made apparent by the pandemic. Residents remain unsure about how they will access food either because of health or financial reasons with many residents reporting that they are unable to afford food.
- Residents have said that they are struggling with the additional costs of having family members at home with increased utility and equipment costs. Families have also reported that access to free school meals has created additional costs and are worried about struggling to afford food over the summer holidays.
- Young people have expressed their worries about the future and the difficulties they will face whether in work, education or unemployed. Some young people have said that they would like the Council and other public sector organisations to offer more opportunities through apprenticeships or entry level jobs.

Strengths to build on:

- Hackney has a Universal Credit Partnership which brings together DWP, advice providers, housing organisations and council services to support the introduction of the new benefit system in the borough. The Partnership works together to make sure that residents are aware of the benefit, are helped to make a claim, receive a full and accurate payment and receive additional support such as employment support and financial advice.
- Hackney has a good information and advice offer in terms of its general and specialist services for residents and this is essential to residents for claiming benefits, managing personal finances and accessing other services.
- Hackney Council has approaches in place to support people on lower incomes and continues to lobby for permanent changes to the welfare system to increase support.
- We have already done considerable work on Food Poverty, so we are in a relatively good position to respond to humanitarian needs through the Food Justice Alliance

- We have already done considerable research and groundwork in relation to digital exclusion, so are in a relatively strong position to frame, and take forward work to address this
- Hackney Council has developed a Poverty Index which brings together internal and external data to understand poverty at a borough level. The Index gives us a good understanding of the level of poverty at a sub-borough level and the issues affecting residents.
- In late 2019 Hackney Council committed additional funding to invest in services which support people on low incomes. This included specialist mental health support in the housing services, the testing of food poverty interventions and assessing council policies for poverty reduction.

Direction of travel for this priority

- The Council continues to develop a poverty reduction framework. The types of people affected by lower income will have changed and also the opportunities for recovery as the economy changes. We will need to stay as up to date as possible with these changes. The poverty that people experience in Hackney, and in the country, has become more revealed to all. It gives us the opportunity to rethink policies and systems which were not meeting people's needs before the pandemic.
- The development of the framework has been reviewed in the context of the pandemic to make sure that it is responding to the changing context:
 - We will take an asset based community development approach: - building on the food justice work going on in the community partnership hub, the neighbourhoods work, advice, programmes such as Our Place and KPMT work going on in small anchor organisations now. Work is starting on this in the community empowerment and resilience workstream.
 - We will work with communities, JCP, advice providers and partners to co-design ways to boost benefit take up and income maximisation (involving the local Universal Credit Partnership).
 - We will ensure an accelerated focus through our Inclusive Economy work of how we use our social infrastructure, assets and anchor organisations differently now to support people into good work - e.g. hyper-local flexible childcare offer
 - We will take action to prevent significant rises in homelessness and a return to rough sleeping over the coming months
 - We will maintain a focus on child poverty
 - We will seek to poverty proof our policies and continue to progress work on supporting people in debt, joining up our approaches withing Council services
 - Will will commit to building our relational skills and trauma informed practice while doing all this work and ensure that people frame the issues related to poverty correctly and use the right framing
- We need to consider the role of libraries for those in poverty, as part of how and when these can safely re-open

Alongside this, the Council will build on the support offered during the lockdown and develop a Community Partnerships Network (see below) to respond to the material impacts of poverty, building on what we have learnt from the humanitarian assistance we have put in place in response to the impacts of coronavirus.

To ensure that the needs of vulnerable residents continue to be met over the next few months, we will develop a partnership with the voluntary and community sector which will:

- Offer advice through the existing phonenumber and form, mainstreaming the 'I need help service'
- Continue to help people access deliveries from supermarkets using dedicated slots
- Continue to work with food justice organisations in local neighbourhoods who we can work with to meet needs in that area; we will test out and find ways to work closely with wider Neighbourhood Area networks and community navigators as well.
- Keep a live and up to date understanding of capacity and demand by regular and ongoing communication with VCS partners as well as what is coming through Council, including supporting their strategic work
- Seek to address gaps firstly by identifying and deploying resources available in the community

In the short term, we are seeking to continue to meet the needs in communities for support and help. In the longer term we are seeking to develop a more coordinated and sustainable way to respond to the material impacts of poverty than was in place before the pandemic.

Inclusive Economy

Before the pandemic

The Inclusive Economy Strategy 2019-2025 was agreed in late 2019. The Strategy takes a broad approach to how residents, businesses and local organisations can participate in, benefit from and influence the local economy. It goes beyond traditional approaches to address wider issues such as reducing economic inequality, creating a more environmentally sustainable economy, and how residents and businesses can shape the local economy.

It has three primary strategic priorities:

1. Support local neighbourhoods and town centres to thrive and to be inclusive and resilient places.
2. Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough

3. Connect residents to high quality employment support and opportunities to learn new skills, get good quality, well paid work and progress their career throughout their working life

The immediate impacts on the local economy have been severe and wide ranging and we face future uncertainties and likely shocks. The fact that we have a strategy that goes beyond traditional economic development models and defines a role for the Council as a key influencer and agent for change means that we are as well prepared as we could be.

How coronavirus has impacted on this priority

Short term - September 2020

In terms of the labour market, many residents have lost their jobs or experienced a fall in income and will now need to look at options in sectors that they may not have worked in previously, but there is likely to be a shrinking overall in the jobs market. The impacts on sectors such as arts and culture, hospitality, leisure and retail have been very significant. Local businesses have needed to access government support through grants or loans in order to survive. Businesses have also needed to make staff redundant, reduce hours or use the government's job retention scheme. Some local businesses such as workplace providers, market traders and some smaller charities have not been eligible for the main forms of government support, while we have advocated on their behalf it is impossible for the Council to meet all this need. The long-term trends in terms of challenges faced by the high street continue and the impact of this crisis has deepened these trends, we will have to do more through our economic regeneration team to monitor the impact and come up with a response.

Medium term and longer term - Spring 2021/Spring 2022

It is expected that unemployment will continue to increase as government schemes are reduced and recruitment reduces. For example, the Job Retention Scheme is currently due to end in October 2020. Parts of the economy will struggle to operate as long as social distancing is necessary. In Hackney the effect on hospitality, the night time economy, retail, leisure and arts and culture could be long lasting and not all businesses will survive in the medium to longer term. The arts and culture sector in particular have, for many years, defined what Hackney is and given it its unique sense of place.

Investment in the borough may reduce, therefore limiting opportunities for economic recovery. An added complication for the economy is the effect of the UK ending its transitional arrangements with the European Union. Even if an agreement is reached it is expected that the short term effects on the economy will be negative.

Local insight

We have brought together all areas of the cultural and creative industries to understand the impacts and establish the networks and relationships that would be needed post pandemic. 220 businesses were engaged and their insights directly informed a response to a DCMS inquiry. We found that:

- The majority of arts and cultural organisations are now at risk, particularly those without on-going revenue funding.
- The Government's Job Retention Scheme has been very important to eligible businesses and its longevity until the complete lifting of social distancing measures will be critical to the survival of a significant part of the arts and cultural workforce.
- About half of respondents were eligible for business support from the Government - so half are excluded as they don't pay rates (such as micro businesses located in shared workspaces), or due the high rateable value of their premises (over the £51k limit).
- The viability of shared creative workspaces is a particular concern that was highlighted
- It may take time to build back the workforce of freelancers, who may have been forced to find work elsewhere.
- Support is needed to develop digital programming but the most vulnerable may not be engaged this way and there are concerns about digital exclusion

Local businesses are struggling to survive and worried about the future. Local businesses are looking to the Council to deliver effective support and do all that it can to protect them. Residents also want the new economy to be more environmentally sustainable.

Strengths to build on

- An existing approach to place shaping through area regeneration, place based conversations and approaches.
- A new toolkit for employers on how we can work together to make Hackney a fairer place and a commitment to remaining a Fairtrade borough by promoting ethical and green business practices.
- Hackney already has a strong, diverse and well used local offer in its town centres and smaller commercial areas -the vital role of these businesses has been brought to the fore during the pandemic.
- A network of institutions that see themselves as anchor institutions with a shared responsibility to harness what they have to create a more inclusive economy.
- Good partnership working across the employment and skills sector.
- Well established apprenticeship and job brokerage system at the Council, expanding into the Hackney Apprenticeship Network
- Existing collaboration with the arts and cultural sector.
- Better engagement from business than ever before.
- An agreed new Local Plan which embodies inclusive economic principles.

Direction of travel for this priority

A more competitive, sustainable and digitalised economy in Hackney with a policy and investment focus, in terms of resource, time and money; on enhancing

competitiveness and innovation in healthcare, employment, sustainable development and digital transformation.

We will need to consider the following:

Support local neighbourhoods and town centres to thrive and to be inclusive and resilient places.

- We are considering the impacts of delays to building works and inward investment.
- Our high streets are likely to need support more than before. A new innovative approach will be needed to develop town centres given the longer-term impacts of coronavirus on the hospitality and cultural sectors, working closely across teams like Regeneration, Planning and Culture. There may also be changes to national planning policies to consider which could damage local decision making and increase the use of permitted development rights..
- Our commitment to promoting green, ethical business practice and good employment continues and can support sustainable, long term economic recovery, which is also a green recovery based on maintaining Hackney's unique sense of place. Specifically, supporting the cultural sector to identify ways to programme events outside, can also help to animate town centres and add to creating the right sense of place. We should play to the strengths of Hackney's existing strong local offer in town centres and smaller commercial areas - especially as residents are more likely to be working from home, or stay at home during holidays.

Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough.

- Business support is needed now more than ever and we are working to identify the specific businesses that need support.
- Our affordable workspaces and their tenants face particular difficulties with regards to being eligible for support grants.
- In May the Government announced additional funding for business grants and asked local authorities to prioritise businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates. We are now working to process these grants and map ongoing gaps.

Connect residents to high quality employment support and opportunities to learn new skills, get good quality, well paid work and progress their career throughout their working life.

- Work with our anchor institutions via the Community Strategy Board on employment opportunities becomes even more important in times of recession. Some services such as social care are already working more with Hackney Works service.
- Work with the cultural sector on the skills needed to digitalise their offer - e.g streaming and supporting new platforms.

- Good quality (well-paid, secure) employment is harder to find in times of high unemployment. Views are changing in some areas about which jobs are valued (e.g. care sector, retail), although that won't necessarily translate into better contracts and working conditions. Employment support (information advice and guidance; employability; and job brokerage) will be needed more than ever but fewer job opportunities will be available. Groups that were previously facing disadvantages are likely to fare even worse.
- We will need to have a specific focus on careers and employment support for 14-25 year olds, recognising the specific ways that a generation coming out of education and into work might be disproportionately impacted and disadvantaged.
- Launch our work on STEM skills.
- Opportunities for our residents to develop new skills become more important when there is a shift in economic activity, e.g. away from hospitality and retail but towards the health and care sector. Local colleges and adult learning will also need to consider their curricula. Our adult learning service specifically is providing a third of courses online, but that may need to be extended in range and potentially last for a significant time.
- Build new relationships with our colleges, training providers and universities to create more opportunities for residents, supporting the local economy and helping businesses to adapt.

Lasting solutions to London's Housing Crisis and Homelessness

Before the pandemic

Pre-Covid our approach was aimed at delivering new homes through our comprehensive regeneration programme, improving standards in the private rented sector, tackling empty properties, implementing a street purchase and buy-back programme, working with and enabling housing associations in the borough to deliver more affordable housing, working with building owners to ensure they meet fire safety standards and tackling the high cost of housing for renters and homeowners alike, looking at ways of reducing the Council's large waiting list and ensuring that individuals and families did not spend longer than necessary in temporary accommodation.

In response the Council was working to:

- Deliver 3,000 new homes across the borough including 800 new council and social rented homes and 700 council shared ownership homes
- Deliver 500 homes at London Living Rent (private rental homes let at a third of average household incomes on longer tenancies), including establishing a housing company to deliver them.
- Continue rolling out the borough-wide additional licensing for all HMOs as well as our selective licensing of all non-HMOs in three wards – Brownswood, Cazenove and Stoke Newington.
- Work with MHCLG to ensure that building owners who have confirmed ACM cladding are taking the necessary steps to improve the safety of their buildings through remediation.
- Working with MHCLG to identify all external wall systems in blocks throughout the borough that are 6 stories or more, including council-owned blocks, private blocks, hotels and student accommodation.

as well as taking initial steps to deliver two Community-land trust developments in the borough.

- Research modular housing and modern methods of construction to potentially provide additional housing supply.
- Refresh the Council's covenant with Registered Providers in the borough and ensure that nomination obligations are met.

