

Overview & Scrutiny

Governance and Resources Scrutiny Commission

All Members of the Governance & Resources Scrutiny Commission are requested to attend the meeting of the Commission to be held as follows:

Tuesday, 8th September, 2015

7.00 pm

Room 101, Hackney Town Hall, Mare Street, London E8 1EA

Gifty Edila

Corporate Director of Legal, Human Resources and Regulatory Services

Contact:

Tracey Anderson

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**Members: Cllr Rick Muir (Chair), Cllr Deniz Oguzkanli, Cllr Will Brett,
Cllr Laura Bunt, Cllr Rebecca Rennison and Cllr Nick Sharman**

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1 Apologies for Absence**
- 2 Urgent Items / Order of Business**
- 3 Declarations of Interest**
- 4 Election of Vice Chair**
- 5 Minutes of the Previous Meeting** (Pages 1 - 14)
- 6 Annual Complaints and Enquires Report 2014-2015** (Pages 15 - 26)
- 7 Finance Update** (Pages 27 - 54)
- 8 Budget Scrutiny Task Groups - Terms of Reference** (Pages 55 - 62)
- 9 Governance and Resources Scrutiny Commission -
2015/16 Work Programme** (Pages 63 - 70)
- 10 Any Other Business**

Access and Information

Getting to the Town Hall

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Accessibility

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Induction loop facilities are available in the Assembly Halls and the Council Chamber. Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Further Information about the Commission

If you would like any more information about the Scrutiny Commission, including the membership details, meeting dates and previous reviews, please visit the website or use this QR Code (accessible via phone or tablet 'app')

<http://www.hackney.gov.uk/individual-scrutiny-commissions-governance-and-resources.htm>



Public Involvement and Recording

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person reporting or providing the commentary is present at the meeting.

Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

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Governance & Resources Scrutiny Commission 8 th September 2015 Minutes of the previous meeting	Item No 5
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OUTLINE

Attached are the draft minutes for the meeting on 8th July 2015.

ACTION

The Commission is requested to agree the minutes.

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London Borough of Hackney
Governance and Resources Scrutiny Commission
Municipal Year 2015/16
Date of Meeting Wednesday, 8th July, 2015

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

Chair	Councillor Rick Muir
Councillors in Attendance	Cllr Deniz Oguzkanli, Cllr Rebecca Rennison and Cllr Nick Sharman
Apologies:	Cllr Laura Bunt
Co-optees	
Officers In Attendance	Gifty Edila (Corporate Director of Legal, HR and Regulatory Services) and Tim Shields (Chief Executive)
Other People in Attendance	Councillor Geoff Taylor (Cabinet Member for Finance)
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 Apologies for absence were received from Cllr Bunt.
- 1.2 Apologies for officer absence were received from Ian Williams, Corporate Director Finance and Resources.

2 Urgent Items / Order of Business

- 2.1 None.

3 Declarations of Interest

- 3.1 None.

4 Minutes of the Previous Meeting

- 4.1 Minutes of the previous meeting held on 8th July 2015 were approved subject to the following amendment.
- 4.2 Cabinet Member for Finance from London Borough of Hackney requested for the word 'view' on page 10 point (iv) to be changed to 'feelings'. Members agreed.

RESOLVED	Minutes were approved subject to the amendment noted in point 4.2.
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5 London Borough of Hackney Elections 2015

- 5.1 The Chair welcomed Hackney Council's Election Returning Officer, Tim Shields and Deputy Returning Officer, Gifty Edila to the meeting.
- 5.2 The Returning Officer for London Borough of Hackney provided an update about the problems experienced on 7th May 2015 (General Election). In relation to the Individual Electoral Registration (IER) (the new online voter registration) system and postal votes.
- 5.3 The Commission was informed the formal investigation and data analysis was still ongoing therefore the Returning Officer was providing a verbal update on the findings to date.
- 5.4 The Officer provided background information about the IER system. The officer informed the Commission IER was implemented in 2014. IER was aimed at new voter applications. The IER system was implemented to help move away from paper based applications. The deadline for new application on IER was 20th April 2015 and the date of the Election was 7th May 2015. The officer highlighted that the timescale for processing and completing all new voter applications on the system was just under 3 weeks.
- 5.5 The officer explained IER issued all applicants with a unique number. At this stage the application is submitted to the Cabinet Office and the data from the application flows to the Department of Work and Pensions (DWP) and the relevant Local Authority. DWP carry out the verification process to match the information supplied with the data held for that individual. The officer explained that applicants assumed the unique reference number meant they were on the register. This was not the case. At the end of the process the application is rated green or red. Green meaning the individual was added to the register and Red meaning additional information was required.
- 5.6 LBH put in place a small team to manage the system applications. The officer highlighted, at this point, if the application has a spelling mistake or the applicant used a different name it would be rated red because DWP could not

match the record. Therefore a number of complex multiples can cause an application to not complete the verification process.

- 5.7 As part of the election planning process the Council is required to hold several planning meetings to review the risks, plans etc. These plans are approved by the Electoral Commission. The officer advised at no stage leading up to the election (and most notably the Tuesday before the election date) were potential problems highlighted or identified.
- 5.8 The Council started to become aware of a potential problem the day before the Election Day. It started with a local resident querying her electoral registration and providing evidence of her online application. The Council investigated this query and tracked the application through the system; to understand why the Council had not received the application submission. This process took some time to complete. Once they identified her application the Council found an electronic file of applications the Council's election team could not see on their system locally. Phone calls to the Cabinet Office and IDoc revealed the file was visible by them but not the LBH elections team.
- 5.9 This file held 1128 voter records. To access the information IDocs produced a spreadsheet with all the elector details and this information was used to confirm the electors. Eligible voters were issued with a temporary elector number. IDocs produced the information by 5pm on Election Day.
- 5.10 In addition to this another issue was the complex set of addresses and how they were printed on the elector sheet.
- 5.11 In response to these issues additional phone lines were set up and 7 additional staff members were trained to interrogate the system and answer queries from polling station staff. These staff were in addition to the current staffing levels. The telephone queries from polling stations ceased at 9.30pm.
- 5.12 The officer advised the majority of electors were found in the system when searched and the resident with the original query did get to vote.

5.13 **Question, Answers and Discussion**

(i) **Members asked how many of the 1128 managed to vote on Election Day.**

The Returning Officer advised Hackney has 187,000 voters on the register. The data analysis required to cross check and identify each individual voter would take significant resources. Therefore the decision was taken not to conduct this exercise but an independent review.

(ii) **Members referred to the file with the incomplete voter applications and enquired if the queries from polling station related to this file only?**

The Returning Officer advised the polling station queries were a mixture of elector queries.

The Returning Officer explained some people applied through the IER system but they did not complete the application process before the deadline; therefore they were not added to the elector register. In cases of incomplete information,

the elector would have received a request for information and this correspondence would have advised them that until this was provided they could not be added to the register.

The two core problems in relation to electoral registration were:

- The LBH elections team not seeing the unprocessed data and;
- Having insufficient resources to deal with the rush of applications before the deadline date.

It was highlighted that the vast majority of queries over the phone were resolved and people were able to vote. In this situation discretion was used by issuing electors with a temporary number that enabled them to vote.

The next steps are to review the following:

- The team and training needs
- Renew the IDocs system – this is scheduled to be replaced over the summer.

(iii) **Members enquired if this was human or system error?**

The Commission was informed IDocs could see the file but the LBH elections team could not see the file. Also if the file from the Cabinet Office and IDocs was crossed checked this could have highlighted the difference.

(iv) **Members enquired about electors receiving duplicate voting cards with different elector numbers. One Member pointed out he did an IER application and received two voter cards. The Member advised he emailed to highlight this and requested for confirmation of the correct elector number. He expected the error to be rectified before the Election Day, but he was told to use one card and did not receive confirmation of the correct elector number.**

The Deputy Returning Officer explained the duplicate number occurred when an IER application is made and the individual is already on the elector register. The DWP check would have matched the records and completed the application. The data is then passed onto the Cabinet Office and they merge the information; this creates the duplicate record for the individual. The Commission was informed the team is aware of this issue and will be refreshing the system to remove duplicates.

The Returning officer explained this is a known problem with the IER system which needs to be resolved. The IER system will complete the application but it does not recognise if a person is currently registered. The Council has given a list of issues related to IER to the local MPs. These are:

- The inability to track the online application to review its progress in the system
- Duplicate records
- The deadline date for new applications combined with a bank holiday made the processing time to complete applications too short
- Issues within IER
- Issues with the paper based system.

- (v) **Members expressed concern that this was the second election where local residents' ability to vote was impacted - albeit a different set of problems this time. Members raised concerns about the reputational damage this incident caused to Hackney Council given all the work the Council has done over the years to rebuild the Council's reputation.**
- (vi) **Members enquired if the problems described were experienced by other Councils because the press headlines seem to indicate this was an isolated issue relating to Hackney Council.**

The Returning Officer advised his first priority on the day was to ensure that local residents could vote. The officer acknowledged there was potential reputational damage but he was confident that Hackney's reputation was strong now. It was pointed out Hackney Council attracts the press and this was compounded by the Town Hall reception being moved to the front of the Town Hall (during the refurbishment) which made the situation look worse than it was. The officer advised after speaking to other local authorities it appears they too experienced similar issues.

It was pointed out that the Electoral Commission would be issuing a report later in the year about the 2015 elections for the whole country.

- (vii) **Members asked if there would be closer supervision in the coming elections.**
- (viii) **Members enquired if the Council should have oversight of the register and suggested the voters register was submitted to the Corporate Committee for risk review.**

The Returning Officer advised there would be some form of management action taken. The Council has a project plan and risk register which covers: running elections, implementing a new system and the electoral register.

The Commission was informed about the emerging findings from the independent review. This has highlighted that there were too many layers of management between the Returning Officer and the Elections team.

In response to the suggestion about the election register being submitted to the Corporate Committee for review. The Returning Officer confirmed it could be submitted but it is a very large register to review.

