
**London Borough of Hackney
Governance and Resources Scrutiny Commission
Municipal Year 2014/15
Date of Meeting Monday, 19th January, 2015**

Minutes of the proceedings of
the Governance & Resources
Scrutiny Commission held at
Hackney Town Hall, Mare
Street, London E8 1EA

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| Chair | Councillor Rick Muir |
| Councillors in Attendance | Cllr Deniz Oguzkanli, Cllr Will Brett, Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman |
| Apologies: | |
| Co-optees | |
| Officers In Attendance | Rob Blackstone (Assistant Director Adult Social Care), Gareth Wall (Public Health) (Public Health Manager), Michael Honeysett (Assistant Director Financial Management), Genette Laws (AD Commissioning, Health and Community Services), Andrew Munk (WiW Programme Manager), Joanna Sumner (Assistant Chief Executive) and Ian Williams (Corporate Director of Finance and Resources) |
| Other People in Attendance | Councillor Geoff Taylor (Cabinet Member for Finance), Amina Begum (Borough Relationship Manager Tower Hamlets) and Stephen Hanshaw (Borough Relationship Manager) |
| Members of the Public | |
| Officer Contact: | Tracey Anderson ☎ 020 8356 3312 ✉ tracey.anderson@hackney.gov.uk |

Councillor Rick Muir in the Chair

- 1 Apologies for Absence**
 - 1.1 None.

- 2 Urgent Items / Order of Business**
 - 2.1 As per the agenda.

3 Declarations of Interest

3.1 None.

4 Minutes of the Previous Meeting

4.1 The minutes of the meeting held on 8th December 2014 were agreed.

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| RESOLVED | Minutes | were |
| | approved. | |

4.2 Matters arising

4.2.1 Members referred to the discussion item related to the Corporate Committee and concluded this matter was still outstanding and should be reviewed following informal discussions outside the meeting.

5 Public Spend Information Session For Review

5.1 The Chair outlined the aims of the Governance & Resources Scrutiny Commission review to the service provider representatives at the meeting. The service providers in attendance presented information about the current service provision, client group and service budget / spend for the long term unemployed in Hackney

5.2 The Chair explained this information would be useful to the commission when they engage with service users to understand the service user journey.

5.3 Presentations were from:

- London Borough of Hackney Adult Social Care - Rob Blackstone, Assistant Director Adult Social Care and Genette Laws, Assistant Director Commissioning.
- LBH Public Health - Gareth Wall, Public Health Manager
- Job Centre Plus - Stephen Hanshaw, Borough Relationship Manager (Hackney) and Amina Begum, DWP Relationship Manager for the borough of Tower Hamlets
- Ways into Work Team - Andrew Monk, Programme Manager.

5.4 Information about the services commissioned and provided by Adult Social Care, Public Health and East London Foundation trust was presented as a joint presentation by LBH AD Commissioning and an information paper was circulate to Members of the Commission on 16th January 2015.

5.4.1 The key points from the LBH Adult Social Care, Public Health and East London NHS Foundation Trust presentation were:

- Adult social care and public health are in the same directorate within the Council

- London Borough Hackney (LBH) has two employment support services paid for by Adult Social Care
 - Lee House - an employment and training service for people with mental health issues
 - Hackney Recruitment Partnership (also known as Hackney One Team) - supports people with learning disabilities.
- The Lee House provision is currently a Section 31 agreement between Adult Social Care and East London Foundation Mental Health Trust (ELFMHT).
- A value for money review of Adult Social Care supported employment services was completed in June 2014. The aim of the review was to assess current service models, outcomes for service users and effectiveness of services.
- The review highlighted the need for the service to be commissioned with the following key features:
 - To work with Ways into Work and other services who are delivering employment support
 - To offer a more specialist targeted service for residents who are long term unemployed regardless of the type of disability they may have
 - A supported employment pathway is designed that builds on the success of other services rather than trying to replicate it
 - Achieve efficiency savings and therefore improve value for money
- The next steps following this review is to draft a specification, this will be completed in consultation with service users
- Spend on this service provision is approximately £800,000 per annum
- This service provision is not limited to being an in house provision. A number of VCS organisation service providers are commissioned. This includes a new commissioning model being implemented in the form of their Integrated Mental Health Network (IMHN). The network of providers is led by City and Hackney Mind.

5.5 The key points from the Ways into Work Team presentation were:

- Ways into Work Team is the Council's umbrella employment programme and the service is open to all unemployed residents in the borough
- The aim of the service is to provide employers in the borough with a single point of contact to access potential employees and to enable local residents to benefit from the economic growth in the borough
- The team focuses on the economic growth areas in the borough and ring fencing jobs for local residents
- The service has been operational since April 2010 and as at September 2014 they have engaged with 8,300 residents
- The service has provided job opportunities for residents like apprenticeships
- The service is not a mandatory service, so apply for external funding. This can mean specifically funded programmes for particular groups.
- The Programme cost is £1.4 million
- The service aims to put social value in a contract
- The teams has advisers that work closely with the resident and provide intensive one to one support to residents. The support provided could be

long or short depending on the individual. The support provided is tailored to suit individual need.