And to tackle homelessness the Council was aiming to:

- Continue to invest in and develop our temporary accommodation provision,
- Reduce rough sleeping by improving homelessness prevention, outreach and support services across the borough.
- Develop our Housing Advice Service in response to unprecedented levels of demand and a client group who are more vulnerable, and who have higher needs.

We had the highest number of residents in temporary accommodation for a decade and the economic impact of coronavirus means this figure is likely to further rise.

How coronavirus has impacted on this priority

Short term impacts

- During the early part of the crisis, homelessness applications mainly came from single homeless people living in informal housing (on friends' sofas and in squats).
- The flow of single homeless people onto the streets increased tenfold, with the Council making an offer of emergency accommodation to anyone rough sleeping, or at risk of rough sleeping
- With normal provision excluded due to shared facilities, there was a challenge in finding enough self-contained accommodation .
- Our Domestic Abuse Intervention Service reported a 60% increase in referrals. This has increased demand on refuge and temporary accommodation and could in the longer-term increase demand for settled accommodation. Refuge services will in future be funded on a London-wide basis. Hackney has historically invested heavily in refuge services compared with other London boroughs and there is a concern that the borough may face a drop in investment as a result.
- Rent arrears have increased by £1m over the past three months. There has been an increase in tenants claiming Universal Credit.
- Households with no recourse to public funds are being disproportionately impacted by the consequences of the coronavirus epidemic. If they have lost their employment or experienced a pay cut due to furlough, they will be unable to claim benefits. They will be at risk of homelessness if they are unable to cover their housing costs.
- Large numbers of members enquiries received from large families in the Urgent Band of the housing register with disabled members experiencing issues exacerbated by coronavirus and lockdown. Even in the Urgent band, waiting times can be in excess of 30 years for a 5 bed property.
- In recent weeks the Private Sector Housing Team and Benefits and Housing Needs have been approached by increasing numbers of families who are

struggling to pay their rents. Evictions are officially banned until 31 August at the earliest, but there have been a number of illegal evictions, which is rare for Hackney. Courts will have a backlog of possession cases to hear once they re-open, so we may not see homeless approaches from this cohort until near Christmas.

- Lettings to social housing and private rented sector properties ground to a halt during the lockdown, meaning that there has been a reduced churn in temporary accommodation premises and increased demand. Move on from supported accommodation schemes was also halted, placing further strain on our supported accommodation pathways.
- The pandemic has highlighted the importance of parks and open spaces on estates as a release valve for residents, many of whom live in flatted accommodation with no private open space.
- Housing Services have identified around 14,000 vulnerable Council tenants that they have been supporting during lockdown. Some of these tenants had not previously been identified as vulnerable
- During the lockdown phase all but emergency repairs had to be halted.
- Construction work on some of the sites where Hackney Council is bringing forward housing, stopped for a period of time. On other sites work has slowed and particular elements were unable to be completed, as a result of contractors or other parties furloughing staff.

Medium/long-term impacts

- Many of the rough sleepers housed during the course of this pandemic will need long-term support to enter settled accommodation as well as support to sustain tenancies once placed.
- The impact on the private rented sector is in its early stages. It is unlikely that the full extent of the impact will be revealed for some months.
- As there has not been an increase in the Benefit Cap in high rent areas like Hackney, non-working households find their benefits do not cover the cost of their housing alongside living costs, which may have grown due to the increased cost of fuel, food and activities for children who are not in school.
- We expect 700+ families to be affected by the benefit cap from August /September 2020 due to the increased levels of Local Housing Allowance which, while welcome, have not been accompanied by the removal of, or uplift in, the Benefit Cap.
- We are concerned that the government's request that landlords do not evict tenants if they cannot pay their rent during the lockdown period might have unintended consequences. We have heard from social landlords that some tenants have interpreted this as a rent holiday and are now accruing debt. If this is the case in the private sector we could see an increase in evictions for rent arrears at a future date.
- The housing market is likely to go into a period of uncertainty; as well as impacting potentially on the overall supply, some homeowners could go into negative equity. Some households whose employers extend the duration of home working arrangements might look to move out of Hackney (or London generally) causing rental and house prices to decline and supply to increase. There might be a greater desire for under-occupiers to downsize or move out of London, to home-swap, or to look into schemes like Seaside and Country

Homes. If explored this could result in additional properties, or additional bedrooms. This uncertainty and an increase in the costs of house building could negatively impact Hackney's cross-subsidy model of direct delivery of new affordable housing.

- We are also aware of the challenges faced by Registered Providers in delivering new affordable homes in Hackney, many of which are similar to the challenges within our own direct delivery programme relating to the supply of labour and materials. We will continue to work with providers in Hackney to support the delivery of new affordable homes, and where necessary provide support (including potential grant funding) to ensure schemes are implemented.

Local insights

- Participants at a recent meeting of voluntary and community organisations expressed concerns about severe overcrowding faced particularly by those in temporary accommodation and the potential for increased family conflict and even domestic abuse and violence.
- At a subsequent meeting participants expressed concerns about threats of eviction, particularly to households with no recourse to public funds unable to pay their rent.

Existing strengths to build on

- We already had a well developed, and recently expanded, street outreach team, with embedded mental health expertise, delivering support and helping rough sleepers move off the streets and into long-term accommodation.
- Before the pandemic the Council had developed a shared pathway with the NHS and voluntary organisations, particularly Age Concern, to assess the suitability of accommodation for those discharged from hospital or housed from the street as well as coordinating food, care and support needs. During the Pandemic the team has had to facilitate discharges at two hours notice.
- During the pandemic, Housing Services have been contacting vulnerable residents on estates to check on their wellbeing and offer support.
- The Housing Policy and Strategy Team has been keeping in touch with Housing Associations to establish the services they are providing to their tenants during the pandemic.

Direction of travel for this priority

Increasing Housing Supply.

The council continues to focus upon increasing the supply of housing, especially truly affordable housing, as one of its key priorities.

Despite a continued lack of investment from government, we have an award winning regeneration programme in place - "Hackney Is Building". By directly delivering homes ourselves we have managed to implement a comprehensive regeneration programme which has delivered amongst the highest numbers of genuinely

affordable and good quality housing in the UK. This programme remains in place, and is set to deliver nearly 2000 new homes for local people between 2018 and 2022. More than half of these will be genuinely affordable – whether social rent council homes for those who need the most, low cost home ownership options for those struggling to get on the housing ladder, or new living rent homes. With the lack of funding, these are paid for by building and selling some homes outright and renting a small number of homes at market rates.. Hackney is very much building the genuinely affordable homes our residents desperately need.

Complementary to the 'Hackney Is Building' programme is our "Hackney Living Rent" (HLR) model. HLR is aimed at local households on moderate incomes (£25k to £60K) who live and work in Hackney. These households are prioritised for HLR homes. HLR rent is no more than one-third of local average household incomes. The HLR model represents a new and innovative approach to affordable housing in Hackney with fairness and transparency at the centre of allocations. Our first new HLR units have been provided at Bridge House, with more to come at Gooch House. We also have further units in development in the regeneration programme. Finally we are also looking at how the Hackney Housing Company can provide further options to increase the supply of HLR homes.

Indeed the Hackney Housing Company is now fully established. It remains recently established and is our newest tool for increasing the supply of genuinely affordable housing. The company is buying and taking delivery of HLR units as its first priority. Company Directors and officers are currently looking at options as to how the company can be further used to increase housing supply in Hackney. These options will be presented to Cabinet during the next twelve months.

A further strand to increase supply is our buy-back programme. The council has created a budget of £10 million to buy homes and bring them back into the ownership of the council and therefore able to be used as genuinely affordable council housing again. The programme targets right to buy leaseholders and other owners who have purchased ex-council stock i.e. Housing Associations. With up to 9,000 leaseholder properties the council is preparing an extensive buy-back programme. Additionally we are assessing whether to implement a more general street purchase programme. If viable then the Hackney Housing Company may be a useful option for street purchasing.

We have also refocused our empty property programme. Hackney Council does not tolerate empty homes at any time, let alone in the midst of a genuine housing crisis. The programme is currently curtailed by government restrictions on inspection and enforcement activity but we expect these restrictions to lift soon. We know precisely where each empty home is and will target the owners of these homes in order to ensure that wasted housing assets are brought back into use where possible. We expect to be able to relaunch this programme, with high publicity, in late summer or the autumn.

We are also working with our partners, mainly housing associations, to ensure as much housing supply comes forward as possible. This strand of contact with our housing association partners sees us involved in continuous market engagement in order to increase the uptake of excess right to buy receipts which can be used by

housing associations as grant to assist with housing development schemes. This programme is more commonly known as the Mayor Of Hackney Housing Challenge (MOHHC). A number of MOHHC schemes are on the ground and in various stages of development. Officers are engaging with housing associations to boost the use of MOHHC and support the development by our partners of more desperately needed social housing.

We are engaging on a daily basis with housing associations to ensure that the council secures as much housing supply and nominations as possible.

We are also applying the Hackney Sales Protocol rigorously so that our partner housing associations do not dispose of social housing stock or enter into negotiations with Hackney council so that it can be sold to us (or another housing association). Our strategy is to retain social housing as genuinely affordable social housing.

A final strand of housing supply that we are looking to explore is self-build and Community-led-housing. We are planning to launch our first Self-Build Challenge in September to allow a household to build their own home on a small unused site that is unviable for the Council to develop on.

Housing Needs and Advice

We have made a clear commitment to end the need to sleep on the streets in Hackney and that we will use this opportunity to work with this vulnerable group of Hackney residents. We have procured two hotels for the rest of the year, which will be dedicated to housing those rough sleepers with support needs that were helped off the streets during Covid. These units will have in place the dedicated support necessary to work with these individuals to prevent them returning to the streets, and help them find longer term accommodation and support.

We want to ensure no one brought into accommodation through the emergency work with rough sleepers will have to return to the streets.

While we have a degree of control over the way we manage the process of housing and support to homeless people, we are seriously constrained by a lack of suitable, local, affordable housing available and this could be exacerbated if the completion of new builds slows down. As a result of measures to house those who were street homeless during the pandemic, there is now a severe lack of self contained accommodation for single people. We are also struggling to find suitable housing for households with a disabled member. Rough Sleeper shelters and No Second Night Out hubs are currently closed. There is therefore no pan-London framework in place to continue work to encourage rough sleepers off the streets.

- We need to relocate our support for single homeless people, The Greenhouse, as the current premises even before the pandemic were too small to meet growing demand.
- We need to establish the extent to which lockdown will impact on the number of new build completions this year both in the public and private sector

- Our housing advice service is moving towards a three tier approach. Instead of providing a uniform service, we will attempt to identify vulnerabilities at first contact with three different pathways depending on vulnerability level, with multi-agency intervention for those in greatest need.
- With 13,400 households already on the housing register and new rough sleepers, we need to make strong commitments and develop concrete targets in relation to:
 - Accelerating the purchasing of property and development of alternative housing solutions (for example, modular housing) this financial year
 - Expanding our supported accommodation schemes, so we can support our most vulnerable residents and meet our statutory housing obligations.

Single homeless people housed during the pandemic

- Most of the single homeless people (rough sleepers and single people in informal accommodation, or in cash-in hand insecure work) housed during lockdown have been accommodated in commercial hotels. At some point when lockdown is lifted the hotels will want that stock back. Having got these individuals off the streets, we need to make sure they remain off the streets and ensure we have a suitable housing pathway for them all.
- Many of the more entrenched rough sleepers would not be suitable for the Private Rented Sector without significant support, because of their complex needs and there will be difficulties finding enough Private Rented Stock that is affordable - especially given both government agencies and all 33 boroughs will be looking for similar accommodation.
- We have a number of people currently in emergency accommodation that don't have recourse to public funds so unless the Government changes the no recourse to public funds criteria we will need to create a bespoke housing pathway for them.

Families

- We will need to watch movements in the housing market such as rents, house prices, demand for advice from our Private Sector Housing Team and homelessness approaches with Benefits and Housing Needs and respond with practical measures which might include;
 - Information and communication campaigns targeted at those most at risk;
 - Work with private landlords in particular to encourage them not to leave the rental market and let to benefit claimants wherever possible.
 - Build on the systems established during the pandemic to support vulnerable residents and offer a more coordinated response across the Council.
 - Build on the work to support vulnerable tenants on estates to provide an improved safety net and help prevent economic hardship, antisocial behavior and ill health
 - Build on the structures developed through Mutual Aid and improved links with communities and networks through the pandemic (such as

the Faith Forum, discussions with the Orthodox Jewish community), outreach and support to tenants on estates to ensure there are robust networks of support throughout the community to provide intervention and support at the earliest opportunity to prevent residents ending up homeless and in high need.