- (ix) **Members enquired if there would be a formal report issued following the review.**

The Returning Officer explained the Council would not be publishing a report. The independent review was looking at issues related to supervision and the culture within the team. The officer assured Members the lessons learnt would be implemented and residents who logged a complaint would receive a written response.

- (x) **Members urged the Council to consider publishing a public report to explain the incident to residents and that would address the issue of trust between the Council and local residents.**

The Returning Officer informed the Commission the Council had not received any further complaints related to the elections for the past week and a half. The next process due to commence shortly would be canvassing for the electoral register. If residents had queries the canvassing staff could answer their queries.

- (xi) **Members urged the Council to consider issuing some form of formal apology that would demonstrate the Council has learnt from the incident and was taking the matter very seriously.**

The Returning Officer advised the local residents registered after the deadline received a letter to confirm they are on electoral register. The officer offered to provide a formal response to Ward Councillors to give to residents if the Ward Councillor was receiving complaints.

The focus for the Council now was the next steps and implementing the improvements.

6 Hackney Council's Corporate Plan to 2018 - Update on the Cross Cutting Programmes

- 6.1 The Chair welcomed the Chief Executive of Hackney Council, Tim Shields to the meeting. The Chief Executive provided an update on the Council's cross cutting programmes.
- 6.2 The Chief Executive referred to the report on pages 19-24 of the agenda and pointed out each programme was at a different stage. In addition to the report the following points were highlighted about each programme.
- 6.2.1 The Employment and Opportunities cross cutting programme has been in existence for some time and this programme is split into two areas (under 25s and over 25s). The cross cutting programme was split into two areas because the under 25s have more resource and this aspect of the programme is looking at how this can be better co-ordinated. The offer for over 25s varies and this programme is looking at provision. The second phase will be analysis.
- 6.2.2 The Enforcement cross cutting programme is looking at all enforcement services provided by the Council. This programme has a cost of £4 million and affects 200 staff members. This review is at the stage of identifying every process and staff member and clarifying each person's job role.
- 6.2.3 The Customer Service cross cutting programme is particularly focused at present on housing and housing repairs. This programme will establish principles for how the Council will provide better, more efficient services by responding more efficiently to demand.
- 6.2.4 The Public Realm cross cutting programme is reviewing all staff across the different teams. This is about a holistic view of all services. Phase 1 is looking at public realm estates and joining up services. Hackney Homes services are excluded at present and will be included after the transition; this is to ensure nothing impacts the transition back into the Council.

- 6.2.5 The Capital Investment Strategy cross cutting programme is focused on investment and sustainability. Initial thoughts are to review leisure estate investment. It was pointed out that alongside the budget cuts the Council is managing investment in infrastructure to meet future demand.
- 6.2.6 The Families cross cutting programme is at the scoping stage. It was pointed out, this is not a troubled families type review, it is a review to consider if there any gaps in provision around anti-social behaviour, truancy etc. This is taking a holistic view of the whole family.
- 6.2.7 The Procurement cross cutting programme will look at different approaches to and making use of demand management. This programme is a radical rethink about how the Council designs, procures, manages and operates services including digital systems.
- 6.3 The intended outcomes from these cross cutting programmes are:
- Better services
 - Saving money
 - Remove inefficiencies
 - Better quality of services to local residents.
- 6.4 The Chair commented the Commission agrees with the thinking being undertaken by the cross cutting programmes and highlighted G&R's review would be feeding into the Employment and Opportunities cross cutting programme.
- 6.5 **Questions, Answers and Discussion**
- (i) **Members agreed with the approach being taken for the reviews and their aims and asked about the Council's key role. Members made the following comments and enquires:**
- a) **Asked for the rationale behind the areas selected for cross cutting programmes**
 - b) **Asked officers to place emphasis on public sector outcomes**
 - c) **Asked officers to include people as they review services and consider co-operative models**
 - d) **Asked about the Council's future infrastructure plans and demand modelling for public sector services; and enquired if it takes into consideration estimated population increases**
 - e) **Referred to the Trouble Families model and commented its approach is opposite to a council's traditional way of working**
 - f) **Asked officers to consider different service delivery models for public sector services like Troubled Families**
 - g) **Asked for Hackney Homes services to be included in the cross cutting programmes, given it is scheduled to transition back into the Council April 2016.**

The Chief Executive advised there was a project covering cleaning services. This project has a phased approach to ensure it does not stop or hinder the transition of Hackney Homes back into the Council. The officer pointed out the Council has previously, successfully, transitioned recycling services back into

the Council. The success was down to planning and a phased approach to reviewing services following integration.

The approach being taken is to review Council services first and join up services. Then the Council will review Hackney Homes services. The Chief Executive highlighted whilst the transition work was in progress, Hackney Homes resource capacity needed to be taken into consideration too. It is estimated that Hackney Homes will be included 9 months after the transition. In the meantime data analysis is being conducted.

In relation to infrastructure planning, the Chief Executive confirmed the Council has been doing planning work to estimate the number of schools, housing etc needed. The areas that are proving challenging to estimate are those managed by other public sector bodies (e.g. NHS). They are having discussions with the health economy about reshaping services over the next 4-5 years.

In addition the Council is doing scenario planning and having discussions with stakeholders and Members.

The Chief Executive confirmed they will be looking at different models and theory about how to change habits. This work includes how to change a person's habit and encourage them to take pride in the area they live in. It was highlighted they have used techniques such as nudge in areas like smoking cessation.

These cross cutting programme areas were selected because they cover the majority of the Mayor's manifesto commitments.

The Chief Executive did not disagree with the troubled families approach to service provision - inside out and having services wrapped around the individual.

(ii) **Members asked why Adult Social Care was not included in the cross cutting programmes.**

The Chief Executive explained they have been working with adult social care services for approximately a year in relation to integrated care and this has involved a number of discussions with local health trusts.

(iii) **Members enquired about the Council's plans to engage with Members and the different scrutiny commissions in relation to the progress of the cross cutting programmes and their findings.**

The Chief Executive confirmed they would be engaging with scrutiny commission Members.

(iv) **Members enquired how the cross cutting programmes related to the budget process?**

The Chief Executive explained the programmes are not automatically part of the budget savings programme. As each programme acquires more detail they

can assess the estimated savings. When the detail about potential savings become clear they will feed into the budget process.

- (v) **Members referred to the Capital Investment Strategy and enquired why schemes have different approaches to consultations - some engaged and collated local residents wishes and others did not. The Members explained the different approaches undermine community confidence in the process and leave Ward Councillors trying to explain why each one is different, even though they are carried out by the same organisation. Members highlighted that where this happens and the various strategies do not align it creates tension within the community.**

The Chief Executive informed Members that for housing and leisure amenities capital programmes they have a holistic plan. The differences occur when there are schemes like Building Schools for the Future (BSF) which use a different methodology and their approach can cause some contention. The officer explained projects like these have time constraints and deadlines such as building a new school by 2020. It can take 2 years to build a school and it can take 3 years to plan, design and build. The officer advised this is a complex process that is difficult to explain to residents.

The Chair agreed it was a challenging message to get across to residents.

7 Devolution and Public Service Reform

- 7.1 The Chair welcomed the Chief Executive, Tim Shield from Hackney Council to the meeting. The Chief Executive provided an update on the devolution discussions for London.
- 7.2 The Chief Executive referred to the report on pages 27-35 of the agenda. Page 30 of the report outlined the areas being discussed for devolution for London. Page 34 of the report provides a summary of the requests under each theme area.
- 7.3 The pan London discussions to date have agreed a set of areas London Councils would like devolved powers. They are starting to work out the detail behind each theme for London in consultation with other boroughs. It was pointed out London has a number of governance layers to consider before being able to progress this work.
- 7.4 The areas of Employment and Skills will provide local authorities in London with the power to commission across areas and the opportunity to address local need. Housing has a number of complex issues to overcome such as rent levels and land values. The biggest risk is taking on the health economy in London because of its size. It is likely this would be taken on, in a phased approach.
- 7.5 London is confident a devolution deal for London can be achieved. Local Authority leaders are cautious about the risks devolution poses but despite the potential threats and opportunities it will be crucial to find the right balance.
- 7.6 In relation to Manchester's devolution, the detail of their deal was unclear.

7.7 Questions, Answers and Discussions

- (i) **Members enquired if local authorities were better placed to build housing and if the devolution proposals would provide an opportunity to get a better deal.**

The Chief Executive advised local authorities were still speculating about the impact of the Government's announcement concerning right to buy. The potential challenge these changes pose to Hackney are house prices and land value. There have been discussions about London having a different set of proposals. It is recognised there is an opportunity to do more in the area of skills development and right to buy.

Westminster City Council is building housing outside of the borough. Hackney Council has undertaken the role of building housing.

The development of a pan London approach is complex but does offer opportunities. Devolution could for example present an opportunity to expand into building housing for other areas, but LBH would need to further develop its house building skill sets.

- (ii) **Members hoped the devolution discussions for London would find the right scale and level of responsibility to be devolved. Members commented that Manchester had a solid political message in relation to devolution and the powers they wanted. Members hoped London was clear about the risks they were taking on for commissioning and understanding the whole person.**
- (iii) **Members enquired if the Work Programme would be a feature of the devolution discussions and in its request regarding employment. Members pointed out this programme has not been successful in supporting people to progress into employment.**
- (iv) **Members wanted to understand if London was considering taking on commissioning for Health and DWP locally. Members enquired if the DFE proposals related to commissioning rather than taking on the responsibility for DFE.**
- (v) **Members enquired about the plans to get all East London boroughs together, given their political differences and asked if there have been discussions about governance arrangements.**

The Chief Executive advised the whole spectrum of ambition and landscape would need to go through political discussions to get the devolution deal sealed. This included political discussions about potential governance arrangements.

The Chief Executive agreed the Work Programme has room for improvement and pointed out skills and employment may be the uncontentious areas for London to acquire and deliver under a devolution deal.