- The WiW team would be relocating to new premises called a 'Hub' from the end of January and this location will provide residents with drop in facilities and support which will help the team to identify barriers to employment. Support includes: career advice, soft skills, employability and on-going support in work
- The advantage of being an in-house service is being able to liaise with other departments within the Council
- The service relies on strong partnership working and works closely with the Council's Benefit Team.
- WiW team deliver training programmes with businesses in mind and in consultation with businesses
- The WiW team are currently delivering a GLA funded programme but this funding comes with restrictions on the eligibility criteria for access
- WiW have secured 700 jobs of which 439 was sustainable for 26 weeks and 261 for 52 weeks.

5.6 The key points from the Department of Work and Pensions - Job Centre Plus presentation were:

- For JSA new claimants who are single fit and healthy and have no children or hindering circumstances to finding a job are referred to Universal Credit. JSA is for people with children 5 years old and over
- If you are on ESA you are referred to the mandatory employment work programme. This service is provided by nationally contracted providers
- If you are on Income Support it has a less mandatory regime and access to this benefit is dependent on the individual's circumstances
- Their core offer is employment and employment skills
- JCP recognise there may be a number of challenging issues for an individual and their aim is to identify them early
- Changes to legislation has changed the way JCP operate. JCP recognise the need to resolve some issues first before they can expect the individual to focus on employment such as drug addiction, homelessness. JCP explained the more they understand the needs of the individual the better they can support them
- For people with a larger number of barriers to employment JCP identify organisations to refer them to who are better suited to support their needs. This is the JCP Flexible Support Fund.
- JCP recognise the benefits of partnership working.

5.7 **Discussion, Comments and Queries**

- a) In response to Member's queries about the Ways in Work programme in relation to referrals and service user journey. The WIW Team Manager informed the team proactively looked for people they could enter into the work programme. If they funding for a specific benefit group they will seek to attract individuals from that group into the programme. Currently there are 100 companies signed up to the WIW programme and they are registering approximately 100 people per month.

- b) Members referred to the number of residents known to LBH who either have a, physical or mental disability and that currently the number of service users accessing support from this group was approximately 10%. Members queried what was being done collectively and asked about their thinking in relation to joining up services, to tackle the 90% of service users not in touch with or accessing the good support services available locally. Members wanted to identify if commissioners or service providers had plans for joint commissioning; who would be the responsible body and their thoughts on using a commissioning model like Troubled Families.

The AD for Commissioning from LBH pointed out in times of austerity there is a tendency to reduce duplication and ensure no one group is over represented. LBH spends £800,000 to deliver support services and this can be through adult social care directly or commissioned services. The support provided was dependant on the client's needs

The Ways into Work Manager from LBH advised his service was not statutory and it was challenging to deliver the employment support service. One of the key challenges they noted was how to start the conversation about employment with the individual regardless of who they visited first, GP or benefit adviser.

The AD of Adult Social Care from LBH informed the support services were holistic but out of date. The review of LT unemployed support services was welcomed by service providers to encourage them to review provision and the number of people getting into employment. He highlighted Social Workers were more proactive but it was still a challenge for providers to get people into sustainable employment.

The AD Commissioning from LBH informed there was an appetite to try a new commissioning model. The Council was challenging service providers to work together in a coordinated way. LBH has developed a new contract model with City and Hackney Mind as the lead for a network of providers. This has been difficult for the organisation grasp.

- c) Members enquired about joint working and asked how RSLs with similar projects fit into the service provision landscape to share the coordinated working. Members also queried if there were any disadvantages to sharing information by the individual entering the support services.

The AD of Commissioning from LBH There is a legal requirement to state if they shared information and why. The ability to share information is dependent on the individual. The AD of Commissioning from LBH agreed social landlords have supporting people programmes and a number of them are commissioned by LBH. The key was how they bring all the support services together and one of the ways they do this is through their system called iCare, but this relies on providers keeping their information up to date. Currently they are identifying the strengths and gaps and will look at how they can fill those gaps highlighted. It is important to separate out statutory and non-statutory services but what was important was the look and feel of the service and who delivers the service. The challenge was to make sure there was a range of opportunities and options available to give people a choice.

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The Ways into Work Manager from LBH informed they deliver their own service connected to a number of RSLs and VCS organisation and have a strong relationship with employers. One of the key things they are trying to encourage is for all organisations (working together) to use the same paper work. This will enable the individual to feel it is one organisation as they move on the pathway or if they are referred from one organisation to another.