Supporting children and young people to thrive

Starting point

In the 2018 Corporate Plan, this priority set out our response to the challenge of increased demand in Children's Social Care. Hackney saw an increase of 18% in the number of referrals to Children's Social Care from 2016 to 2019⁵ as well as a consistent increase in the number of looked after children, rising to 64/10,000 children in 2019⁶. In 2019 Hackney Children's Services was inspected under the OFSTED ILACS framework and was judged as 'requires improvement' for overall effectiveness (with a judgement of 'good' for the experiences and progress of children in care and care leavers).

To address these challenges, we committed to:

- Continuing to deliver an effective early help offer that prevents escalation of need into statutory services,
- Working to reduce the number of young people coming into care by providing the support needed to ensure that children and young people can remain safely within their families and communities
- Using our data dashboards to provide a comprehensive live overview of demand in our system and mapping trends over time,
- Supporting young people in care to develop independent living skills
- Ensuring that services will perform at a level judged good by Ofsted within one year and outstanding within two.

Our progress is measured against the following Key Performance Indicators:

- Rate/ number of referrals received
- Percentage of re-referrals
- Rate/ number of assessments completed
- Rate/ number of Child Protection Plans
- Percentage of children becoming the subject of a Child Protection Plan for second or subsequent time
- Rate/ number of looked after children
- Rate/ number of children entering care

This strategic commitment remains pertinent in the context of Covid-19. The crisis has impacted on children, young people and their families in various ways. For many vulnerable children and their families, it will have exacerbated existing need, where for others it will have directly caused new problems with which they will need early help and preventative support. Children and young people are also missing out on education and training in unprecedented ways, and will have experienced trauma, loss and adverse effects on their emotional wellbeing and mental health as a result of the

⁵ [Local authority interactive tool LAIT](#)

⁶ DfE, 2019 data

pandemic. All of these things may have long term detrimental impacts. This analysis therefore considers these novel issues arising for children and young people as a result of the crisis, expanding beyond addressing the challenges of demand in children's social care to consider a broader range of factors that contribute towards supporting children and young people to thrive.

How coronavirus has impacted on this priority

Immediate/short term impacts

Referrals to services / hidden need

- The number of Children's Social Care referrals received has decreased significantly since lockdown started, raising concerns about hidden need.
- Referrals to Hackney Council's Domestic Abuse Intervention Service (DAIS) have generally increased week on week during lockdown⁷. There is also concern that there will be domestic abuse that affects children but is not being reported.
- The number of children on Child Protection Plans and the number of looked after children have risen slightly during the lockdown period.
- There are families in need as a result of the coronavirus crisis who do not meet the threshold for statutory social care support but would likely benefit from early help services

Socio-economic impacts

- Some vulnerable children and young people will have experienced shortage of food, overcrowding and lack of access to the basic requirements of a safe and secure home during lockdown. They will be less likely to have access to the internet or devices required for home learning or for visits to take place virtually.

Young carers

- Increased pressure on young carers / an increase in young people having to take on new caring responsibilities

Children with disabilities / SEND

- Increased pressure on families with children with disabilities
- Many SEND support services are delivered through teachers and teaching assistants rather than trained therapists, with school closures many children with SEND are missing out on the support that they require.

Impacts on the capacity of children's services to support vulnerable children and young people

- Social work taking place virtually during lockdown and in accordance with social distancing measures risks social exclusion relies on families having access to appropriate technology and wifi
- Although direct visits to children and young people at home with their families/carers have still been undertaken in cases where a child has suffered harm or is at risk of harm, the adaptations needed to comply with social

⁷ [Children and Families Service - update for CYP Scrutiny Commission - 15th June 2020](#)

measures have meant that the ability to monitor the risk to and experiences of children has been somewhat reduced.

- Low numbers of vulnerable children with social workers attending school (approximately 19% of a cohort of 1,509 school-aged children and young people identified as high risk) is a concern⁸

Wellbeing and mental health

- There are children and young people who will have experienced bereavement, witnessed domestic abuse, experienced hunger or are having to take on increased caring responsibilities. Many children and young people are also experienced heightened levels of anxiety around examination processes, transitions and apprenticeship, job, college and university applications. These may be having an adverse affect on their emotional wellbeing and mental health
- Referrals to CAMHS extended crisis service went down at beginning of lockdown period, but are now back up due to lockdown related crises

Education, training and development

- The majority of children and young people are missing out on education and training.
- Up until 1 June, the vast majority of children were no longer in receipt of early education
- Inequality in access to resources to continue education from home means some children and young people may be falling behind. Factors include: lack of space to work due to overcrowding, lack of access to IT equipment or wifi, parents less able to support learning if they have cramped living conditions, health needs and multiple children to care for.
- Central government decisions regarding the cancellation of examinations and move towards teacher assessed grading and the potential this has to widen the attainment gap. Hackney submitted evidence to the Education Select Committee parliamentary inquiry on the impact of coronavirus on children and education.
- The closure of the museum and libraries will also impact on young people who may have accessed educational resources or used libraries as quiet spaces for homework.

Youth provision

- Our Youth Hubs and adventure playgrounds will be reopening for the delivery of We do not know when government guidelines will allow the reopening of youth hubs. However, plans are currently being developed for Young Hackney's summer provision for young people from 27th July. The numbers of young people that are able to be accommodated will however be lower than usual.
- Closure of youth provision, diversionary projects, and specialist services during the lockdown period will have impacted on accessibility to support aimed at helping protect vulnerable young people from exploitation by gangs and providing safe exit routes for those already involved
- As we progress into the summer months, the prospect of fewer residential opportunities, family outings, community events and places to go to engage in

⁸ [Response to parliamentary inquiry: the impact of coronavirus on education and children's services](#)

positive activities may see young people spending increased amounts of time in contexts that have potential to facilitate exploitation and harm

- Delivery of youth work online may work well to keep young people engaged where there are existing relationships but reaching new young people is more challenging

Medium-long term impacts

- A surge in referrals as lockdown measures ease, particularly when more children return to education.
- Continued stress on families in the longer term, meaning that more families will need support.
- Lasting effects on children's mental health and emotional wellbeing. There is concern amongst professionals and services about an anticipated surge in referrals to CAMHS.⁹
- Missing out on early education for a sustained period of time may have an impact on outcomes in children's physical, personal, social and emotional development, communication, language and literacy, particularly for children at risk of poor outcomes.
- Worsening of outcomes for children in receipt of social care who have not been attending school for a prolonged period and difficulty adjusting back into a school setting.
- Not all children and young people will have had access to the resources they need to continue their schooling effectively at home, putting them at a disadvantage when schooling resumes.
- After an extended period of time off, children and young people may find it hard to readjust to normal school life, this might be particularly difficult for children with complex SEND returning to mainstream settings.
- Children and young people may also be returning to school with a number of issues - poorer mental health, family problems etc. which again may affect their attitudes and behaviours at school.
- Teacher assessment on final grades creates greater risk of unconscious bias than the 'blind' marking normally used for public exams which could widen the attainment gap.

Local insight

- The Disabled Children Service has received positive feedback from a number of parents and professionals regarding the support that has been provided during this period.
- Young people have expressed a number of concerns and issues through conversations facilitated by the Hackney Young Futures Commission. Some of these include: worries about planning for their future. For example, concerns about predicted grades, applying and starting University and other courses in September and general disengagement; worries about domestic violence and family conflict - particularly between siblings; the pressure on families to stay at home, work at home and share resources (e.g. computers) is creating considerable strain on some families.

⁹ [Child and Adolescent Mental Health Support: coronavirus: CYP Overview and Scrutiny Committee Update June 2020](#)

Strengths to build on

- Regular engagement with partner agencies - the City and Hackney Safeguarding Children Partnership includes strong links with the voluntary and community sector.
- The development of neighbourhoods for integrated commissioning offers some opportunities to engage with and empower the community to support families and prevent needs escalating.
- The Contextual Safeguarding project has developed links into some of the most vulnerable local communities, and with the voluntary and community sector in particular.
- Young Hackney has strong links with the voluntary and community sector and local schools.
- An early help hub, staffed by Young Hackney workers, integrated into FAST has been supporting the Council's Coronavirus helpline by making first contact with families with children who have contacted the council requesting support related to Covid 19 (non-safeguarding issues), to explore their support needs and, where appropriate, link them into early help or community services

Direction of travel for this priority

- The number of Children's Social Care referrals received has decreased significantly since lockdown started. The main decrease in referrals is from schools, so it is not expected that the number of referrals will change significantly until most children return to education
- Despite impacts on capacity as a result of lockdown measures, Children and Families services have continued to provide critical support to children and families during the crisis. New measures have been put in place to ensure that they continue to deliver an effective early help offer that prevents escalation of need into statutory services and continue working to reduce the number of young people coming into care by providing the support needed to ensure that children and young people can remain safely within their families and communities.
- Renaming this strategic commitment 'supporting children and young people to thrive' will mean that a broader range of issues will fall under its remit, including addressing the longer term impacts of children and young people missing out on education and training for a prolonged period of time and adverse impacts on their emotional wellbeing and mental health and help us implement the new [Children's Action Plan](#).
- A strategic workstream on *Adapting Support and Services for Children and Young People* chaired by the Group Director, Children, Adults and Community Health, has been established and will be focusing on three key areas: keeping children and young people safe; supporting children and young people through the impact of coronavirus; and setting children and young people up for the future.
- We will be developing an early years strategy that will reflect our corporate vision, set out inclusive pathways to enable all children to thrive, identify priorities within our extended services, and provide a positive framework for any reconfiguration of activities.

- The early help capacity in the First Access and Screening Team (FAST) has been strengthened during the lockdown and work is underway to ensure that there is more capacity in FAST longer term to divert cases to early help in a more timely way. Some of these considerations will impact the review of FAST which is underway.
- Stronger relationships have been developed across CFS and HLT to track vulnerable children and communicate with schools. We want to build on and strengthen this multi-agency approach to supporting children, up-skilling education staff and other colleagues to be able to respond to and assess need without having to revert to Children's Social Care in some instances.
- There are families in need as a result of the coronavirus crisis who do not meet the threshold for statutory social care support but would benefit from early help services. In response to this, an early help hub, staffed by Young Hackney workers, integrated into FAST has been supporting the Council's Coronavirus helpline by making first contact with families with children who have contacted the council requesting support related to coronavirus (non-safeguarding issues), to explore their support needs and, where appropriate, link them into early help or community services
- Children and Families have worked closely with colleagues in HLT regarding education provision for vulnerable children (those eligible to continue to attend education provision) during the lockdown to encourage families to take up education provision and to ensure measures are in place to monitor the welfare of these children.
- The Council has moved quickly to deliver the Department for Education's scheme to provide computers for disadvantaged young people. We know, however, that there is still significant unmet need and the Council is working closely with our voluntary sector partners to do everything we can to address this. This includes an appeal for donations of computers and connectivity which we plan to launch very soon.
- The First Access and Screening Team (FAST) has been working closely with colleagues from the Hackney Learning Trust to ensure additional advice and support is available to schools where they have struggled to make contact with families (who are not already open to CFS) and where they are worried about the children's welfare in the context of the lockdown.
- More edge of care capacity has been put in place to try to mitigate the risks of more children coming into care.
- Consider the impacts of the closure of libraries, the museum and other cultural and arts venues on educational wellbeing and consider the positive educational benefits in any plans for safe reopening of services, or for alternative ways to engage children and young people in cultural activity.

Community Wellbeing and Tackling Health Inequalities

Before the pandemic

Community wellbeing and tackling health inequalities was an existing corporate priority along with promoting independence and managing demand for Adult Social Care.

At the time our work was centred around reducing early deaths and addressing the causes of premature deaths. We wanted to tackle this by placing more emphasis on prevention, creating an integrated health and social care system delivering services more locally and in non-institutional settings if possible, achieving financial balance and empowering patients.

In Adult Social Care we wanted to create an integrated system enabling independence and self reliance. There was an emphasis on prevention, enabling people to live in general-needs housing for as long as possible and better supporting the transition from childhood to adulthood, to avoid costly services in future. We wanted to improve our forecasting to better manage future demand as well as addressing the chronic shortage of nursing home beds.

We had just developed an Ageing Well Strategy, co-created through extensive engagement with older people, which identifies ways that we can improve all aspects of life in the borough.