8 Governance and Resources Scrutiny Commission - 2015/16 Work Programme

- 8.1 The work programme for G&R on pages 37 - 44 of the agenda was noted for information.
- 8.2 The Chair informed the Commission, invitations were sent to:
- Renaisi
 - Shaw Trust
 - Core Arts
 - Peter Bedford Housing Association
 - Hackney Community College;
- asking them to participate in a workshop with the Commission. This workshop would review the research findings and ask frontline staff for their views.
- 8.3 A date for the workshop was in the process of being agreed.

9 Any Other Business

- 9.1 None.

Duration of the meeting: 7.00 - 9.05 pm

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Governance and Resources Scrutiny Commission 8 th September 2015 Annual Complaints and Enquires Report 2014-2015	Item No 6
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Outline

The Governance & Resources Scrutiny Commission reviews annually, the Council's complaints and enquires.

The report outlines the progress made on improving the Complaints & Members Enquiries process and provides information on the performance, volume of complaints and enquiries. The report covers 2014-2015.

Action

The Commission is requested to note the report, presentation and ask questions.

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1. INTRODUCTION

- 1.1 This report provides headline data related to complaints and enquiries for 2014/15 alongside progress made following bedding in of complaints improvement work over the last year.

2. RECOMMENDATION(S)

- 2.1 The Governance & Resources Committee is recommended to: -
1. note and comment on issues relating to complaints and enquiries during 2014/15 and progress and improvements made

3. BACKGROUND

- 3.1 This report is in accordance with the Governance & Resources Committee's role in monitoring the Complaints and Enquiries process.

4. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

- 4.1 There are no additional financial implications arising from this report. The cost of staff dealing with complaints across the Council is met from within the relevant revenue budgets, as are any compensation payments made. The cost of complaints monitoring is met within the approved revenue budget of the Business Analysis and Complaints Team.
- 4.2 Such costs, however, can be minimised by ensuring that complaints are dealt with successfully at the first stage, thus reducing the numbers that proceed to later stages.

5. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 5.1 This report informs Members of progress with the complaints process. Whilst there are no direct legal implications, some significant and unresolved complaints could result in legal action. An example is disrepair if a tenant complains of failure to carry out landlord's obligations to do essential repairs.
- 5.2 The report also refers to the role of the Ombudsman in managing complaints. By law if the Ombudsman intervenes and produces a formal report setting out significant failings by the Council, this would need to be reported to Full Council and the Ombudsman's report made available to the public. The Council and the complainant also have recourse to judicial review proceedings if they disagree with the Ombudsman's findings.
- 5.3 The report has not identified any issues of major concern to the Council with a risk of legal intervention.

APPENDICES

1 – Complaints and Enquiries Annual Report 2014/15

BACKGROUND PAPERS

In accordance with Section 100D of the Local Government Act, 1972 - Access to Information a list of Background Papers used in the preparation of reports is required.

Description of document	Location	Date

Report Author	Simon Gray Tel: 020 8356 8218 Email: Simon.Gray@hackney.gov.uk
Comments of the Corporate Director of Finance and Resources	Michael Honeysett Tel: 020 8356 3332 Email: Michael.honeysett@hackney.gov.uk
Comments of the Corporate Director of Legal and Democratic Services	Gifty Edila Tel: 020 8356 3265 Email: Gifty.Edila@hackney.gov.uk

Complaints and Enquiries Annual Report 2014/2015

1. Introduction

- 1.1 This report outlines the continuing progress made on improving the Complaints & Members Enquiries process as well as information on the volume of complaints and enquiries and performance.

2. Changes to the process & improvement work

- 2.1 2014/15 is the first full year working to for the two stage complaints process and the fully embedded Covalent Feedback software.
- 2.2 The rationale for these changes was to see:
- staff in the Council and Hackney Homes handling complaints and Members Enquiries focusing much more on resolution of issues, quality of response and resident contact/engagement
 - improved case management/tracking and issue identification
 - greater Assistant Director/ senior management engagement in the complaints process
 - greater ownership of Review stage complaints by Directors through sign-off arrangements
- 2.3 In short, the aim of these changes was primarily two-fold; to be more responsive to the public and; for senior managers to be more accountable for ensuring prompt resolution of issues and for dealing with the underlying causes of complaints to reduce the numbers being made.
- 2.4 It is evident that volumes of complaints are not reducing significantly however the removal of the old second stage has not seen a significant displacement of additional complaints at the Review stage which is in some part due to the improvements in the quality of resolution stage investigations including a greater focus on resolving issues. Equally though, volumes are not increasing either which is significant given increased pressures on services and the backdrop of the Local Government Ombudsman reporting that Councils across the board are generally dealing with increasing numbers of complaints. The improvement and focus on resolution is evidenced through the quality assessment sampling of between 15- 20% of investigations conducted by the higher complaint generating areas of Benefits & Housing Needs, Hackney Homes and Parking which are showing steady but improving signs across the quality of investigation, the focus on resolution and standard of written response/findings. Despite this there is still room for improvement in the quality of record keeping within some services which is being addressed.
- 2.5 Escalation rates, an indicator of successful resolution at the earliest opportunity, are showing stable and consistently low levels. Escalation rates from the Resolution stage (stage 1) to Review (stage 2) have dropped slightly to just

6.6% (196 cases down from 202) compared to a rate of 12% prior to the changes and Reviews escalating to become formal Ombudsman investigations rising slightly to 20.4% (40 cases up from 37).

- 2.6 Although the internal escalation rate is low, it does still mean a continued higher volume of detailed investigations required by the Business Analysis & Complaints team, which have been undertaken with reducing resources as a result of improved efficiencies.
- 2.7 The escalation rate to Ombudsman despite being at just over 20% should be viewed in the context that less than half of the 40 complaints formally investigated by both Ombudsmen were actually upheld (17 of 31) with the remaining 9 being Housing Ombudsman cases which they are still to determine.
- 2.8 The LGO report a reduction in the volume of detailed investigations undertaken in Hackney in 2014/15 at 22, down from 37 the year before and the percentage upheld down to 55% from 84% last year. It should also be noted that upheld can also mean 100% agreement with us so doesn't necessarily mean finding new or different fault.

3. Complaints and Enquiries Data Analysis (2014/2015)

- 3.1 The following tables show that volumes of complaints remain relatively static compared to the previous year with volumes of Members Enquiries rising slightly and Mayor's Enquiries volumes continuing to reduce in 2014/15.
- 3.2 Whilst any complaint received means the Council or Hackney Homes have, in the opinion of our residents, failed to provide an acceptable service, the numbers of complaints and those which are escalated should be viewed in the context of the size of the borough, the number of transactions and the complexity of those transactions. Hackney has a population in excess of 263,000 living in 109,000 households. Relevant to the areas with the highest volume of complaints we have 22,400 homes rented from Hackney Homes and an additional 8,600 leaseholders, more than 43,000 residents claiming benefits and almost 327,000 visits per year to the service centre/cashiers asking for assistance on a wide range of services.

	2012/13	2013/14*	2014/15
Stage One / Resolution	3,078	2,951	2,964
Stage Two	436	226	N/A
Review (formerly stage three)	151	202	196
Members Enquiries	1,460	1,828	1,993
Mayor's Office Enquiries	2,479	2,076	1,597

* change to process in October 2013 removed stage 2

Average Complaints Response Times	2012/13	2013/14	2014/15

Average Complaints Response Times	2012/13	2013/14	2014/15
Stage One/Resolution Complaints	14 working days	14 working days	20 working days
Stage Three/ Review Complaints	18 working days	18 working days	19 working days

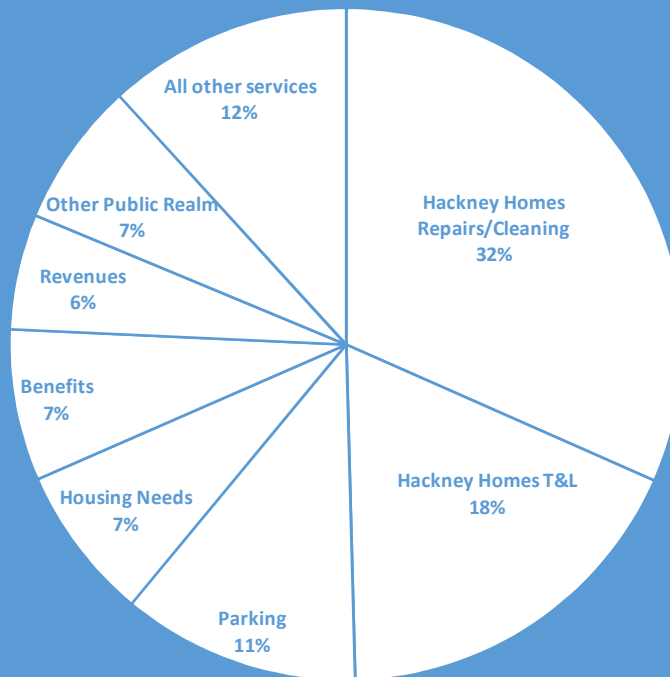
3.3 Despite volumes of Resolution (stage 1) complaints in 2014/15 remaining static compared to the previous year, the 40% increase in the average time taken to respond is a development that is being closely monitored and issues addressed. The focus has shifted from rigid deadlines for response to measuring average time taken as issues and resolution are addressed and not just a response. However the rise from 14 to 20 days is significant and with Hackney Homes receiving 47% of Resolution stage complaints and their average response time jumping from 15 to 28 days in the last year this is clearly the area having most impact. The overall Council Resolution figure, excluding Hackney Homes, is 13 days. Delays in Hackney Homes responses are due in the main to delays with contractors undertaking work and this is being addressed through an on-going process review.

3.4 There has been a slight reduction in the number of Review complaints when compared to 2013/14 with the distribution across the directorates remaining broadly similar with Hackney Homes generating 99 (51%), Finance & Resources 52 (27%) and Health & Community Services 31 (16%).

Types of Complaints

3.5 The chart below sets out the service areas in the Council and Hackney Homes that receive the highest volumes of Resolution stage complaints.