- d) Members referred to the Post Olympic scheme receiving £1.5 million and the Troubled Families works in practice. Members enquired if the Hackney One and Lee House service users that moved into the WiW programme was by design or did it evolve.

The Ways into Work Manager from LBH advised the cost of the service was a political conversation and one on which they lobbied. The Troubled Families programme has enabled the WiW team to work closely with Social Workers in a preventative way.

The AD of Commissioning from LBH explained the service has evolved and this has been the reason for reviewing the service and the case for change.

- e) Members thanked officers for the information about services and stated what they wanted was information that provided an overall picture of the funding / spend on LT unemployment support services.

The Ways into Work Manager from LBH explained the cross cutting review would be collating the spend information for services. In relation to their services, as they apply for funding it meant on occasions the funding came with restrictions that dictates the client group they could work with. In his view the development of a common commissioning framework will help to monitor commissioning.

The Public Health Manager Health Manager from LBH informed the frame work is being identified to map the spend. This will require all giving consideration to the definition that will be applied to LT unemployment and the outcomes. So it was key to be clear if the outcome was a job output or included health and wellbeing.

- f) The Chair agreed with Members and requested if LBH Officers could collate the budget spend information for the service provision across the borough, so the Commission can see how the money was being spent.

The Assistant Chief Executive for Programmes, Projects and Performance explained to Members the cross cutting review by the Council was looking at internal and external service, therefore it would be possible to get the budget spend information for services across all service providers.

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| ACTION | The Assistant Chief Executive Programmes, Projects and performance to provide details of the service spend for LT employment support |
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| | services across all service providers. |
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- g) Members enquired how many clients with a mental illness entered the WiW programme. In response the Ways into Work Manager from LBH confirmed half of their clients had low level mental health. He highlighted for their work on the GLA funded programme they found that clients did not always disclose this from the outset.
- h) Members enquired how the Council's WiW programme interacted with the national work programme. Bearing in mind one is a national programme and one is a local programme did they sign post or make referrals. The Ways into Work Manager from LBH confirmed the two programmes were not integrated and pointed out they did not register people who were on the national work programme. Clients on their programme were usual pre the national work programme.
- i) Members enquired if there was a strategic forum where they all came together. The Borough Relationship Manager from JCP pointed out there was good partnership working in Hackney. It was his view having a high level forum group would help the overarching programme of support in the borough; and help to deal with challenges like funding streams coming and going.
- j) Members commented on the need to make the case for funding without restrictions to allow flexibility in spending to meet need.

6 ICT Review Executive Response

- 6.1 The Chair referred to the Executive response from LBH to the Commission's ICT Review. The Commission was asked to note the response and discuss if they wish to keep the recommendations under review.

6.2 Discussion, Comments and Queries

- a) Members commented on the role of ICT in an organisation being critical to services being able to evolve. Members enquired if LBH had developed a 5 year plan and if the organisation had a strategy for ICT provision that would help them to lead the way.

The Corporate Director Finance and Resources from LBH pointed out many organisations changing their IT system implement incremental changes. For the migration of 4,500 staff to myoffice 2013 this was completed in one go with success and did not cause any business failures. He explained when the ICT support service moved back in-house the previous providers did not provide the Council with data on the type of calls the helpdesk received. The move to myoffice and taking the service back in-house has highlighted a real skills gap among staff in relation to using IT.

The Corporate Director Finance and Resources noted the next phase of the ICT system development was upgrading Councillors and he acknowledged that Councillors interaction with IT required improvement. He informed the

commission Councillors would be invited to participate in the project developing the IT system for Councillors.

- b) Members commented to help reduce costs and improve services a good ICT strategy was important.
- c) Members requested for an update on the Council's ICT strategy and its implementation.
- d) Members commented in relation to their review exploring joint commissioning. This would require a strong ICT system that could work across the whole service sector. Members appreciated implementing a large ICT system was risky but to reduce risk consideration should be given to incremental implementation. In response it was pointed out for the ICT to support service improvement services needed to have a clear vision for their future service provision.
- e) Members wanted assurance that all the different ICT updates linked into the Council's overarching strategy. Although the organisation has a number of different services, it was important they could interact with each other. Members acknowledged this needed to start with services having clarity about their service needs.

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| ACTION | Finance and Resources to update on ICT Strategy and the activity both positive and negative. |
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7 Budget and Finance Update

7.1 The Chair welcomed Ian Williams, Corporate Director Finance and Resources from LBH, he presented information about the financial settlement for 2015/16 and the impact of this on the Council's budget for 2015/16. Also in attendance was the Councillor Geoff Taylor, Cabinet Member for Finance.

7.1.1 The presentation outlined:

- The opportunities and challenges in relation to economic and political landscape
- Local Government Settlement
- Hackney's budget 2015/16.