Our Key Performance indicators for reducing health inequality were:

- Child excess weight in 10-11 year olds
- Smoking prevalence in adults
- Admission episodes for alcohol-related conditions - narrow definition,
- Vaccination coverage
- Reducing HIV late diagnosis
- Mortality from causes considered preventable
- Infant mortality
- Suicide rate

Key Performance Indicators for Adult Social Care were:

- Proportion of older people (aged 65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services
- Long-term support needs of older adults (aged 65 and over) met by admission to residential and nursing care homes, per 100,000 population
- Percentage of Long Term Adult Social Care clients receiving an Annual Review
- Delayed Transfers of Care that are caused by Adult Social Care

How coronavirus has impacted on this priority

Impacts of coronavirus disease

- National and local insight highlights stark inequalities in the impact of coronavirus on minority ethnic groups (especially among Black and South Asian communities) - in terms of risk of infection, serious illness and death.
- ICU admissions and mortality rates are much higher among older people (esp 70+) and men.
- People living in socially deprived circumstances and in lower skilled occupations¹⁰ are also at increased risk of coronavirus disease and death (some evidence suggests that the socio-economic gradient among women may be steeper).

¹⁰ especially construction, security, taxi services, bus and coach drivers, and care workers

- Underlying conditions linked to higher risk of coronavirus morbidity and mortality increase with age and are more common among some minority ethnic groups and socially deprived populations.
- coronavirus has replicated, and in some cases exacerbated, pre-existing health inequalities.

Impacts of the pandemic response

- Loss of income or employment is causing higher rates of stress
- Among patients with long-term conditions, concerns about coronavirus/breaking lockdown restrictions appear to have prevented those with diabetes, heart disease, suspected Cancer and mental illness accessing healthcare the most. Locally, there have been significant reductions in emergency admissions for asthma, COPD, cellulitis, sepsis, heart failure and abdominal pain in particular. There is a risk of increase in preventable illness and deaths, as people are reluctant to seek treatment and many/most non-urgent treatment services were suspended or scaled down during the crisis response
- There has been a reported increase in suicides nationally during the pandemic.
- Reduced access to 'routine' healthcare has affected people in more socio-economically deprived circumstances the most.
- Reduced ability to conduct annual childhood vaccinations increases risk of future outbreaks of e.g. measles
- Health behaviours are significantly impacted by the lockdown, with some evidence to suggest that inequalities in physical activity and drug and alcohol misuse in particular are widening as a result. This may be exacerbated by the temporary closure of leisure facilities and community classes.
- Suspension of many preventative services is expected to widen existing health inequalities.
- The focus on 'virtual by default' could disadvantage some of our most vulnerable communities if mitigating action is not taken.
- Some social care services have been curtailed, e.g. support for people with sensory impairments, aids and adaptations for physically disabled people, support for people with learning difficulties in educational settings - leading to delays and more pressure on families and unpaid carers;
- The crisis has highlighted the importance of carers and has brought added pressure on carers, and family members at this time;
- Lockdown has increased stress and anxiety levels and risk of long-term psychological harm
- Postnatal support has been curtailed during lockdown
- Concern that infectious diseases like measles might spread due to reluctance to attend health settings to obtain vaccines/existing reluctance to vaccinate among some communities becoming more acute
- In Adult Social Care Coronavirus has led to the curtailment of some services, although other services have been delivered differently

Local insights

- There is widespread community concern on the disproportionate impact of coronavirus on ethnically diverse communities
- Some communities, notably faith, older and ethnically diverse communities

have expressed nervousness about attending healthcare settings for non-coronavirus related illnesses - This may lead to increased incidence of serious conditions like cancer and cardiovascular disease in future.

- Concern about the impact of lockdown on mental health and physical health, including higher risk alcohol and substance abuse and Domestic Violence.
- Concern among disabled people and their families about possible curtailment of rights, including use of Do Not Resuscitate orders, right to assessments and reviews and access to services following the suspension of the Care Act, particularly given the financial pressure on local authorities.

Strengths to build on

- The Public Health grant is £32.23m and through our work as part of the Good Practice Network we secured additional funding to respond to the crisis, and all services have a broad aim of tackling health inequality.
- As a Council, we also have key levers we can use to influence the wider, social determinants of health, for example, through an inclusive local economy, the education system, decent housing services, and through shaping the built environment and local transport networks.
- We ensure that our local plans and strategies are informed at their outset by intelligence, insight and best evidence, which we keep updated through our [Joint Strategic Needs Assessment](#) and Shared Evidence Base.
- The other priorities outlined in this report will help reduce health inequalities by addressing the wider determinants of health.
- The City and Hackney System Operational Command Group (which brings together health and social care providers and commissioners to coordinate our local pandemic response) has developed an inequalities framework to inform phase planning - including a prioritisation matrix, decision making tool (rapid equalities impact assessment) and equalities dashboard to monitor progress and impact of interventions.
- We had already started to establish a neighbourhood structure around which to deliver integrated health and social care services, working with our communities at a local level. The pandemic has enabled us to incorporate this work with the efforts of local Mutual Aid groups, brought together through Neighbourhood Conversations which are increasingly focused on implementing solutions to issues they identify.
- New Local Outbreak Control and Health Protection Boards have been established to provide oversight and accountability of actions taken to combat current and future pandemic outbreaks.
- Regular dialogue has also taken place with ethnically diverse and grassroots organisations, faith communities and the Orthodox Jewish community throughout the pandemic. We are working closely with Mutual Aid and local community groups to develop practical responses to local problems and have collaborated closely with HCVS to develop the Test, Track and trace system locally.
- Some health and social care services are already delivering services differently. For example, mental health services have been providing essential interventions like injections in people's homes.
- Lockdown has underlined the importance of parks and open spaces for health, wellbeing, stress relief and exercise.

The direction of travel for this priority

Health and wellbeing

- Preventative services have either had to cease operating (where virtual provision is not possible) or rapidly change their service model to a virtual one, which risks excluding some residents and storing up future health problems and widening inequalities. We need to ensure in the short term that we are not exacerbating existing inequalities, for example through virtual working and therefore need to ensure we are tackling digital inclusion.
- Work is also needed to review, refresh and re-prioritise our pre-existing strategic plans through an explicit inequalities lens - both to ensure sufficient focus is placed on inequalities that have deepened as a result of COVID-19 (e.g. linked to ethnicity and deprivation) and that our plans are broadened to directly address the needs of vulnerable groups who have hitherto not been prioritised (e.g. people living in insecure, overcrowded accommodation who are at increased risk of infection and may have limited access to services).
- Ultimately, what is needed is a comprehensive strategy to meet the challenges posed by COVID-19. The wide-ranging impacts of the pandemic emphasise more than ever the need for sustained system-wide action to tackle the underlying causes of long-standing health inequalities in Hackney, going far beyond the health and care sector and working in partnership with our local communities.
- We are working with partners to reset our Health and Wellbeing Board to lead the development of a shared strategic framework and coordinate the local response to tackling health inequalities. This will include a refresh of [Joint Strategic Needs Assessment](#) and priorities as well as membership and focus of the Board.
- Tackling health inequalities, and improving population health, requires action at multiple levels and across all sections of society. This means addressing all four intersecting 'pillars' of a population health system, as described by the King's Fund:
 - An effective, integrated health and care system
 - Health behaviours and lifestyles
 - Wider determinants
 - Place and communities
- An integrated health and care system is key to meeting population health needs and tackling inequalities, but is insufficient on its own. The biggest drivers of population health outcomes are linked to social, economic and environmental conditions (income, employment, education, housing, transport, etc), and it is structural inequalities linked to these 'wider determinants' that make the most significant contribution to health inequalities - as has been laid bare by the current pandemic. As well as health behaviours (including smoking, physical activity, diet and alcohol), which themselves are socially patterned, the importance of 'place' also needs to be emphasised - the neighbourhoods and communities in which we live - as being key drivers of health and wellbeing at an individual and population level.
- Working with, and drawing on the assets within, our local communities must therefore be central to our response to tackling health inequalities. Adopting a

new 'health in all policies' approach will enable us to identify the greatest opportunities to reduce underlying health inequalities.

- The e-SHL service has recovered pre-coronavirus levels of testing. Clinics are still operating mostly remotely unless an appointment is essential. Demand for sexual healthcare has decreased with lockdown which will have inhibited levels of sexual activity at population level, however this is difficult to quantify at present.
- Plans are also in place to support smoking cessation, post natal support, and respond to the likely increase in stress and anxiety and harmful drinking.
- To achieve our Health and Wellbeing and Adult Social Care objectives. Some possible practical suggestions include:
 - Making road closures introduced during lockdown permanent to encourage more cycling and walking;
 - Building on the systems developed to support the Council's coronavirus helpline to develop a model of service provision that is joined up and person centred, based on 'make every conversation count' principles
 - Building on the work to provide accommodation for rough sleepers to increase longer term access to health and wellbeing services and address wider social and economic needs
 - Work towards better data integration across the system, including linking up administrative, service use, and health data.

Older people

Hackney's new Ageing Well Strategy has been reviewed to consider how in times of emergency, community and statutory bodies are resourced, organised and coordinated to protect and support older residents as much as possible. It will now be subject to a final round of engagement and consultation before being adopted in the autumn. The following are key considerations:

- The community response through neighbourly volunteering has been hugely successful and it is important to look at how to nurture and continue this form of informal support through the Community Partnerships Network.
- We also need to address digital exclusion, and have put in place a Council and borough wide response, identifying older people as a key group who are more likely to be excluded.
- According to the World Health Organisation those who have been infected by coronavirus are likely to be more susceptible to infection and diseases in future and older people have been disproportionately impacted. Focusing on keeping older people in good health as a way of protecting them becomes more important than ever.

Reducing Harm

Starting point

Tackling gang crime and serious youth violence through working with the community is a key strategic priority in the current Corporate Plan and sets out our commitment to tackling violence in the borough by taking a proactive public health approach. The public health approach considers violence as stemming from the complex interplay of multiple risk factors and causes which interact at four levels: individual, relationships, community and society¹¹. In the Corporate Plan, we commit to measuring progress in relation to this strategic priority against the following key indicators:

- Reduction in serious youth violence aged 1-19.
- Reduction in serious violence.
- Reduction in knife injuries for under 25 years non domestic violence.
- Reduction in serious youth violence.
- Reduction in gun crime.
- Reduction in gun discharges.

Although it is well recognised in Hackney that a multi-agency partnership response is needed to tackle this issue, there is arguably more to do to strengthen partnerships at a strategic level and develop a shared narrative framework within which there is common understanding of our approach to tackling violence in Hackney and the role different agencies play within the system as it relates to violence reduction. Fundamental to our approach is the role of the community, not just in identifying issues, but also in being empowered to work with partners to develop and lead on solutions. We need to move beyond consultation so that communities and those impacted can engage meaningfully in conversations with systems leaders that result in a shared understanding of the problem and agreement on the steps needed to address it. Without this we are likely to see an increasing lack of trust and disengagement, which will in turn hamper our efforts to reduce violence in the short, medium and long term.

In reviewing this strategic commitment in light of coronavirus, it is also opportune to revisit the way we frame our response to violence reduction in the corporate plan, so that it better reflects our commitment to understanding the extent and impact of all kinds of violence, reducing harm and supporting communities to become more cohesive and resilient. We look not only to address the immediate issues at hand but to see a long term, sustainable reduction in violence, improve the health and wellbeing of individuals and communities and have a wider positive impact on the economy and society by tackling violence and its root causes. Work is currently underway across the partnership and with the community to formalise a set of framing principles to underpin our approach to violence reduction. This also sits alongside our partnership work to improve trust and confidence in policing.

How coronavirus has impacted on this priority

Immediate/ short term impacts

¹¹ [Public Health England \(2019\), A whole-system multi-agency approach to serious violence prevention](#)

- Overall reduction in knife crime with injury under 25, weapons related offences and violence with injury
- Increased referrals to the Council's Domestic Abuse Intervention Service - up 60% during lockdown, from around 25 cases per week to almost 40.¹²
- Although direct visits to children and young people at home with their families/carers are still being undertaken in cases where a child has suffered harm or is at immediate risk of harm, the adaptations needed to comply with social measures means that the ability to monitor the risk to and experiences of children is somewhat reduced.
- While the drugs market and county lines trade are adapting, the lockdown measures have simultaneously made the already difficult task of tracking children suspected of county-line involvement more difficult as services that may have had contact with them outside of the borough are also working remotely. The task has fallen predominantly on the police.
- There is an increase in tensions between some gangs both within the borough and in relation to neighbouring groups. The use of social media to goad/threaten or boast/share acts of violence has resulted in some incidents of serious violence and revenge attacks during the lockdown period.
- The Youth Justice Service has seen a reduction in referrals from key statutory agencies, courts and police. Although overall arrests are down, around 2/3 of the cases currently awaiting action due to delays caused by adherence to social distancing measures are likely to require intervention by the YJS.
- There is concern that the time passing between alleged illegal action and the consequences following the conviction and sentence will reduce the YJS's ability to promote change in future behaviour. Such a delay for those convicted of violence and more serious violent offences is especially of concern.
- In the month of May 2020, the Integrated Gangs Unit reported a small increase (from 4 to 8) of gang related violence (all ages) across the borough, with the use of a firearm in a recent murder especially concerning.
- Some young people have found it difficult to isolate at home may be at increased risk of harm and exploitation in the community.
- Closure of youth provision, diversionary projects, and specialist services aimed at helping protect vulnerable young people from exploitation by gangs and providing safe exit routes for those already involved.
- As we progress into the summer months, the prospect of fewer residential opportunities, family outings, community events and places to go to engage in positive activities may see young people spending increased amounts of time in contexts that have potential to facilitate exploitation and harm.
- Loss of school and youth settings as a protective factor for vulnerable children and young people leaving them at increased risk of harm and exploitation and hindering abilities to identify new cases. Delivery of youth work online may work well to keep young people engaged where there are existing relationships but may struggle to reach new young people.
- Increased community tensions and divisions stemming from the way different groups are seen to be adhering to the lockdown rules or differences in the way different communities are reprimanded for non-adherence.