% RESOLUTION STAGE COMPLAINTS RECEIVED 2014-15



3.6 A breakdown of Resolution stage complaints by 'complaint type', where identified, shows that people are complaining about service failure (63%), case management (17%), staff behaviour (14%), disagreement with policy/decision (4%) and 'other' (2%).

3.7 The issues generating Resolution stage complaints read proportionately across to those escalating to Review.

Ombudsman Complaints

3.8 Following conclusion of the Council's process any complainant can approach one of two Ombudsman to ask for their case to be reviewed, either the Local Government Ombudsman (LGO) or the Housing Ombudsman (HOS). In addition, those making a housing related complainant (including Registered Providers) can ask a Designated Person (Cllr Glanville for Hackney) to decide whether they can help in reaching resolution of the issue without the need for the Housing Ombudsman to be involved.

3.9 The LGO has published their Annual Report for 2014/15 and report that they undertook 22 formal investigations in Hackney last year of which 12 (55%) were upheld. This is a reduction from the 37 investigations in 2013/14 when 84% (31) were upheld.

- 3.10 There were 10 housing related cases where the complainant formally asked for Designated Person (Cllr Glanville) assistance in resolving matters following the conclusion of the Council's formal complaints process. One case has been withdrawn as it progresses through the legal disrepair route. Of the remaining nine, the Designated Person allowed five cases to move straight to Housing Ombudsman as there was no more he could add to resolution already offered. He intervened in the remaining four cases but this has not necessarily prevented the complaint from escalating to the Housing Ombudsman.
- 3.11 The Housing Ombudsman do not publish an annual letter or report but our data shows that we had 18 formal investigations by them in 2014/15. There are concerns that the Housing Ombudsman are currently taking between 12 and 14 months to determine cases they formally take on and as such nine of these 18 complaints remain undetermined. Of the nine where decisions have been made, two (22%) were upheld.

a) Members' Enquiries

- 3.12 Members' Enquiries consist of a mixture of complaints, requests for service for residents and requests for information. Currently, there is no distinct separation in the way these different category types are dealt with and all have an average response turnaround time standard of 10 working days.
- 3.13 In line with increases in time taken to respond to Resolution stage complaints the rise from 10 to 13 days is significant and with Hackney Homes receiving 40% of Members Enquiries and their average response time jumping from 11 to 17 days in the last year this is clearly the area having most impact. The overall Council figure, excluding Hackney Homes, is 10 working days.
- 3.14 A breakdown of Members Enquiries by type shows that the majority, 84%, are used to raise service requests (66%), information requests (11%) or complaints (7%) on behalf of residents.

Members Enquiries	2012/13	2013/14	2014/15
Members Enquiries Received	1,848	1,828	1,993
Average time taken to respond	8.5 working days	10 working days	13 working days

b) Mayor's and Cabinet Members Enquiries

- 3.15 Each Mayor's Enquiry represents a comprehensive, personal response sent from the Mayor to what are often wide ranging and complex enquiries.

Mayor's & Cabinet Members Enquiries (inc Referrals)	2012/13	2013/14	2014/15
Enquiries Received (inc referrals)	2,479	2,076*	1,597*
Average time taken to respond	9.7 working days	11.2 working days*	18.6 working days*

* Note: Unlike the rest of the data in this report which is derived from the corporate complaints database, these figures are taken from a local source in the Mayor's Office as, due to multiple cases, separate records are kept.

- 3.16 Responses are subject to extensive quality assurance processes by the Mayor's Office and the Mayor before the response is sent, and many drafts have to be returned to departments in cases where the resident's query has not been fully answered. Until a full response is obtained, the case will not be concluded, and therefore this process puts significant pressure on the 10 day target timescale.
- 3.17 As shown in the table above, the volume of Mayor and Cabinet enquiries has fallen in recent years, and the total received in 2014/15 was 23% down on the previous year. Despite this, the average time taken to respond to cases was 7.4 days longer.
- 3.18 The Mayor's Office casework function has seen a number of challenges within the 2014/15 reporting year which have had a detrimental effect on performance. From an average of 41% of cases being completed within 10 working days and 70% of cases within 15 working days in the fourth quarter of the 2013/14 reporting year, 2014/15 as a whole saw 35% of cases receiving responses within 10 working days target and 54% of cases being responded to within 15 days.
- 3.19 The increased response times were due to a number of staffing changes and problems arising from the move to the Myoffice system. The Mayor's Caseworker departed soon after the close of Quarter 1, which saw response times fall from 38% within 10 working days and 64% within 15 working days within this Quarter, to a 26% 10 day response rate and a 42% 15 day response rate in Quarter 2. Quarter 3 saw response times return to almost the level of the final quarter of the previous year, with 45% of cases receiving responses within ten days and 64% 15 working days. However, in Quarter 4 a growing caseload, the implementation of the Myoffice system and the departure of the Casework and Administrative Officer – which necessitated recruiting to the post and taking-on agency staff cover for three months – brought response times down once more, to 31% of responses within 10 days and 45% within 15 working days.
- 3.20 2014/15 performance clearly suffered significantly as a result of these challenges. However, with the recruitment of a replacement Casework and

Administrative Officer, response times are once again shortening, with an average response time of 15.3 days overall in the first quarter of 2015/16.

c) Adult Social Care Statutory Complaints

3.21 The table below shows the figures related to complaints covered by the statutory Adult Social Care process

Adult Social Care Local Resolution	2011/12	2012/13	2013/14	2014/15
Numbers Received	97	139	93	118
Average time taken to respond	12 working days	18 working days	17 working days	19.5 working days

3.22 The majority of the 2014/15 complaints fell under the following categories: -

- Dissatisfaction with Assessment and Care Provision/packages
- Quality of care service provided
- Charges and payments
- Outcomes of Occupational Therapy assessments and home adaptations
- Blue Badge /Freedom Pass assessments including service users contesting results
- Transport provision

3.23 116 of the 118 cases were concluded at local Resolution stage with just two requiring 'Formal Investigation'.

c) Children's Social Care Complaints

3.24 Complaints related to Children's Social Care are handled separately under a statutory process. The numbers of Stage 1 Children's Social Care complaints have reduced to 34 compared to 43 received in 2013/14. It is possible that the decrease in the number of complaints is a result of continued efforts to resolve complaint representations at a pre-stage through mediation and resolution. Year on year the number of complaints completed at Stage 1 continues to decrease as a result of the continued focus on quick resolution of issues and mediation between units and families.

Children's Social Care Complaints	2012/13	2013/14	2014/15
Stage 1 – Local Resolution	50	43	34
Stage 2 – Investigation	7	7	5
Stage 3 – Review Panel	3	6	2

- 3.25 Nature of complaints: difficulties with communication remains the most prevalent categorisation of complaint. This is partly because the category has such large scope, covering issues such as parents dissatisfied with the accuracy of assessments, the behaviour of practitioners, the content of discussions at Child Protection conferences and timeliness or quality of contact from the unit. Other primary drivers of complaints include issues to do with accommodation, Care Plans, and contact arrangements.
- 3.26 The reduction in Stage 2 and Stage 3 complaints is likely to be a result of focus on improving the quality of complaint responses. Simple templates and robust quality assuring by the Safeguarding and Learning Service continue to ensure that complaints are addressed in their entirety with clear rationale given for decisions and recommendations.



<p>Governance and Resources Scrutiny Commission</p> <p>8th September 2015</p> <p>Finance Update</p>	<p>Item No</p> <p>7</p>
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Outline

The Office for Budget Responsibility’s annual report, advises that without further spending cuts or tax rises, the national debt would increase. Further cuts in government spending are forecast for this parliament and beyond, in order to bring the national debt under control. These cuts will bring the share of local government in the national economy to its lowest level for the last two decades. Funding from Central Government to local authorities has been reducing year on year since 2010. The Governance and Resources Scrutiny Commission have requested to receive regular updates on the Council’s financial position.

The Overall Financial Position, Property Disposal and Acquisitions Report describes the Council’s financial position as at the end of May 2015. It highlights the key areas of spend and outlines the forecast position of the Council’s budget accounts ‘General Fund’ and the ‘HRA’.

The Capital Programme Update report outlines the current position of the Capital Programme. The capital programme for 2015/16 includes capital projects for Children and Young People’s Services, Finance and Resources, Health and Community Services and the Directorate of Housing Services. The report recommends investment in schemes which will bring real benefits to local residents and other users of Council services.

Action

The Commission is requested to note the report, presentation and ask questions.

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2015/16 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT (MAY 2015)

KEY DECISION NO: FR L6

CABINET MEETING DATE

20th July 2015

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Cllr Geoff Taylor

Finance

KEY DECISION

Yes

REASON

Spending or Savings

CORPORATE DIRECTOR

Ian Williams Corporate Director of Finance and Resources

OVERALL FINANCIAL POSITION STATEMENT

1. CABINET MEMBER'S INTRODUCTION

I present to Cabinet the Overall Financial Position report for the 2015/16 financial year which is based on detailed May monitoring data from directorates. The report is forecasting an overspend of £2,913k at year end.

In 2014/15, we maintained a firm grip on spending and I look forward to this continuing in 2015/16. I note the planned actions in the Health and Community Services (H&CS) commentary to redress the overspend in Adult Social Care and anticipate a sustained reduction in the total reported throughout the remainder of the year. Given the extremely challenging financial position we are in this year and will be in future years, it is essential that reported overspends in any service are quickly addressed and mitigated.

I commend this report to Cabinet

2. CORPORATE DIRECTOR'S INTRODUCTION

2.1. The OFP shows that the Council is forecast to have a £2,913k overspend which is equivalent to 0.3% of the total gross budget.