7.1.2 The main points of the presentation were:

- Markets are more concerned with the outcome of the election and the impact this would have on austerity (the pace) and EU Membership
- A graph showed the UK economy was closely aligned to France and Spain and it was highlighted both of those economies were quite fragile; which may be an indication the UK economy is not as stabled as believed
- All the major political parties have relatively small differences between them in relation to austerity plans

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- The level of wage growth and rises has been low. Raising the lower level income tax threshold results in lower tax yields and this will have a long term impact for the economy
- House prices saw demand and supply fall and the trend for London is starting to turn
- It is not just oil prices pushing down inflation. The UK runs a trade deficit in oil as a % of GDP, so falling oil prices are not good for the UK
- The UK economy has started to perform stronger than the Eurozone
- The Bank of England monetary policy committee is maintaining its current stance
- Based on the investment markets the pension fund value has fluctuated greatly and Hackney's currently stands at 72%
- UK income receipts are struck at 37-38% of GDP
- Cutting public expenditure is a small part of reducing the deficit. There needs to be sustainable strategy to managing the UK debt long term
- UK borrowing is up and spend on protected services is up. Whereas spend on unprotected services such as local government, police, home office and capital investment has been cut sharply
- UK debt is £1.5 tr and rising. The low inflation levels mean the value of debt is not being eroded
- From the beginning of the austerity measures local government expenditure has remained the same
- The deficit of GDP is £20 billion and is expected to fall to £12.6 billion by 2019/20
- In 2009/10 the spend per person was £3020 this will fall to £1219 per person in 2019/20
- OBR highlighted local government was 4% of UK GDP in 2009/10 and this is predicted to fall to 2% by 2019/20
- There is substantial variation in the level of cuts within similar types of local authorities. The range in cuts for London Boroughs has been 15-35% and not the reported reduction of 6.4% or less
- Funding for local government has been cut by 37% which translates into 25% reduction in spending power
- Local authorities have held reserves to off set incidents they cannot predict. In the current climate of uncertainty in relation to public sector finances it is important to have healthy reserves for Hackney
- Local context is:
 - The 13th successive year for the Council maintaining a budget in balance
 - The capital programme on track
 - No material cuts to local services
 - Pressures are: Looked after children, Homelessness, Temporary accommodation, Welfare reforms, Care reforms, London living wage
 - Increasing number of rent and council tax reminders and visitors to the HSC
 - Income from council tax and business rates has increased
 - Hackney has suffered a loss of 30% (equivalent to £36million) in its revenue support grant
- Concluding points are:
 - Election is key

- Wage growth is muted
- Drop in oil price is positive for the UK
- Settlement clearly highlighting challenges for local government
- Planning is underway for 2015/16 budget and keeping a close eye on global financial impacts.

7.2 Discussion, Comments and Queries

- a) Members commented the Council on being able to absorb the cuts in funding to date. Members enquired if the trajectory of reductions to public sector funding continues, did the Council have an indication of what services might be impacted.

The Cabinet Member for Finance from LBH highlighted the cuts cannot continue forever. The Council recognised there are always new ways to do things that can result in cost reduction for service provision. The Council is using the benefits of property prices to off set income reduction. He pointed out the changes in the population demographic have also helped the impact of the revenue reductions.

- b) Members pressed the Council for a prediction on the impact to services if there were further reductions to public sector funding.

The Corporate Director of Finance and Resources highlighted until the outcome of the election it was hard to predict what the next spending review would bring. There have been a number of different changes that have impacted the spending power in London, but locally the risks were a rising population, increasing asset prices. It would be beneficial to have a 5 year prospective; which they were lobby for. In the meantime the Cabinet Member advised the Council did have a plan but this currently had several caveats.

8 Governance and Resources Scrutiny Commission - 2014/15 Work Programme

- 8.1 The work programme for the Commission on pages 43-50 of the agenda was noted for information.
- 8.2 Members enquired if the notes from the site visit would be circulated to Commission Members who were unable to attend. The Chair confirmed they would be.
- 8.3 Members referred to the North London Waste Authority discussion item in February and requested for the Overview and Scrutiny Officer to ensure paper were provided in advance for this item; because the Members of the Commission have no prior knowledge of the subject area or the joint borough service provision.
- 8.4 The Cabinet Member for Finance from LBH explained the NLWA was making changes to the service, levy and pricing and the Executive wanted to provide an update on the proposed changes and role of the Council in this joint borough partnership.

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- 8.5 Members discussed having a panel of experts for the G&R meeting in March to hear about good examples of joint commissioning across a service sector.

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| ACTION | The Overview and Scrutiny Officer to request for written report for NLWA discussion item. |
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9 Any Other Business

- 9.1 None.

Duration of the meeting: 7.00 - 9.25 pm