¹² [Response to Parliamentary Inquiry: The impact of coronavirus on education and children's services](#)

- Experiences of the disproportionate use of police powers and force, particularly against young black men during lockdown has exacerbated existing concerns and refocused our work to improve trust and confidence.

Medium term impacts

- The adequate management of cases where court action has been delayed is likely to be an added pressure for the whole of the YJ Service once courts begin to operate again.
- Once we are out of lockdown, people will be more free to commit violent offences fueled by online interactions such as goading between rival gangs and grooming.
- After an extended period of time off, young people may find it hard to readjust to normal school life, resulting in an increase in behavioural issues and possibly exclusions when they do return. Young people may also be returning to school with a number of issues - poorer mental health, family problems etc. which again may affect their attitudes and behaviours at school. Important given link between permanent exclusions and risk of involvement in violence for young people.
- Reopening of the night time economy and the effect this will have in relation to alcohol and drug related violent offences.

Longer term impacts

- Where adequate support is not received, the resultant adverse childhood experience or trauma caused or exacerbated by isolating in an unstable home environment may contribute to further issues later down the line, including victimisation and perpetration of violence.
- If we are unable to sufficiently manage and deliver safeguarding and support for young people at risk, we may see an increase in first time entrants to the YJS, repeat offending and a worsening of outcomes for those already in the system.
- Potentially long term closure of youth provision, diversionary projects, and specialist services aimed at helping protect vulnerable young people from exploitation by gangs and providing safe exit routes for those already involved, could lead to an increase in young people groomed into criminal activity and losing their lives as a result.
- The approach taken to policing in relation to enforcing lockdown measures will have longer term ramifications on the levels of confidence and trust in the police and state.
- Young people experiencing long term economic disadvantage as we enter into a recession who are finding it hard to find legitimate employment may become more at risk of being groomed into partaking in illegal activities and gang-related crime to support themselves and their families.
- Given that three-quarters of the boroughs in London with the highest levels of violent offending are also in the top 10 most deprived, while the same boroughs also have higher proportions of children under 20 living in poverty than the London average¹³, worsening poverty and inequality in the long term might see an increase in overall violent offending in the borough

¹³ [A Public Health Approach to Serious Youth Violence: Supporting Evidence, Greater London Authority \(GLA\)](#)

- Many VCS organisations may fail to survive the crisis or may not quickly recover. This will be coupled with a long term increase in demand for services, with many people increasingly requiring support as a direct result of the crisis (domestic violence, mental health, food poverty, unemployment etc.).
- VCS organisations are key to fostering community cohesion and resilience in the aftermath of violent incidents. A thriving VCS is integral to the work being done to facilitate community capacity and community-led responses to serious violence

Community perspectives on this issue

Much of the above has been echoed by community insight garnered through conversations with young people, VCS representatives and colleagues across the council working directly with young people and in the community. A few headline statements are as follows:

- Young people are being impacted by domestic violence, including sibling-sibling and child-parent violence.
- Young people and particularly young black men are concerned about their relationship with the police, an issue that has been exacerbated by experiences during lockdown as well as by events in the US following the killing of George Floyd and the challenge from the Black Lives Matters movement.
- Young people are concerned about how they may be impacted by serious violence in the community as the safety net of lockdown is removed and the protective infrastructure i.e. youth settings and diversionary activities are limited.
- Young people are concerned about the impact on their education and future employment prospects.
- Concerns around the disproportionate impact of the crisis on black and minority ethnic communities, the exacerbation of existing disadvantage and the impact this might have on outcomes for these groups over the long term.
- Community tensions stemming from perceived differential treatment of sections of the community regarding adherence to lockdown measures.
- The reduction in sufficient infrastructure for the needs of young people i.e. youth settings and how this might continue on into the medium and long term.

Existing strengths to build on

- The Community Resilience Partnership brings together senior leaders with community voices, providing a space where cross cutting programmes and initiatives can be discussed and better alignment, synergies and joint working between services and sectors can be explored. The CRP will be a valuable vehicle for addressing the challenge of tackling disproportionality and ensuring that communities are fairly treated and supported as we move out of lock down.
- The Detached Outreach Team in Young Hackney has continued to be deployed and has recently increased the number of sessions that are provided to six per week. This small team of youth workers, supported by a

clinician, are able to engage with young people in outdoor areas in the community.

- Youth Independent Advisory Group, Young Black Men's leaders group, Young Futures Commission - we have a number of forums through which we hear from young people, we need to work on ensuring that young people are seen and respected as valuable stakeholders and that actions resulting from their reports are implemented.
- Place based, community-led approaches such as the Pembury Children's Community, provide a systems approach model for addressing complex problems holistically in a locality.
- Joint working between professionals, across services and disciplines, to support children and families. Partnership working has been stronger and more proactive during lockdown and there are named instances where this has prevented further harm following a violent incident in the community.

How the priority will change - direction of travel

Serious youth violence and other violent offences may increase in the short term post lockdown and continue into the long term if we do not continue to deliver effectively against our existing plans and strategies to reduce this or work to further strengthen these where necessary. We need to consider this both in relation to plans that look to tackle the immediate issues i.e knife crime action plan and also take a more preventative approach. This direction of travel also takes on board the recommendations of Young Futures:

- Developing the whole systems public health approach that considers violence as stemming from the complex interplay of multiple risk factors and causes which interact at four levels: individual, relationships, community and society.¹⁴
- Ensure that young people are viewed as stakeholders who shape responses to crime and policing and disproportionality in the criminal justice system, building on work already carried out in the youth justice team in Hackney.
- Develop the governance of the Improving Outcomes of Young Black Men Programme to hold all partners to account on this disproportionality.
- Work across the criminal justice system to embed inclusive leadership and anti-racist practice.
- Continue to develop partnerships within the voluntary and community sector to support preventative community based approaches to violence and exclusion.
- View children and young people as a priority group for help with recovery and getting back on track.

Climate Emergency

Where we are now

¹⁴ [Public Health England \(2019\), A whole-system multi-agency approach to serious violence prevention](#)

The Council has significant work to do in relation to Climate Emergency. For some time now, there has been strong scientific evidence on climate change caused by human beings and its significant impacts on climate and the consequent destruction of habitats and species. Economists and social scientists anticipate (and already report) harmful impacts on communities in relation to health and well-being, food supply, and infrastructural damage, with potential for high economic costs, food insecurity, mass migration and heightened levels of conflict. These threats require a transformational response, e.g. decarbonisation, that needs to be significant in scale and urgent, as every action to reduce climate change contributes to long-term harm reduction, and reduces the immediate risk of “trigger points”, e.g. thawing of permafrost, and the sharply escalating impacts resulting from each small increase in global temperatures. These problems are compounded by existing global and local challenges around pollution, e.g. urban air pollution, plastic waste, etc. There is also increasing pressure from local residents for action in response to the environmental impacts felt now (e.g. air pollution, urban heat-island effect) and those that are anticipated in the future.

The political response is wide ranging; there are commitments in the 2018-2022 Manifesto relating to: reducing plastic, promoting reuse and recycling, green infrastructure, biodiversity and tree planting, green energy, reducing carbon emissions and green transport.

In February 2019, there was a Council Motion to declare a Climate Emergency and this was followed in June 2019 by a [Motion](#) to do ‘everything within the Council’s power’ to deliver net zero emissions across its functions by 2040, ten years earlier than the target set by the Government and there is a full update on progress towards this aim coming to Full Council in July.

How coronavirus has impacted on this priority

Short term - September 2020

The ‘new normal’ will require a number of key areas to be prioritised. In particular the impact of the pandemic on the use of mass public transport will be significant and hence there will be a need to enhance ‘active transport’ capability. Low levels of car ownership although generally a positive factor may restrict alternative options for those vulnerable to coronavirus based on their more acute social distance requirements.

Levels of walking and cycling have increased dramatically across the UK during the lockdown TfL’s recent modelling shows cycling could increase ten-fold after lockdown compared to pre-coronavirus levels and that there could be five times as much walking. These modes will continue to play an essential role in the coming months as more people begin travelling to work again and there is an easing of restrictions on movement more generally, but capacity on public transport is still significantly reduced due to the ongoing need for social distancing. With evidence indicating a significant link between coronavirus recovery and physical fitness, the health benefits of choosing more active travel options (obesity links to increased

health risks of coronavirus) are even more important than ever, as are the reduced carbon emissions and improved air quality.

The Council is bringing forward a number of transport related public realm schemes that can be constructed quickly maximising the opportunities provided by government funding. Temporary pandemic measures that have been implemented are also being monitored and evaluated (120 road closures) with a view to making a number of them permanent to encourage the long-term shift to active travel and improve road safety for users.

Other impacts are suggested below:

- ongoing reduction in energy use which may need to be factored in to Council's future carbon targets due to the likely lower occupancy of offices over the long term.
- more focussed actions with small business in the short term to support their survival (see later).
- potential reduction in internal funding available to fund future activity with an explicit decarbonisation focus, based on likely shortfall in coronavirus funding from central government and need to make savings.
- reduction in pace on some CE projects that require work to be completed in people's homes/businesses due to social distancing requirements (Green Homes programme, 121 energy efficiency advice for residents, ZEN programme).
- reduced short term focus on single use plastics reductions due to heightened public anxiety regarding disease transmission.
- delivery of recycling infrastructure has been delayed due to the pandemic.
- increased momentum on air quality improvement projects driven by suspected link to increased coronavirus impacts and better appreciation by residents as a result of lockdown.
- increased focus on demand management of private transport to maintain better air quality.
- slower procurement timetables for major capital works programmes for the Mayoral term (agreed PV projects, investments by Better Leisure in energy efficiency of leisure centres).
- review of existing approved expenditure for CE project work and adjustment, either in timeframe or financial value.
- increased use of e bikes/conventional bikes by residents to meet travel needs.
- road safety impacts due to large numbers of novice riders on our streets.

Medium term - May 2021

The Council's Climate Emergency decarbonisation commitments are based on longer term reduction targets attached to scientific evidence, these are already time sensitive and need year on year reductions, estimated by the IPCC to be 7.6% per year to 2030 to meet the target of keeping global warming below 1.5 degrees. An Energy Strategy will be finalised in this period and may have the benefit of being able to reflect any future financial stimulus. This could enable a step change in the ability of the Council to meet its own CE obligations as well as help broaden its focus to specific borough wide emissions where major benefits can be realised.

The acute impacts of the pandemic on employment levels could provide impetus to a just green transition. This will be initially dependent on the outcomes of the Autumn spending review which seems likely to be a one year settlement. Opportunities to align with the climate emergency will be a result of the agreed direction of travel; either a greener recovery model is outlined or one based on a more traditional economic model such as that taken post the 2008 financial crisis. Recent studies indicate that the employment growth potential of a green recovery is significantly higher than historic economic models, which may encourage the government to start to implement this approach.

There is likely to be an increased focus on fuel poverty particularly due to reduced incomes of the lowest paid rather than carbon reductions per se. There may be a lower desirability to introduce additional local road charging measures which could place added costs on struggling businesses. An increase in the likelihood of a no deal Brexit could result in divergence on environmental standards if the UK moves away from the 'level playing field'. If working from home becomes more pronounced there may be more interest in implementing energy efficiency measures and better thermal comfort in people's homes.

Longer Term - May 2022

The rescheduling of COP26 (suspected to be moved to the end of next calendar year) has meant that agreeing revised targets since the earlier Paris agreement has not happened. As a result major central government financial stimulus packages to meet agreed obligations have not been identified. The UK's original focus for COP26 was to be transport which is producing a higher level of global emissions than other sources. There may however be a shift in emphasis to facilitating a greener recovery globally.