2.2 In a recent report, the Office of Budget Responsibility (OBR) stated that further cuts in government spending will be needed beyond this parliament in order to bring the national debt under control. In its annual report, the OBR said that without further spending cuts or tax rises, the national debt would only increase. It said a permanent £20bn cut in annual public spending will be needed by 2020. That would help bring the national debt down to 40% of Gross Domestic Product (GDP) by 2064, it said and if achieved, this means it would have taken more than half a century to bring the national debt back to the same level it was before the 2008 financial crisis. Last year, public sector net debt was £1.48tn, or 80% of economic output, compared with around £600bn, or around 42% of GDP, in 2008; and the OBR warned that even a cut of this size, equivalent to 1.1% of GDP, would not be sufficient to keep the national debt at 40% beyond 2064. And the OBR cast doubt on the government's ability to maintain a surplus, forecasting the UK public sector borrowing would still be necessary by the mid-2030s as a result of the demands of an ageing population. The OBR said the government's triple-lock on the state pension - whereby the state pension rises by whichever is the greater of inflation, average earnings, or 2.5% - had resulted in an additional £2.9bn cost to the government, seven times higher than the £0.4bn increase originally forecast in 2010.

Earlier this week, ratings agency Moody's warned that the government will find it very difficult to achieve a budget surplus by 2018-19, and is still likely to be operating a deficit of between 1% and 2% of GDP by 2020.

2.3 The Organisation of Economic Cooperation and Development (OECD) also published a report in June which showed that the UK had cut spending (measured by government spending per head) as deeply as the countries embroiled in the Eurozone crisis and by more than two of these – Italy and Portugal - between 2009 and 2013. Amongst OECD countries only Italy, Spain and Greece had cut by more than the UK. Government spending as a proportion of national income fell in the UK by twice as much as the rest of the OECD. The relative size of Government contracted by 4.2% compared to an OECD average of 2.5%. Interestingly the OECD found in 2013 that the amount of government spend destined for social protection was 37.2%, an increase of 2.3% on 2009, which were both higher than the OECD averages of 32.4% and 1.4%.

2.4 The latest position in relation to **GENERAL FUND REVENUE EXPENDITURE** is summarised in table 1 below.

TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT MAY 2015

Original Budget	Virements	Revised Budgets	Service Unit	Change from Revised Budget
£k	£k	£k		£k
87,536	0	87,536	Children & Young Peoples Service	0
136,259	0	136,259	Health & Community Services	3,108
1,596	0	1,596	Housing	12
12,846	0	12,846	Chief Executive	1
4,053	0	4,053	Legal, HR& Regulatory	-185
16,213	0	16,213	Finance and Resources	-23
22,140	0	22,140	General Finance Account	0
280,643	0	280,643	GENERAL FUND TOTAL	2,913

3. RECOMMENDATIONS

3.1 To note the overall financial position for May 2015, covering the General Fund and HRA and the earmarking by the Corporate Director of Finance and Resources of the underspend to support funding of future cost pressures and the funding of the Capital Programme.

4. REASONS FOR DECISION

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

4.2 Children and Young People Service (CYPS)

CYPS are forecasting a nil variance after use of reserves of £4,138k.

Corporate Parenting Overspend

As at May 2015, the service is forecasting an overspend of £2,090k in Corporate Parenting (before use of reserves). The main driver for this overspend remains the increase in the numbers coming into care which occurred during 2012 and the change of profile of foster care provision from in-house placements to a higher reliance on independent foster care agencies.

Points to note:

- The number of looked after children (LAC) for which we incur a cost decreased to below 300 towards the end of 2014/15 and has remained at that level. However the number of in-house foster placements has decreased (the most of any placement category) while the number of independent foster placements, which are more costly, have increased.
- Management has in place a strategy to recruit and retain in-house foster carers including a reward offer to Council staff who recommend a successfully approved foster carer. However it should be noted that Foster Carer recruitment is a London-wide issue which may not show significant improvement in the short to medium term.
- The forecast for over-18 placements (although forecast to overspend by £587k) is significantly lower than last year's expenditure as a result of a fall in the numbers accommodated and more effective processes for claiming Housing Benefit.

The chart below shows that over the last 12 months LAC placements have marginally reduced and as at May 2015 stand at 291. The profile of foster care placements has fluctuated throughout the previous 12 months and this month in-house fostering placements have fallen to 76, while Independent Fostering Agency (IFA) placements are at 157 after a peak of 166 in October 2014 representing a small improvement. Residential care placements (our most costly placement for children in care), have reduced to 12 resulting in a £60k underspend against the budget.

Costed LAC head count in year to 31 May 2015

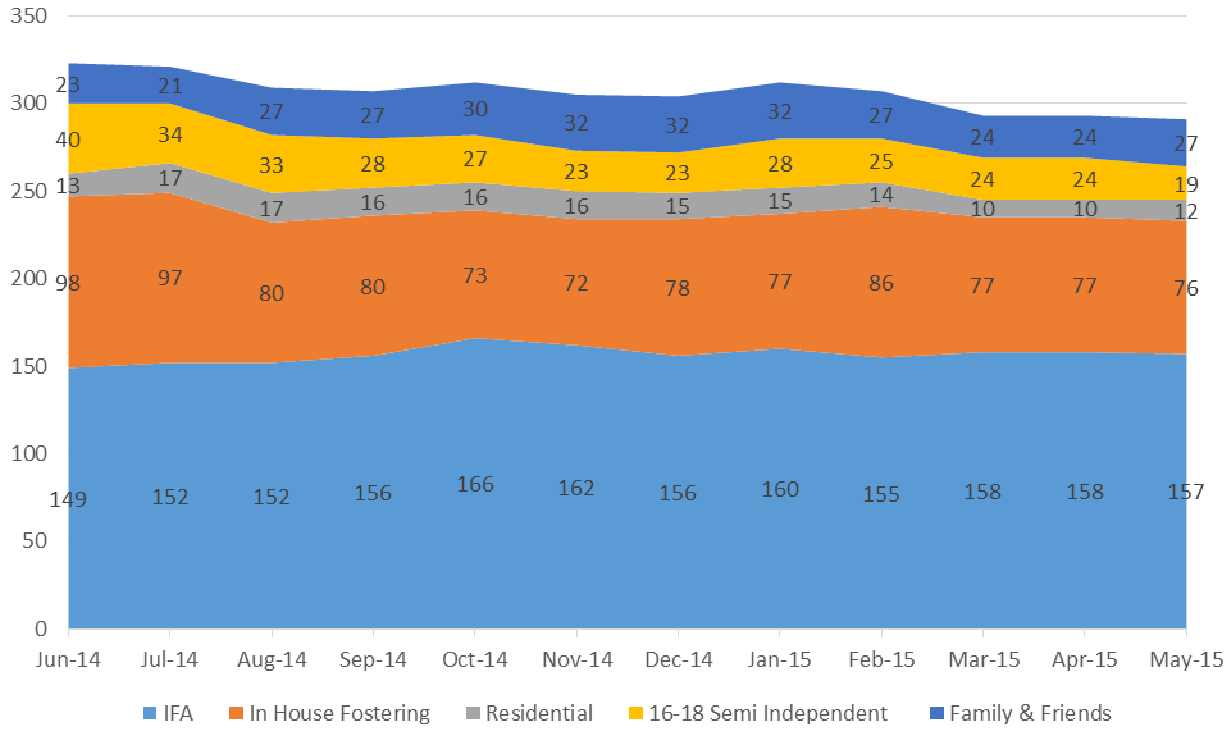


TABLE 2: Corporate Parenting Management Dashboard – May 2015 OFP

Key Metrics	Feb 15 OFP	May 15 OFP	Status ↑ ↓	Comments
Overall LAC Headcount	307	291	↓	This records the number of LAC where there is a financial commitment
IFA Placements	155	157	↑	
Average cost of IFA Placement	£43,787	£42,725	↓	
In house placements	86	76	↓	Decrease in less costly placements
Average cost of in house placements	£20,154	£20,482	↑	
Residential Placements	14	12	↓	
Average cost of Residential Placement	£170,266	£158,332		The fall in average cost is partly due to one case ceasing in May which cost £6,250 per week.
Supporting People 18+ & 16-18	27	Awaiting Update		Supporting People is a framework agreement joined with Adult's Social Care for semi-independent units. Children and young people placed under this contract have lower unit accommodation costs, support hours are purchased in bulk and a higher rate of Housing Benefit claims for 18+. The service is seeking to maximise this type of placement where appropriate

Children in Need Overspend

Children in Need are forecast to overspend by £870k. A large part of this overspend relates to legal fees and court costs (£342k). Due to the volatility of such costs and the fact that they can arise in varying services across the Directorate, the budget is held on the Directorate Management Team (DMT) cost centre and DMT are reporting a corresponding underspend. Excluding these costs and an overspend on staffing for which provision is made elsewhere (£112k), the overspend forecast is £416k which mainly relates to S17 costs as set out below.

Section 17 costs are forecast based on 2014/15 outturn pending further analysis of the underlying position. Though management actions are in place to reduce the overspend, we expect some pressures to continue for example:

- A one-off special needs case which is jointly funded with Hackney Learning Trust (HLT) (£102k),
- Residential assessments and specialist nursing which are court directed

- One-off support to prevent family breakdown

Additionally, a significant percentage of the total section 17 spending is used to provide ongoing support to families and 16+ young people (44% of total spending). The Head of Service will be working with the consultant social workers (CSWs) to reduce the period for which this type of support is provided. The Head of Service also plans to work with the CSWs to strengthen controls on the one off spending (31% of total spending).

Directorate Underspends

Overspends in Corporate Parenting and Children in Need are offset by underspends elsewhere, significantly, in Family Support Services, the Directorate Management Team, Safeguarding and Learning Service and Young Hackney:

- Family Support Services are forecast to underspend by £495k (after £13k use of reserves) due to posts held vacant pending the implementation of the first phase of 1CYPS.
- DMT are forecasting to underspend by £679k primarily due to legal budgets held on this cost centre whilst costs are incurred elsewhere across the Directorate (as explained in relation to the Children in Need overspend above) and as a result of accounting for the early delivery of some savings from elsewhere in the Directorate on this cost centre.
- Safeguarding and Learning Services (SALS) is reporting an underspend of £128k due to a management decision to reduce commissioned services (£236k) agreed to offset overspends elsewhere
- Young Hackney (YH) is forecast to underspend by £293k (after £683k use of reserves). There are forecast staff underspends (£293k) in core units due mainly to posts held vacant in advance of the first phase of 1CYPS. There are also forecasts underspends in commissioning (£180k) following a review of the services delivered under the Connecting Young Hackney commissioning framework.

The cost of accommodating young persons in secure remand centres is likely to exceed the Youth Justice Board (YJB) grant (£235k) and core budget (£73k) allocations by £760k. This is due to increased numbers of young offenders in Secure Training Centres and Secure Children's Homes. These costs should be funded by the YJB grant for remand. However, the grant award is based on the previous three years activity to 31 March 2014, where the numbers of young persons in high cost establishments was relatively low. A reserve (£603k) was set aside in recognition of a risk in this area as expenditure is dependent on court activity and decisions.

Hackney Learning Trust

The Hackney Learning Trust (HLT) forecast is consolidated into the CYPS position. Outturn is forecast on budget. As part of the delegated arrangements for the HLT any overspend or underspend at year end will result in a contribution from or to the HLT reserve.

Early Delivery of Savings

The CYPS directorate has worked closely with Finance & Resources to identify early delivery of savings from remodelling and evolving the service and reducing overlap and duplication whilst achieving cost savings as part of the 1CYPS approach. The first tranche of these 'in-year' savings are forecast to be delivered from October 2015. These are being closely monitored by finance and are not yet included in the forecast above. However, in some service areas e.g. Family Support Services and Young Hackney, underspends are forecast as a result of posts held vacant pending full implementation of the first phase of 1CYPS.

4.3 Health and Community Services

The opening revenue forecast of 2015/16 for the Health and Community Services directorate is a £3,100k overspend.

The overspend is based solely in the Adult Social Care service and relates to non-delivery of in-year savings within Care Support Commissioning, the budget for externally commissioned packages of care.

The major variances making up the forecast overspend, using the traditional care categories, are as follows.

Adult Social Care overspend as at May 2015	£m
Learning Disabilities Commissioning	3.384
Older People Commissioning	0.757
Physical/Sensory Commissioning	0.155
Provided Services - Housing With Care	0.767
Provided Services – early delivery of Day Care saving and other under spends	(0.767)
Preventative Services underspend	(0.222)
Mental Health Section 75 services	(0.938)
Other minor variances	(0.028)
Adult Social Care overspend	3.108

In aggregate, care commissioning are forecast to overspend by £4,296K, this is primarily due to the non delivery of the Promoting Independence savings for 2015/16 so far at this stage of the year. The largest area of overspend is Learning Disabilities, where the forecast is showing an overspend of £3,384K. The information held by the Learning Disabilities Service (LDS) is that they have delivered savings but there is a time lag between a decision to reduce a care package and its implementation due to the vulnerability of the client group. There are also increases arising from transitions and care package increases which reduces the achievement of savings. Finance forecasting for OFP does not include a saving as achieved until the information in the financial system reflects the reduction or ceasing of a care package. This is to ensure the accuracy of the financial position as it can take some time for a saving in LDS to be realised.

There is an overspend of £757K in older people which is a reflection of the partial delivery of the Promoting Independence savings for 2015/16 at this stage of the year. This service is being impacted by the transformation of interim and intermediate care and also the Delayed Transfers of Care challenge. We expect that this will be a short term impact and that our demand management strategy will have a positive impact on the budget over the coming months.

There is also a £155k overspend within Physical/Sensory commissioning which is due to a continuation of cost pressures on this budget and broadly reflects the 2014/15 outturn position.

The overspending areas are offset by two notable underspends. There is a £938k underspend within services that come under the Mental Health Section 75 services. This consists primarily of £400k underspend on commissioned services and a £500k underspend across staffing budgets reflecting current planned staffing levels. There is also an underspend of £222k within Preventative Services which is due to reduced costs following the closure of Median Road.

In addition to the overspend in care commissioning, there is an underlying overspend within our Housing with Care Service (HWC) of £767K. Overall, Provided Services is not showing an overspend because the underlying position in HWC is being mitigated by the early delivery of Day Care transformation savings and underspends in Meals of Wheel and Transport.

The remainder of the services within the Health and Community Services directorate are forecast to budget for the May 2015/16 position.

Management Actions

Under the leadership of the Adult Social Care (ASC) Budget Board, the management team will be focusing on the following three areas to bring expenditure back within the cash limit; Learning Disabilities, Older People and Physical Disabilities and Housing with Care.

Learning Disabilities

The Assistant Director of ASC had already developed a six point plan to deliver the savings as part of ongoing planning and management. This plan has confirmed that the potential cost reduction to care packages is in excess of the current savings target and there is resource in place to take forward the actions to deliver this. This is a challenging savings plan with the aim of promoting independence amongst a vulnerable client group which will reduce over inflated care packages. A simple tracker has been developed for the Budget Board to enable effective monitoring of progress against this plan.

Older People and Physical Disabilities

The main driver for savings remains our promoting independence approach and robust application of eligibility criteria for all new packages while optimising re-ablement and intermediate in the community remains a priority.

Provision of agreed care remains below the indicative budgets which means we will recalibrate our resource allocation system again. In long term services we are in the process of reviewing our care package Review System to ensure that provision of care at the point of hospital discharge is being timely and robustly reviewed so to prevent service users dependency on long term services, as well as ensuring that we capture people at the end of their recuperation. Through the Delayed Transfer of Care (DTC) funding from the Clinical Commissioning Group (CCG) we are recruiting a dedicated social worker that will work entirely with service users in interim care and intermediate care to ensure that people move back into the community in a timely manner. In addition we will continue ensuring that residential care is the last resort and making sure that any placements following hospital discharges are kept to a minimum. We are also exploring joint health and social care personal budgets with our health partners with the aim of achieving some contributions from Health towards people's cost of care. We are also vigilant to any continuing health needs of our service users so to enable them to access health funding.

Housing with care (HWC)

A detailed plan is in place to deliver cost reduction in this service and these include:

- A review of the management structure to deliver leaner and more effective service management.
- A focused recruitment campaign is being progressed so that we can see a reduction in agency spend. In addition we continue robust monitoring of agency staff requests which is being managed on a weekly basis.
- Transfer Service Users with high needs to residential care to achieve better "need balance" in the schemes, so to ensure the allocated provision is sufficient to meet the needs without extra resources.
- The Interim Care pilot will be reviewed in month three with an aim for this to service to be absorbed within the existing resources; which should see substantial savings within this service.
- We are extending the promoting independence training for all staff in HWC to reinforce our approach and reduce dependency.

- We will take forward initiatives to increase efficiency in the service e.g. deletion of Night Owls; electronic rostering system, consideration of ceasing or handing over to Mental Health of 24hr schemes.
- We will appoint an external commercial expert to fully review the provided services portfolio as we are confident that further efficiency savings can be identified across the portfolio and particularly in transport, which would contribute to address the financial position of Housing with Care.

The actions are being taken forward by the Assistant Director ASC and are being monitored through the budget management framework in the Directorate and through the Adult Social Care Budget Board. A more detailed plan of action to respond to this current financial position will be developed by the service and progress updates will be reported in future OFP reports to Cabinet.

The Corporate Director has advised that the Promoting Independence savings are proving challenging, particularly in Learning Disabilities (LD) as they involve reducing care packages, (albeit care packages that have historically been over inflated in terms of provision and cost). Experience in the last few years has shown that in forecasting the outturn position for ASC we invariably start the year with a large overspend and this starts to reduce as the year progresses and management action takes effect. There is also the fact that savings in care packages are not forecast as achieved until they are actually in the ASC system, therefore there will be time lag between actions to deliver savings and inclusion in the forecast. As discussed at Budget Board we have identified that the total amount of savings in LD will take time to deliver and that we will find other savings from within the directorate and/or use a surplus generated from external funding, which is likely to occur this year, to help ensure that we keep spend within our approved budget.

There are number of other issues to be taken into consideration in this forecast position. Firstly, this is the first report that we have produced since we went live with the new ICT system (Frameworki) so there is not yet 100% assurance as to the integrity of the forecast. Secondly, we are working on producing revised methods for reporting as we now have to record budgets against primary support needs (i.e. Physical Support, Mental Health, Memory and cognition) rather than by service user (i.e. older people) and we need accurate activity and financial information before we can transfer the budgets into these new codes.

Secondly, there are agreed savings in LD for this year of £3.3m. For LD savings there is a detailed six pronged plan, outlined above, that we go through at the budget board that accounts for each service user and highlights where the savings are to be made so have a grip on this. The majority of the overspend is driven by learning disabilities budgets. At the latest ASC Board meeting on 25th June 2015, the service presented a LD Savings Delivery Plan Update in which it anticipated making £2.6m of the £3.3m savings in 2015/16 (and is working on other savings to make up the shortfall). As stated above, forecasting within OFP includes savings only when the information in the financial system reflects the reduction or ceasing of a care package. We would therefore expect the forecast overspend being reported for May to reduce over the year, as this savings plan is achieved.

Thirdly, we are still trying to understand the impacts, if any, of the implementation of the Care Act and intend to provide tracking data to monitor this over the coming years. Lastly, after we have fulfilled the requirements attached to certain external grant funding streams this year, there is likely to be a surplus which can be used, if required to help smooth some of the adult social care budget pressures by using this money creatively and are already discussing, internally, how best to do this, as mentioned above.

4.4 Finance & Resources

The directorate is forecast to come in at budget despite on-going cost pressures in revenues and benefits, temporary accommodation and ICT. Overspends in ICT and property are offset by underspends elsewhere in the service, in particular in Audit and Anti-Fraud and Procurement.

4.5 Chief Executive

Overall the directorate is forecast to come in at budget. In broad terms, the overspend in Chief Executive's Office is being offset by the underspend in Performance, Policy and Delivery.