Local insights

Despite its many negative consequences the pandemic is providing an opportunity for a fundamental reappraisal of how we live in the future. The lockdown itself has enabled positive environmental impacts on the quality of life in Hackney and more widely, with improvements in air quality from reduced vehicle use, short term reductions in carbon emissions generally and the stimulation of pro-environmental behaviours. During lockdown, our local environment was cleaner, healthier and quieter as a consequence. The quiet streets are showing people what cities might be like if we were to limit car use even more.

Our residents are currently using our local parks and open spaces at high levels for exercise and mental wellbeing. Some of us are likely to be eating differently, being less reliant on meat and more conscious of how we make best use of what we have, resulting in less waste.

Until there is a vaccine we are likely to need to work from home more even when out of a lock down as part of extended social distancing measures - and indeed we may question why we all have to travel so much and how we might proactively encourage this more to give the city a rest.

This experience may have stimulated a range of positive environmental behaviours within our residents and could enable us to engage more widely about a range of environmental issues using a different lens.

Existing strengths to build on

We have a strong community of interest in Hackney who are keen to play a positive role in the climate crisis. There are a range of new community groups (established to provide support to vulnerable residents during the pandemic) that have indicated a continued interest in participating in environmentally focused activity. There is also a danger because of more urgent economic pressures on some of our residents that we continue to hear from those most able to participate in these discussions but least affected.

Small and medium sized businesses are very well represented in Hackney. Their role during the pandemic, particularly those providing essential supplies has helped raise their value in meeting resident needs, especially purchasing food more locally. We need to frame this better, recognising their contribution to reducing private vehicle use as part of shopping requirements and demonstrating how they can complement other services, such as online shopping for food which has increased significantly during the pandemic, and looks likely to continue - promoting the concept of the 15 minute city or high street.

How this priority will change - direction of travel

Most of the major changes that are needed to avert the climate crisis continue to require major structural changes to be achieved.

The extent of the economic impacts of the pandemic means for our recovery it will be essential to harness the opportunities for a greener one, rethinking our society and developing a new model of prosperity to make us more resilient, more protective and more inclusive. Embracing the transition to a climate-neutral economy, protecting biodiversity and transforming our food systems have the potential to rapidly deliver jobs, growth and improve the way of life of all citizens. We are not starting from scratch as much progress has been made globally in the last ten years to reduce the cost of the transition: renewable energy, zero emission mobility, energy efficiency etc. We will therefore need to design recovery plans that embed the fight against climate change and reflect the Climate Emergency as the core of the economic strategy - a Green New Deal.

This includes:

- altered transport behaviours associated with the need to observe social distancing and use different modes of transport.
- positive/negative benefits related to the availability of funding from central government to support the CE based on the government's selected economic recovery model.
- ability to build on pro environmental behaviours and a better understanding of the value of nature by residents to achieve local change.

- a likely future reluctance by some to use public transport (leading to more private car use).
- the potential for deregulation by central government to provide stimulus for businesses.
- reductions in local government income/funding (yet to be fully quantified) but may impact on the capacity of the Council to progress key CE projects (renewables, adaptation work).
- higher numbers of residents in fuel poverty as a result of the economic fallout - we will need to acknowledge poverty reduction aspects more explicitly in future CE work.

5. PLANNED INVESTMENT IN THE 2020/21 BUDGET

In February, we identified additional funding and support in the 20/21 budget to invest in activity to tackle poverty and inequality.

Poverty reduction

We recognised that poverty in London and Hackney, is largely driven by markets and austerity and that we wanted to take a systematic approach that tackles these wider structural issues, through work to shape a more inclusive economy and our housing strategy, alongside better coordination of existing support and preventative work.

We also acknowledged that, given the level of poverty in Hackney, where one in three households are in poverty after housing costs and nearly half of children live in poverty, we cannot wait for longer term structural solutions.

We have to put more focus on the issues facing communities today and the supportive actions which are needed for individuals, families and communities - both those which are preventative and those which alleviate or avert a crisis or worsening situation. These include specific proposals which respond to the growing numbers of people who are vulnerable and have complex needs who are also in housing need. There is a growing body of evidence that any approach to poverty reduction, needs to include a joined up approach to those with most complex needs, underpinned by a commitment to "Housing First."

Coronavirus will have severely impacted those already in poverty and pushed more people into poverty and we put in place financial support during the pandemic which is detailed above.

The measures already put in place for 2020/21 are more relevant than ever and included increasing the amount of support available through the Council Tax Reduction Scheme and across four objectives cover:

Objective 1: improve the offer for families in food poverty to improve children's access to affordable fresh food.

- Support to Alexander Rose Fresh Food Vouchers - these have already proven to be really valuable.
- Coordination of food poverty support - this investment will be used to further develop the Community Partnerships Network.

Objective 2: Strengthening support for those with the most complex needs (including a specific focus on those in housing need).

- Embedded mental health support in housing benefits team - as we anticipate an increase in demand on the service, and an increased vulnerability for those with mental health needs this is a key way to respond to needs.

Objective 3: Strengthening support for families.

- This investment improves the way we reach families who need help more quickly - as families become more vulnerable, and there are formal ways to identify needs, this becomes more significant. Services have already had to work differently to identify vulnerable families and proactively contact them.

Objective 4: Poverty proofing policies.

- In the light of coronavirus, a number of additional measures have already been put in place. We will appraise these and identify what more is needed.

Reducing inequality and building social cohesion

The single equality scheme adopted by Cabinet in November 2018, includes an objective focused on tackling discrimination and disadvantage. The Scheme identifies the priorities for tackling key inequalities. Both the Scheme and the detailed analysis of inequalities which supports it can be found on the Council's [equality webpages](#). There are broad areas of work which have progressed to a point where some investment could be impactful and where there is an opportunity to invest in the way we work with communities to co-design solutions.

Coronavirus has impacted older people and younger people and people from different ethnic minority backgrounds. The racial inequalities experienced in the black community have been compounded by wider injustices in society and specific issues in policing. As we have said earlier in the report, the time for review has passed, we have a good understanding of the issues. The focus now is on co-designing services and solutions with communities and so there is still a good case to resource the work originally identified:

- Helping people to age well in Hackney by co-designing solutions identified in the Ageing Well Strategy .
- Engaging and improving services for young people by upskilling young people to co-design of test and learn experiments which influence public service design - support the Improving Outcomes for Young Black Men Programme and Young Futures.

6. ASKS OF CENTRAL GOVERNMENT

Supporting our communities

1. Establish a coronavirus public inquiry that includes the disparity in outcomes for Black and other communities alongside those with other protected characteristics in its terms of reference.
2. Campaign for the Government to implement the full recommendations of Public Health England's Fenton review into the disparities in risk and outcomes from coronavirus

3. Bring an end to the inhumane 'hostile environment' and 'no recourse to public funds' classification that leaves family, neighbours and friends unable to access vital support; and as an interim measure exemptions for those sleeping rough or fleeing domestic abuse.
4. Deliver meaningful investment in prevention, outreach and move-on pathways for rough sleepers, recognising that it is as much a health issue as a housing one.
5. Keep Local Housing Allowance rates at their current level (30 per cent of local rents) and consider further raising them to their former level of 50 per cent.
6. End the benefit cap, which penalises large families and areas with high rents, and restore the principles of a benefits system based on need.
7. Give us the freedom to spend our Right to Buy receipts, helping us deliver the social housing our residents need faster.
8. Bring an end to Section 21 evictions and extend real support to private renters if/when the eviction ban is lifted..
9. Invest in our young people, giving schools the resources they need to help children catch-up on missed learning and development.
10. Deliver on a truly integrated health and social care service, with funding that reflects the role of adult social care as part of our frontline health services.
11. Finally agree on a means of putting funding for adult social care on a sustainable footing, either through capping personal contributions or general taxation, ensuring everyone can receive high quality care when they need it, regardless of ability to pay.
12. Deliver greater devolution of health and social care powers to local councils and prevent another top down reorganisation of the NHS.
13. Commit to funding the mental health services people need, including through channeling more resources into local organisations better placed to meet the needs of specific communities.

Rebuilding a fairer economy

1. Ensure that the investment in the arts and culture sector protects vital community venues and spaces.
2. Implement a further extension of the furlough scheme and a package of financial support for those businesses which remain unable to fully open.
3. Give us greater control and use of the apprenticeship levy, so we can create more opportunities for Hackney residents.
4. Ensure that funding is available to create and sustain a training, job or apprenticeship opportunity for all those leaving school, college or university and those that lose their job due to this crisis.

Rebuilding greener

1. Fund a Green Council Homes programme to retrofit council and social stock, so no home falls below an EPC rating of C by 2030.
2. Commit to reach the World Health Organisation's air quality goal of 10 micrograms of particulate matter per cubic metre by 2030, fund local councils to help achieve this and set new legal limits on pollution levels that give Councils greater powers to intervene when they are breached.

3. Address residential waste enforcement legislation to enable councils to make compulsory recycling more easily enforceable.
4. Introduce a legal duty on supermarkets to create packaging-free aisles.
5. Introduce a 'producer pays' principle – taxing the producers of packaging and waste to help fund council recycling services.
6. Include a legally-binding water efficiency commitment in the upcoming Environment Bill, namely reduce water consumption by 30% and half water leakages by 2040.

7. OUR APPROACH TO ENGAGEMENT, EMPOWERMENT AND RESILIENCE

Coronavirus has affected everyone in some way, and tested individual and collective resilience, although the differential impact has been stark and we are left with a very mixed picture in Hackney. This has been a traumatic event, for individuals and collectively, and for some individuals and communities, this will come on top of previous traumatic events. Whilst some will want to move on and get back to the new normal, there will be others left with trauma, residual questions and aspirations to “build back better” - and rethink the way we live our lives and key questions about what this means for the big issues like inequality and climate emergency.

This is why we will be sharing a public facing version of this plan widely, so that we are being open and transparent about how we see coronavirus impacting on the Council and the community. We are also working with partners to develop a shared approach to how we engage with residents, about these priorities and about their aspirations:

- Working with residents to rebuild a better Hackney embedding more co-production and engagement as we refresh our plans and strategies, taking stock and responding to impacts, understanding and building on aspirations as we move to the next phase.
- Ensure that we work with the community and those impacted directly by coronavirus to commemorate the lives lost and celebrate the huge contributions that have been made by key workers, volunteers and staff.
- Developing more inclusive ways to communicate and engage with residents about coronavirus so that everyone can access the information, testing and support they need.
- Taking an asset based approach to developing this information and supporting, working with the formal and informal voluntary sector about their aspirations for the next phase and eventual recovery.
- Identifying the positive proactive actions needed to support community resilience, specifically with regards to promoting social distancing, addressing community tensions and promoting community safety.

Cabinet

20 JULY 2020

**COVID 19, CORPORATE PLAN AND
MEDIUM TERM FINANCIAL PLAN
UPDATE**

KEY DECISION NO. FCR Q90

Appendix 2

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UPDATED 2020/21 BUDGET FORECAST AND MEDIUM TERM FINANCIAL PLAN

1.0 INTRODUCTION

- 1.1 The Council is facing a significant and challenging outlook following the global pandemic. This report presents an updated overview of the Council's financial position in 2020/21 and outlines the economic environment and Medium Term Financial Outlook.
- 1.2 Given we have only had three months experience of the increased cost pressures and reduced income arising from COVID-19 and there is considerable uncertainty about the future course of the economy and hence public spending plans and funding, it is extremely difficult to forecast the financial position over the next three years. This is exasperated by the fact that we don't know how long it will take for the local economy to recover which will impact on income from car parking, commercial properties and commercial waste; and the impact of ending the furlough scheme on unemployment in the borough, and consequently CTRS claimant numbers and hence council tax income. Any significant increase in CTRS numbers will reduce our council tax income. In view of these uncertainties, we will be producing a further iteration of the Plan in September / October.
- 1.3 This report presents an indicative forecast of the 2021-22 budget, modelling medium, best and worse case scenarios and an outline of the position in the following two years. Under these scenarios, the forecast budget gap in 2021-22 ranges from £33.5m (Medium Case) to £11m (Best Case) to £52m (Worst Case). The forecast gap before COVID-19 was £13m. This report should be read in conjunction with the May Overall Financial Position (also on the Agenda) which sets out the impact of COVID-19 on the 2020-21 Budget.
- 1.4 We have received some funding from the Government which partially mitigates the spending pressures and income losses noted above which is detailed below. It must be noted though that the Government funding listed is intended to cover the epidemic only and funding is of a one-off nature. It follows that to protect the Council's financial position going forward, we must ensure that no significant new expenditure commitments of an ongoing nature are given without full political oversight and scrutiny..
- 1.5 In meeting this financial challenge, we are:
- Reviewing the Council's reserves to develop options for re-appropriating reserve funds to help support the Council's response to COVID-19. This may mean delaying some projects or activities initially expected to be funded from reserves.