4.6 Legal, HR and Regulatory Services (LHRR)

The LHRR position as at May 2015 is a forecast underspend of £185k. Governance Services and Member Allowances is reporting a forecast £208k underspend, reflecting a £225k underspend in the ring-fenced Member Allowances budget due to the change in regulations prohibiting employers' pension contributions in respect of members. It should be noted that the Members Allowances scheme is currently under review by an external party. Additionally, Legal Services is forecast to underspend by £132k due to fewer cases being referred to external lawyers so far this year. These underspends are offset by overspends in Human Resources & Organisational Development and Planning and Regulatory Services (PRS).

Human Resources and Organisational Development is forecast to overspend by £100k. This is due to the continuation of the Head of HR and Strategic Planning post for a transitional period and a shortfall in the internal recruitment income recovered in April and May. An overspend in PRS is driven by a shortfall in Building Control (BC) income mitigated by the planned use of the Shortfall in BC Income reserve. BC operates in a competitive market in which there is a strong link between product price and the amount of business won. Since 2010, the service has been losing market share to approved inspectors in the private sector. As a response to this decline, the Delegated Powers Report (DPR) issued in August 2014 implemented a number of service improvements and included a revised charging schedule. With the proposed reduced fees only coming into effect in mid-October 2014, the first real indicator of success of the new fees is likely to be in the second quarter of 2015/16. Additionally the success in bidding for work in major projects will be a key factor in improving the financial position. Building Control has seen already seen a marked increase in contacts from developers/clients proposing to undertake large construction projects in the Hackney and wishing to use the Building Control Team. However, it is too earlier to say if this will translate into an increase in income from these areas.

4.7 General Fund Housing Services

The service is forecasting to come in at budget.

4.8 HRA

The HRA is forecast to come in on budget. There are various overspends and underspends across the service, including underspends on repairs and maintenance and on special services (primarily spend on utilities). There are overspends on supervision and management, and rents and rates. With regards to income there is unbudgeted additional income for leaseholder services

5. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

As this report is primarily an update on the Council's financial position and there are no alternative options relating to this part of the report.

6. **BACKGROUND**

6.1 **Policy Context**

This report describes the Council's financial position as at the end of May 2015. Full Council agreed the 2015/16 budget on 25th February 2015.

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 Member for Finance, HMT, Heads of Finance and Assistant Directors of Finance.

6.5 **Risk Assessment**

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

7. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

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

8. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

8.1 The Corporate Director of Legal, HR and Regulatory Services has seen the report and has no legal comments to make on the regular budget monitoring part of the report.

BACKGROUND PAPERS

None

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CAPITAL PROGRAMME UPDATE REPORT

Key Decision No. FR L5

CABINET MEETING DATE

20 July 2015

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Mayor Pipe

KEY DECISION

Yes

REASON

Spending or Savings

CORPORATE DIRECTOR

Ian Williams Corporate Director of Finance and Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the second report on the capital programme for 2015/16 and includes capital project approvals for Children and Young People's Services, Finance and Resources, Health and Community Services and the Directorate of Housing Services.
- 1.2 The report recommends investment in schemes which will bring real benefits to local residents and other users of Council services.

2. CORPORATE DIRECTOR'S INTRODUCTION

This report updates Members on the current position of the Capital Programme and seeks spending and resource approval as required to enable officers to proceed with the delivery of those schemes as set out in section 9 of this report.

3. RECOMMENDATION(S)

- 3.1 **That the schemes for Children and Young People's Services as set out in 9.2 be given resource, virement and spending approval as follows:**

Education Asset Management Programme: Resource approval of £3,000k in 2016/17, spending approval of £2,518k and virement approval of £500k from 2015/16 to 2016/17 is request in order that priority 1 and 2 needs identified as part of the rolling condition surveys can be addressed during the 2015 school summer holidays.

BSF Life Cycle Works 2015/16: Virement and spending approval for £180k in 2015/16 is requested in order to facilitate the Life Cycle Works across BSF buildings.

Devolved Formula Capital (DFC): Resource and spending approval of £420k in 2015/16 is requested for the allocation of this Dfe grant to individual schools based on total number of pupils per school.

Queensbridge Expansion: Virement approval of £105k and spending approval of £205k is requested (£100k in 2015/16, £95k in 2016/17 and £10k in 2017/18) in order to provide an additional classroom at Queensbridge Primary School by September 2015 and a further classroom by September 2016.

- 3.2 **That the schemes for Finance and Resources as set out in section 9.3 be given resource and spending approval as follows:**

148-154 Stoke Newington Church Street: Resource and spending approval of £250k in 2015/16 is requested as a result of addition works required on site at 148-154 Church Street.

OQD Upgrade Lower Clapton Road: Resource and spending approval of £1,175k in 2015/16 is requested to facilitate the addition works requirement at Lower Clapton Road.

3.3 That the S106 schemes as set out in section 9.4 and summarized below be given resource and spending approval as follows:

S106 Schemes	2015/16
	£'000
Capital	569
Revenue	5
Total Resource and Spend approvals	574

3.4 That the virements within CYPS and Housing capital programmes be approved as detailed in para 9.5:

3.5 That the acquisition set out in section 9.6 being duly noted.

4. REASONS FOR DECISION

4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.

4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None

6. BACKGROUND

6.1 Policy Context

The report to recommend the Council Budget and Council Tax for 2015/16 considered by Council on 26th February 2015 sets out the original Capital Plan for 2015/16. Subsequent update reports considered by Cabinet have amended the Capital Plan for additional approved schemes and other variations.

6.2 Equality Impact Assessment

Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. 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 projects included within this report, as required. Once again, details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

6.5 Risk Assessment

The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks outside of these will be recorded on departmental or project based risk registers as appropriate.

7. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

- 7.1 The gross approved Capital Spending Programme for 2015/16 currently totals £303.528m (£150.526m non-housing and £153.002m housing). This is funded by discretionary resources (borrowing, government grant support (SCE(c)), capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.
- 7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.
- 7.3 If the recommendations in this report are approved, the revised gross capital spending programme for 2015/16 will total £311.937k (£158.576m non-housing and £153.361m housing).

Directorate	Updated Budget Position	Jul 15 Cabinet Update	Updated Budget Position
Chief Executive Services	15,559	-	15,559
Children's Services	66,700	(185)	66,515
Finance & Resources	32,453	8,067	40,520
Health & Community Services	35,726	168	35,894
Legal, HR and Regulatory Services	88	-	88
Total Non-Housing	150,526	8,050	158,576
Housing	153,002	359	153,361
Total	303,528	8,409	311,937

8. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 8.1 The Corporate Director of Legal, HR and Regulatory Services has been consulted on the contents of this report and wishes to comment on recommendation 3.3 and paragraph 9.4 where Cabinet is being invited to approve the allocation of monies from Section 106 funding to projects.
- 8.2 Section 106 of the Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation enforceable by the local planning authority. Planning obligations are intended to make acceptable development that would otherwise be unacceptable in planning terms. They are usually referred to as Section 106 Agreements. They may restrict the development or secure a financial contribution related to the development. Local Authorities must comply with Regulation 122 of the Community Infrastructure Levy Regulations 2010 as amended Regulation 122 enshrines in legislation for the first time the legal tests that planning obligations must meet.
- 8.3 Once completed Section 106 Agreements are legally binding. This means that any monies which are the subject of the Agreement can only be expended in accordance with the terms of the Agreement. In this case, the Council's lawyers are satisfied that the terms of the Section 106 Agreement referred to would allow the financial contributions to be applied as set out in this report.

9 CAPITAL PROGRAMME 2015/16 AND FUTURE YEARS

- 9.1 This report seeks spending approval for schemes where resources have previously been allocated as part of the budget setting process, as well as additional resource and spending approvals for new schemes where required.

9.2 Children and Young People's Services:

- 9.2.1 **Education Asset Management Programme:** Resource approval of £3,000k in 2016/17, spending approval of £2,518k and virement approval of £500k from 2015/16 to 2016/17 is request in order that priority 1 and 2 needs identified as part of the rolling condition surveys can be addressed during the 2015 school summer holidays. These works will remedy statutory compliance issues, health & safety needs and prevent further deterioration of the school buildings. Summary details of the works to be carried out are included in the table below. The spending approval requested for 2015/16 has no impact on the overall capital programme as resources to cover this were included in the budget approved by Council in February. The £3,000k relating to 2016/17 is to be met in main by the LA Capital Maintenance grant with any further requirements being funded by reserves held by the authority.

School	2015/16 AMP Amount	AMP Works
	£'000	
Woodberry Down School	200	Mechanical Work: distribution pipework. Internal structural cracks require investigation.
Jubilee Primary School	138	Roofs: replace roof light, replace hatch and lining system.
Queensbridge	17	External Walls, Windows and Doors: install double glazing
	7	Internal Walls and Doors: Fire safety works
	250	Electrical services: full rewire.
	250	Mechanical services: replace pipework, install TRVs, replace circulation pump.
Daubeney	45	Boundary walls and railings: See structural report recommending drainage, boundary railings and boundary walls.
	10	Electrical services - install fire alarm in nursery
Tyssen	78	Roofs: Upgrade roof light, balustrading and CAT ladder
	30	Boundary wall
	165	Mechanical: boilers, distribution, hot and cold water.
Sir Thomas Abney	3	Electrical Services: Lighting works, replace distribution boards
Baden Powell	22	Roof: replace roof light
Benthal School	100	Urgent repairs
Betty Layward	67	Roofs: install roof insulation
	10	External Area: Crack boundary wall by entrance of school between the leisure centre and the school/former PRU
	10	Floors & Stairs: Damp issues in the hall and corridor flooring. Needs investigation.
	15	Removal of chimney breasts and rebuilding piers
Kingsmead	2	Roof: new flat roofs
Morningside	15	Roofs: renew roof covering, structural engineer to inspection of roof structure and chimney
	30	Repairs to boundary walls
Woodberry Down School	263	Roofs: renew roof covering, insulation and flashing.
Colverstone	5	Structural survey recommended in condition survey for the boundary wall.
	10	Lateral damp penetration ruining