- Refining and developing a governance process to ensure expenditure is signed off by appropriate officers to keep expenditure focused on the COVID-19 response.
- Closely monitoring the Council's income streams and debt levels to see what effect the COVID-19 crisis is having on the Council's income.

1.6 We will also be continuing to review and refine our work on the robustness of the calculation processes and data used to calculate the COVID-19 estimates over the summer.

2.0 ECONOMIC ENVIRONMENT AND OUTLOOK

2.1 As reported in previous reports to Cabinet, It is by no means clear what the longer term financial impact on local government will be as a result of COVID-19 but it looks likely that the UK faces a significant recession, possibly its sharpest recession on record. It is also worth noting that the UK's debt is now worth more than its economy after the government borrowed a record amount in May. The £55.2bn figure was nine times higher than in May last year and the highest since records began in 1993 and it sent total government debt surging to £1.95trn. Income from tax, National Insurance and VAT all dived in May amid the coronavirus lockdown as spending on support measures soared.

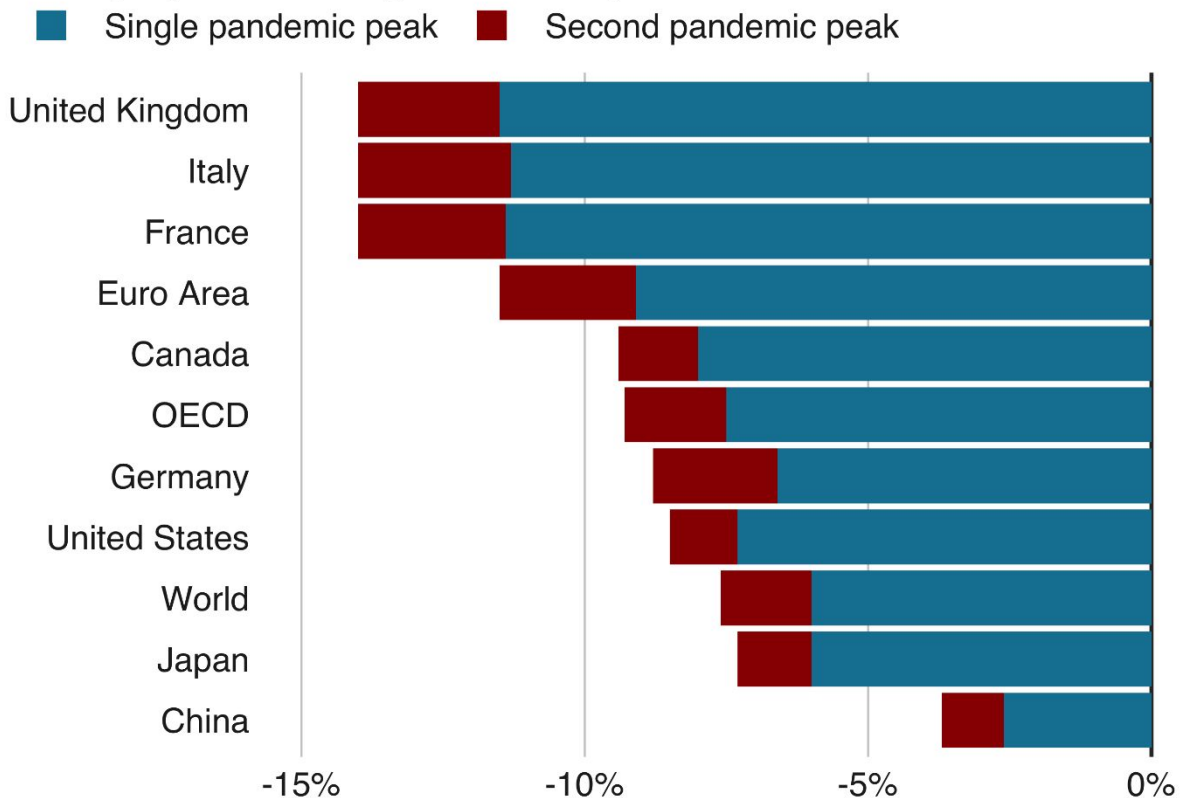
2.2 Britain's economy is likely to suffer the worst damage from the COVID-19 crisis of any country in the developed world, according to a report by the Organisation for Economic Cooperation and Development (OECD). It stated that a slump in the UK's national income of 11.5% during 2020 will outstrip the falls in France, Italy, Spain, Germany and the US.

2.3 Also according to the OECD, Britain, which is forecast to post an increase in unemployment to around 9%, could make its situation more difficult if it failed to secure a lasting agreement with the EU on trade and access to the single market;. "The failure to conclude a trade deal with the European Union by the end of 2020 or put in place alternative arrangements would have a strongly negative effect on trade and jobs".

2.4 The OECD also ruled out a V-shaped recovery for the global economy, saying the path back to previous levels of GDP would be hampered by long-lasting effects of the pandemic.

Pandemic hits UK economy the hardest

2020 projected change in GDP by scenario



Source: OECD

BBC

2.5 The International Monetary Fund (IMF) has reported that global economic fall-out from the coronavirus pandemic is likely to be even worse than first thought. It forecasts that developed economies will suffer deeper recessions than developing countries, with European nations including the UK that suffered high COVID-19 death tolls among those set for the sharpest contractions. The IMF forecasts that the UK economy will shrink by 10.2% this year which is similar to the OECD estimate. It does though expect France, Spain and Italy to be worse affected (all c. 12% reduction). The IMF also forecast that the UK will have to borrow more than £400bn over two years as the recession caused by the coronavirus pandemic takes its toll on the public finances. Clearly any outturn approaching the OECD and IMF fall out and borrowing forecasts will have a significant impact on future public sector and local authority budgets. It seems that at this time there is much less of an appetite for austerity than that following the financial crisis in 2008 but it seems very unlikely that sufficient resources will be available to put local government on a sound and sustainable financial footing going forward.

3.0 SUPPORT FOR BUSINESS

3.1 On 27th April the Government responded to criticisms of its business grants system by introducing a new fast-track finance scheme which will provide loans with a 100% government-backed guarantee for lenders. Small businesses are able to borrow for a loan of up to 25% of turnover subject to a maximum of £50,000. Loans will be interest free for the first 12 months, and businesses can apply for the grants online by completing a form. No repayments will be due during the first 12 months.

3.2 On the business grants system, we are administering on behalf of central government, we received £64.6m in grant funding to allocate to qualifying local businesses as one-off grants. As at 10 July 20 grant payments totalling £63.2m have been made to 4,299 ratepayers:

Scheme 1 (Small Business Rate Relief Cases, rateable value up to £15k), 2,680 businesses paid with a total payment of £26.8m

Scheme 2a (Retail Relief Cases, rateable value up to £15k), 269 businesses paid with a total payment of £2.69m

Scheme 2b (Retail Relief Cases, rateable value over £15k up to £51k), 1,350 businesses paid with a total payment of £33.75m.

3.3 On business rates relief, the government has implemented a range of additional business rates reliefs over and above those already granted and included in our 2020/21 NNDR 1 return, for various groups of businesses. An additional £49.3m of retail relief has been granted to 2,545 retail, hospitality and leisure ratepayers in Hackney. The Government has confirmed that the EU has agreed to suspend State Aid rules in relation to these reliefs. A further £745k relief is to be awarded under the new Nursery relief scheme. We will be compensated for these business initiatives through S31 grant.

4.0 HARDSHIP FUND

- 4.1 The Government announced a £500m hardship fund to deliver relief to council taxpayers in local areas. The funding is for the 2020-21 financial year and Hackney's allocation is £4.6m. The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes. Under the hardship fund arrangements, relief is provided to all working age CTRS claimants in 2020/21, who automatically qualify for a reduction of up to £150.00 in their Council Tax. (Pensioners on a low income and young people leaving care already have their bill paid in full.) We have also amended the qualifying criteria of the Council Tax Discretionary Hardship Scheme to enable us to provide greater assistance to those households in receipt of CTRS still struggling to pay their bills after the £150 discount is applied.

More widely, we have invested an additional £500,000 in the Council's Discretionary Crisis Support Scheme under which residents can apply for urgent financial support with emergency needs and a further £120,000 has been invested to support Discretionary Housing Payments for those needing support with rent.

5.0 FUNDING FROM CENTRAL GOVERNMENT TOWARDS THE COSTS OF COVID-19

- 5.1 As Cabinet is aware, we were awarded £17.835m of grant in the first two tranches of the Government's Emergency Fund. Earlier in the month the Government announced a further £500m but didn't publish the individual authority allocations until 16th July. Our allocation is £3.516m. In addition, the Government also announced a scheme that would partially compensate Councils for losses in some sales, fees and charges income streams arising from COVID-19. The definition obviously excludes council tax and business rates but also commercial income such as property rents and leisure centres run by third parties on behalf of the Council (thereby excluding the contributions we will be making to GLL). Under this scheme, councils bear the first 5% of losses compared to their budgeted income but the Government will then cover 75p in every pound of losses beyond this. We estimate that we will get a maximum of £9.5m from this. And so, even after the various funding streams we will still have a significant funding shortfall. It is hoped therefore that we receive significant additional cash funding from the Government to set against this requirement. It is also worth noting that we have received other much smaller grants for specific services such as safe opening of high streets fund (£252k) and a share of the £63m Local Authority Emergency Assistance Fund Grant for Food and Essential Supplies which we can use to support people who are struggling to afford food and other essentials due to COVID-19. The allocations have yet to be announced.

- 5.2 Funding to date is one-off in nature and will not be payable in future years. With the impact of COVID-19 likely to extend beyond the current financial year, this leaves considerable uncertainty around local government finances.
- 5.3 The Government is proposing to partially compensate councils for loss of Council Tax and Business Rates income, and to enable them to spread the remaining loss over a number of years. Currently, the governing regulations require that any difference between the budgeted income and outturn income for these two income streams in 2020-21 (we are currently forecasting a combined deficit of £20.5m) is not charged to the General Fund in 2020/21 but instead is charged in the following year. And so without changes to the regulations, if we do make a shortfall of £20.5m on Council Tax and Business Rates income in 2020/21, it would all be charged to the General Fund in 2021/22 thereby increasing the budget gap by an equivalent amount in this year.
- 5.4 However, the Government is intending to partially alleviate the burden in 2021/22. It is proposing to fund part of the shortfall on Council Tax and Business Rates losses (but we will not know how much until it produces the next Spending Review in the Autumn which will likely be a one year only review) and it will then direct that the remaining losses after the funding will be a charge against the General Fund in 2021/22 and in the following 2 years in equal amounts. So if the Government funds 33% for example (this is just a number for illustrative purposes) and we have a shortfall of £20.5m then we will have to charge £13.7m to the General Fund over the next 3 years at a rate of £4.6m per annum beginning in 2021/22. Obviously, we will be able to offset against this any payments we receive in respect of 2020/21 debts in 2021-22 and beyond from local taxpayers and businesses.

6.0 2021/22 BUDGET FORECAST - MEDIUM CASE SCENARIO

- 6.1 The original forecast gap before COVID-19 for the next financial year (2021/22) was £13m and the Medium Case post COVID-19 position is a gap of £33.5m. A comparison is shown below but it should be noted that the external income reduction shown for the post-COVID-19 forecast compared to the original is understated because the latter assumes a potential funding loss of £12m in respect of Fair Funding but as this now isn't going to happen in 2021/22 we have not replicated this in the post COVID-19 forecast. The Fair Funding losses can still be expected to come through in later years.
- 6.2 In previous reports to Cabinet and particularly in the May OFP (also on this agenda) we have demonstrated that we are facing significant additional costs through our direct interventions to support the borough such as expenditure on supporting the social care market, providing additional care and support to vulnerable people, providing food parcels and additional frontline staff. Some of these costs, particularly in Childrens, Adults and Community Health (CACH) are expected to continue, albeit at a lower rate into 2021/22.

- 6.3 The 'lockdown' and social distancing measures put in place during April and May this year have meant that a number of council projects have had to be put on hold, meaning planned budgetary savings are delayed this year which may extend into 2021/22. Capital projects have also been delayed, increasing the cost of projects as sites need to be secured and project timelines increased.
- 6.4 We are closely monitoring the impact on the Council's income streams as a result of the COVID-19 crisis. Much of the loss of income is due to a reduction in economic activity or reductions in payment levels for council tax and business rates. These are pressures that are not caused by Council decisions but as a direct consequence of the lockdown measures put in place to help control the COVID-19 crisis and the economic consequences of those measures. Loss of income is likely to extend into 2021/22 but at an anticipated reduced rate.

2021/22 Budget Forecast Before and After COVID-19

ESTIMATED RESOURCES	2021/22 pre COVID-19 Forecast	2021/22 Medium Case post COVID-19
	£m	£m
Top-up & RSG (1)	71.221	107.887
Business Rates Budgeted for NDR1	75.550	41.862
Cost of Collection Allowance	0.556	0.556
Collection Fund Deficit	0.000	-4.600
S31 Reliefs	3.874	3.874
Council Tax Income	92.923	86.270
Public Health	32.440	33.240
BCF	19.300	20.453
Other	2.225	2.225
Total	298.089	291.767
ESTIMATED EXPENDITURE		
Directorate Cash Limits after savings	275.851	289.864
GENERAL Finance Account (Capital, Superannuation, RCCO etc)	35.381	35.381
Total	311.232	325.245
GAP	-13.143	-33.478

Note: (1) Top & RSG has gone up in the Medium Case because we will only keep a 30% share of business rates rather than 48% assumed in the original forecast and we expect to be compensated by increased RSG & Top Up as we were in 2020-21

A summary of the movement from the original to the Medium Forecast is as follows: -

	Original £m	Revised £m	Change £m
BUDGET GAP	-13.143	33.478	20.335
The £19.735m increase is made up of:			
Reduction in Corporate Resources which includes the deficit charge in respect of the forecast 2020/21 business rates and council tax deficit but note the caveat re Fair Funding above			6.322
Increase in Net Expenditure including reduced income in directorates			11.498
Foregone Savings			2.515

6.5 As can be seen, the impact of COVID-19 is to increase the budget gap for 2021/22 by £20m to £33.5m.

6.6 In deriving the Medium Case post-COVID-19 scenario, we have made the following assumptions on resources:

- (a) We have assumed a 30% local share of business rates and rolled forward the 2020-21 top up and revenue support into 2021/22
- (b) Business rates income has been assumed to fall by 11% in line with the GLA planning assumption
- (c) The net Council Tax & Business Rates deficit (i.e. deficit after assumed 33% Government support) of £13.66m funded in equal instalments over 3 years
- (d) S31 grants are unchanged from the 2020-21 values
- (e) Council Tax is reduced to reflect the application of a lower collection rate (91% compared to 95.5%) and 1,000 more CTRS claimants than assumed in the original, and 750 less property growth. The rate increase is retained at 4% for estimation purposes
- (f) Public Health grant is set equal to the 2020-21 value
- (g) New Homes Bonus Grant is assumed at the value in the original forecast - £2m
- (h) There is a £14m increase in cash limits (the maximum amount of expenditure less income that services can spend) - after netting off savings. The main increases are discussed in 6.7 below

6.7 On expenditure increases, we have made a distinction between those requiring a cash limit adjustment (i.e. increases that we expect to continue into the long term) and those that will last for one or two years. It is assumed that these will be funded by one-off funding in the year in question and will not impact on cash limits. The expenditure definition used is net expenditure, so we also reflect income losses such as parking here.

Children, Adult Social Care and Community Health (CACH)

CACH have estimated that they will need a cash limit adjustment (i.e. a budget increase) of £4.6m. The main components are:

Adult Social Care (Supporting the Market). A £2m increase is estimated based on the assumption that providers will continue to need support post COVID-19 and this has been assumed at an additional 5% per annum. Note the three-month temporary agreement with care providers in 2020-21 was 10% (inclusive of uplifts already agreed).

Adult Social Care (Additional Demand). The estimated cost of £1.75m has been estimated by comparing new clients in April and May 2020 to previous years. Some of this is offset by CCG contributions in the current year but no offset is assumed in future years.

There is not a requirement for any one-off funding.

Neighbourhoods and Housing (N&H)

N&H is estimating a spending pressure/income reduction of £6.965m in 2021/22. This pressure will reduce to £3.940m in 2022/23 and then to £1.135m in 2023/24 and in future years. So, there will need to be a cash limit adjustment of £1.135m in 2021/22 plus a one-off funding requirement of £5.650m, and a further one-off funding requirement of £2.625m in 2022/23. No further one-off funding will be required.

The main components of the £6.965m cost/reduced income are as follows:

Commercial Waste Income – a loss of £2.370m in 2021/22, reducing to £1,370m in 2022/23 and then to £0.37m thereafter.

Car Parking Income – a loss of £3.250m in 2021/22 reducing to £1.625m in 2022/23 and to nil in 2023/24.

GLL Support (leisure centres) – assumed to be £0.5m in 2021/22 and in each year thereafter.

Finance and Corporate Resources (F&CR)

F&CR is estimating a spending pressure/income reduction of £7.294m in 2021/22. This pressure will reduce to £5.929m in 2022/23 and future years. So, there will need to be a cash limit adjustment of £5.929m in 2021/22 plus a one-off funding requirement of £1.365m in 2021/22 only.

The main components of the £7.294m cost/reduced income are as follows:

Commercial Property Income – a loss of £2.444m income from write-offs and part payment of deferrals taken from the rent profiling register. The shortfall is expected to reduce to £1.329m in 2022/23.

Housing Needs – increase in costs of supported accommodation of £3.1m. This is an emerging picture using figures from the current London Councils survey on Rough Sleeping Strategies plus a continuing reduction in rent income collected within temporary accommodation.

Revenues and Benefits – an increased cost/reduced income of £2.0m. The expected increase in the cost of employing additional staff to deal with Council Tax Reduction Scheme (CTRS), the Hackney Discretionary Crisis Support Scheme (HDCSS), Discretionary Housing Payments (DHP) plus costs of HDCSS; together with a reduction in HB Overpayment recovery & Court Costs. This will then reduce by an estimated £0.25m in 2022/23. The eventual pressure will depend largely on the extent of economic activity post COVID-19.

7.0 2021/22 BUDGET FORECAST – BEST AND WORSE CASE

7.1 In order to provide a range of possible outcomes for the 2021/22 budget, we have modelled a best and worse case scenario. These are compared to the original 2021/22 forecast below

2021/22 Best and Worse Case Scenarios

ESTIMATED RESOURCES	2021/22 pre COVID-19 Forecast	2021/22 Best Case post Coved-19	2021/22 Worse Case post COVID-19
	£m	£m	£m
Top-up & RSG (1)	71.221	110.045	105.729
Business Rates Budgeted for NDR1	75.550	46.011	38.211
Cost of Collection Allowance	0.556	0.556	0.556
Collection Fund Deficit	0.000	-2.000	-5.333
S31 Reliefs	3.874	3.874	3.874
Council Tax Income	92.923	88.917	81.833
Public Health	32.440	33.905	32.575
BCF	19.300	20.862	19.146
Other	2.225	4.725	1.225
Total	298.089	306.895	277.817
ESTIMATED EXPENDITURE			
Directorate Cash Limits after savings	275.851	282.470	294.862
GENERAL Finance Account (Capital, Superannuation, RCCO etc)	35.381	35.381	35.381
Total	311.232	317.851	330.243
GAP	-13.143	-10.956	-52.427

7.2 As stated previously, the pre-COVID-19 forecast assumed a £12m loss of income from Fair Funding which neither the best nor worse case do. This explains why the best case pre-COVID-19 forecast looks more favourable than the pre-COVID-19 position.

7.3 The main differences between the Medium, and the Best and Worse-case scenarios are as follows: -

- (a) Loss of Business rates income is forecast to be lower under the Best-Case scenario and higher under the Worse-Case, reflecting differing assumed collection rates and empty property reliefs awarded
- (b) Core Funding is assumed by be slightly higher in the Best-Case scenario and slightly less in the Worse-Case
- (c) The Council Tax/Business Rates deficit carried forward from 2020/21 is assumed lower in the Best-Case and higher in the Worse-Case
- (d) Council Tax income is assumed to be higher in the Best-Case reflecting a higher assumed collection rate, a smaller increase in the number of CTRS claimants and a greater growth in property additions (resulting in additional Council Tax accounts/payees). The reverse is true for the Worse-Case – lower collection rates are assumed and a higher increase in the number of CTRS claimants and smaller growth in property additions.
- (e) The cash limit additions for COVID-19 are assumed to be 50% lower in the Best-Case scenario and 50% higher in the Worse-Case.

8.0 THREE YEAR FORECAST

8.1 The COVID-19 crisis will almost certainly have a long term impact on the Council's financial position and require the Council to review and update its medium term financial strategy to ensure that the Council is still able to deliver the outcomes of the Corporate Plan and maintain its financial resilience. However, the precise impact remains extremely difficult to predict at this early stage.

8.2 Prior to the COVID-19 crisis the Council was already operating in a challenging financial environment. Over the past decade, Hackney's core funding has shrunk by £140 million – a cut of 45% - whilst costs in areas such as adult social care, children's services, supporting an ageing population, homelessness and inflationary impacts have increased significantly. Despite the scale of these cuts, additional reductions in central Government funding were forecast. Subject to the ongoing refinement of these forecasts as well as any potential further funding from government or additional costs from COVID-19, we will need to review the MTFP on a regular basis to ensure that it continues to provide a sustainable and resilient financial position.

- 8.3 As a starting point, we have made a first attempt at modelling a three-year forecast on the basis of the 2021/22 Medium case scenario but with so much uncertainty concerning the key elements, it must be regarded as an illustrative forecast only.
- 8.4 Great uncertainty surrounds external funding levels in 2022/23 and 2023/24 consequent upon the likely advent of Fair Funding during this period, the possible delay to the rating review and the introduction of the new Government's spending plans. We believe that the external funding position is clearer for 2021/22, as we expect a rollover of funding from 2020/21.
- 8.5 There is also great uncertainty about the Government's plans for funding social care post 2021/22 - the Green paper continues to be delayed. In particular, we don't know whether the Government will continue its approach of one-off or short-term funding solutions or develop a more sustainable solution. For 2021/22, we are again, assuming a rollover of existing grants.
- 8.6 The long term position on SEND and its funding remain unclear and the financial impact of the likely increasing numbers of unaccompanied asylum seeking children (UASC) is also not clear.
- 8.7 The implications of Brexit on the public purse and the economy in future years are unknown and there is also considerable uncertainty about the future path of public sector pay.
- 8.8 Significant uncertainty regarding the economic consequences for both the national and local economy means that it is very difficult to predict the full financial impact on the Council over the medium term as much will depend on the timing of any COVID-19 related restrictions being fully lifted and speed and strength with which the local and national economy recovers, and how the economy is altered by the COVID-19 crisis. Any prolonged downturn will negatively impact various of our income streams such as Council Tax and Business Rates (through its impact on the taxbase growth and collection rates), additional Business Rates income from pooling, commercial waste income, parking and commercial property rents.
- 8.8 With these significant caveats in mind, an illustrative budget gap forecast from 2021/22 to 2023/24 is as follows:

Post COVID-19 Illustrative Budget Gaps 2021/22 to 2023/24

ESTIMATED RESOURCES	Medium Case Post COVID-19 2021/22 £m	Medium Case Post COVID-19 2022/23 £m	Medium Case Post COVID-19 2023/24 £m
GAP	-33.478	-45.717	-51.761

This will be refined as more information on external funding, local income streams and ongoing COVID-19 costs becomes available and a further iteration will be presented to Cabinet in September/October.

9.0 HRA

- 9.1 The main source of funding for housing is rental income. Previous Business Plans were based on a Government rent policy of CPI+1%, but in 2016, the Government legislated for further changes in the Welfare Reform and Work Act, by way of a 1% rent reduction each year between 2016-2019 for all social rented properties. The impact of the 1% reduction based on actual CPI figures, was a 'loss' of £41m in rental income over the four years of the rent reduction, which - because of the lower rent base - will, over the longer term equate to a loss of £142m over 10 years; and £644m over 30 years.
- 9.2 Additional savings in the last HRA Business Plan were required to mitigate this loss. The Government has consulted and confirmed the social rent policy will return to CPI+1% for 5 year when the 1% rent reduction ends in 2020.
- 9.3 The HRA Business Plan financial model requires savings of £2.5m over the period 2021/22 to 2023/24. However due to additional cost pressures the savings requirement has increased to £4.5m. The development of savings proposals is being undertaken in the context of the strategic objectives for housing services and the housing improvement plan and to balance the competing priorities of:
- (a) Maintaining and improving the service we deliver to our tenants and leaseholders;
 - (b) Maintaining the investment in our housing stock;
 - (c) The delivery of our housing regeneration programmes; and
 - (d) Sustainable borrowing for the HRA now that the Government has removed the HRA debt cap.
- 9.4 During 2020/21, COVID-19 has brought about additional unforeseen service pressures and the pandemic has significantly impacted on tenants with a 35% increase in Universal Credit claimants and 30% increase in arrears in 3 months. The Council is in contact with tenants to help them pay their rent or make the appropriate claims for financial support.

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