School	2015/16 AMP Amount	AMP Works
	£'000	
		decorations. Corroded and heavily failing decorations to painted zinc soffit to main entrance portico.
	20	Fire alarm upgrade.
Grasmere	15	External Area: fix boundary wall
	84	Electricity services: install fire alarm, wiring
	180	
Harrington Hill	0	Roof: replace roof lights
Holmleigh	59	Roof: replace roof lights
London Fields	2	Roof: Investigate source for leak and remedy
Mandeville	5	Electrical Services: rewiring, lighting works, replace distribution boards, isolator busbar chamber £60k emergency lighting, fire alarm.
Whitmore	24	Ceiling: fire prevention works
	10	Boundary wall: structural investigation - boundary and caretakers house/ICT suite
	24	Electrical Services
Randal Cremer	10	Ceilings: Re-glaze roof light. Park of heating/cooling works - defect.
	100	Mechanical Services: Investigate overheating issues and improving cooling and heating system, install TRV
Springfields	65	Roofs: upgrade insulation, renew roof light
William Patten	18	Roofs: renew roof covering, insulating and flashing.
	22	Ceiling: fire prevention works
	28	Floors and stairs: replace treads and overhaul staircase
Clapton Park	50	Roof: Roof renewal.
Debeauvoir	6	Mechanical Services: Install solenoid valve
	55	Electrical services: install fire alarm
TOTAL	2,518	

9.2.2 **BSF Life Cycle Works 2015/16:** Virement and spending approval for £180k in 2015/16 is requested in order to facilitate the Life Cycle Works across BSF buildings, detailed in the table below. This has no further impact on the capital plan as the overall resources are already within the approved 2015/16 capital budget.

School	Amount	LC Requirement
	£'000	
Cardinal Pole	27	£15k Early failure allowance , £12k Cyclical Redecoration

Our Lady's	24	£12k Early failure allowance, £12k Cyclical Redecoration
The Urswick	24	£12k Early failure allowance, £12k Cyclical Redecoration
Ickburgh	15	£12k Early failure allowance, £12k Cyclical Redecoration
The Garden	13	Early failure allowance
Stormont	13	Early failure allowance
Clapton Academy	13	Early failure allowance
Stoke Newington	13	Early failure allowance
Haggeston	40	Continuation of Block A and link corridor window replacement project
Total	180	

9.2.3 **Devolved Formula Capital (DFC):** Resource and spending approval of £420k in 2015/16 is requested for the allocation of the Dfe grant to individual schools based on total number of pupils per school. As this is fully grant funded there is no further impact on the capital plan.

9.2.4 **Queensbridge Expansion:** Virement approval of £105k and spending approval of £205k is requested (£100k in 2015/16, £95k in 2016/17 and £10k in 2017/18) in order to provide an additional classroom by September 2015 and a further classroom by September 2016 as a result of the increase in intake at the school. This approval has no further impact on the capital plan as the overall resources are already within the approved Additional School Places 2015/16 capital budget.

9.3 Finance and Resources:

9.3.1 **148-154 Stoke Newington Church Street:** Resource and spending approval of £250k in 2015/16 is requested to facilitate the additional works at 148-154 Church Street as a result of the ground condition survey. Cabinet approval was sought for £1,200K in December 2013 to substantially demolish and rebuild this property. This expenditure is to be funded through reserves held by the Authority and therefore has no further impact on the capital plan.

9.3.2 **OQD Upgrade Lower Clapton Road:** Resource and spending approval of £1,175k in 2015/16 is requested to facilitate the addition works requirement at Lower Clapton Road. £1,900k was previously approved in September 2014 for the refurbishment, upgrade and adaptation Works at 136 - 142 and 136a, 142a Lower Clapton Road OQD Building. These works will facilitate the decant required to enable the re-letting of Keltan House whilst at the same time bringing together the parking services and enforcement operations, in line with the Council's Accommodation Strategy aimed at reducing the overall ongoing revenue costs associated with the corporate estate. These works also facilitate the wider regeneration aspirations within the Hackney Central area. This expenditure is to be resourced by reserves held by the authority and therefore has no further impact on the capital plan.

9.4 S106 Approvals:

9.4.1 Resource and spending approval is requested for £574k (£569k Capital and £5k Revenue) in 2015/16 in respect of the project detailed below, to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreement.

Planning App. No.	Project Description	Agreement Development Site	2015/16
			£'000
2007/0989	Happy Nest	26-30 Southgate Road	42
2001/0600	Homerton Library Improvements	The Former Lauriston Primary School Annex	18
2009/2012	Highways Works 213-215 New North Rd	213-215 New North Rd	36
2012/3330	Denman House	Denman House Barn Street	29
2013/2499	25a Willberforce Road	25a Willberforce Road	5
2013/1345	Highway Works 8-10 Paul Street	8-10 Paul Street	32
2007/1215	1a Finsbury Park Road	1a Finsbury Park Road	16
2012/3856	Hare Walk	161-165 Kingsland Road	14
2010/2784	Highways Works 217 Queensbridge Road	217 Queensbridge Road	18
2001/0423 & 2001/0538	Trowbridge Environmental Works	Trowbridge Estate, EastWay Hackney Wick	359
Total Capital Approvals			569
2007/0989	Gillette and Dalston Square	Dalston Western Curve & 25-33a Kingsland Road	5
Total Revenue Approvals			5
Total S106 Approvals			574

9.5 Capital Programme Adjustments:

9.5.1 The following schemes need to be amended in the Capital Programme in order that the approved budget reflects delivery of the anticipated programme.

CYPS

Scheme	Budget 2015/16	Change 2015/16	Updated Budget 2015/16
	£000	£000	£000
CC Start Up Maintenance	354	(5)	349
Improvements to Kitchens	100	68	168
Woodberry Down AMP	465	63	528
AMP	3,319	(126)	3,193
	4,238	0	4,238

HSG

Scheme	Budget 2015/16	Change 2015/16	Updated Budget 2015/16
	£'000	£'000	£'000
Hackney Homes Capital Schemes			
Shoreditch A DH P2	(689)	689	0
Shoreditch B DH P2	4,243	(1,150)	3,093
Homerton DH P2	(461)	461	0
Council Capital Schemes	0	0	0
Housing Needs Allocation HRA	3,045	(170)	2,875
B/wide Housing under Occupation	(170)	170	0
Estate Renewal Programme	0	0	0
ERP 14/15 committed	46,780	(939)	45,841
Marian Court Phase 3	(929)	929	0
HW&K REGEN FINANCIAL APPRAISAL	(10)	10	0
Other Regeneration Schemes	0	0	0
Woodberry Down Bid	4,518	(770)	3,748
Kick Start Programme	(83)	83	0
Stock Transfer to HA	(31)	31	0
Other Heads	(34)	34	0
Woodberry Works/Const Training	(3)	3	0
Woodberry Down Security	(32)	32	0
Woodberry Down Phase 2-5	(585)	585	0
Woodberry Down Tenancy Agree	(3)	3	0
Woodberry Down Kickstart	(0)	0	0
Net Sub total	55,556	0	55,556

9.6 To be noted:

9.6.1 As reported to Cabinet in May 2015, the freehold acquisition of **333-337 Mare Street** for £6.600k. This property acquisition enables the Council to secure ownership that it currently does not have within the heart of Hackney Central adjacent to the station. It could also provide the Council the opportunity to further shape Hackney Central in the future. This property is not only strategically placed but further provides the Council with an excellent investment being leased to a high street brand producing a sizeable rental

income which has significant growth potential. This purchase is to be financed from reserves held by the authority although the final option for financing will be considered as part of the wider financing of the capital programme to ensure that the option providing best value is used.

APPENDICES

None

BACKGROUND PAPERS

None

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<p>Governance & Resources Scrutiny Commission</p> <p>8th September 2015</p> <p>Budget Scrutiny Task Groups</p>	<p>Item No</p> <p>8</p>
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Outline

Local Government has coped so far with severe reductions to budgets as a result of central government austerity measures. The cuts to date have led to a 27% reduction in the spending power of the sector in England between 2010/11 and 2014/15. Up until now councils have managed to set balanced, legal budgets by delivering the required savings each year.

The Governance and Resources Scrutiny Commission is proposing Budget Scrutiny Task Groups are set up to examine areas of major spend and consider the Council's budget saving proposals and models for the future shape of council services. Under the Constitution G&R has the power to establish such scrutiny task groups.

Attached is the draft Terms of Reference for the Budget Scrutiny Task Groups. It has been proposed that the scrutiny task groups should focus on areas of significant spend, where there is potential to make savings of a magnitude that can contribute to the budget reductions being applied to 2016/17 – 19/20. The Budget Scrutiny Task Groups will be aligned to ongoing officer work on the corporate cross cutting programmes.

Action

The Commission is asked to agree to the establishment of the scrutiny task groups and the Terms of Reference.

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Budget Scrutiny: the future shape of council services

Proposal to establish Scrutiny Task Groups to review areas of major spend and service models

1. Establishing the Groups

It is proposed the Governance and Resources Scrutiny Commission (G&R) establish scrutiny task groups to consider the Council's budget saving proposals and models for the future shape of council services. Under the Constitution G&R has the power to establish such scrutiny task groups.

The scrutiny task groups will be established with defined membership, terms of reference and will be time-limited.

There will be two phases of work from the Groups. *Phase 1* will consider the approaches to budget savings for 2016/17 to give Members an understanding of the direction of travel and where savings will come from.

Phase 2 will look at the budget savings for 2017/18 through to 2019/20 and help shape the priorities for budget savings in 2017/18, 2018/19 and 2019/20.

2. Selection of service areas or topics

It has been proposed that the scrutiny task groups should focus on areas of significant spend, where there is potential to make savings of a magnitude that can contribute to the budget reductions being applied to 2016/17 – 19/20. The Scrutiny Task Groups will be aligned to ongoing officer work on the corporate cross cutting programmes. These programmes are looking at radically different ways of providing services in order to address the major commitments to improving services, and to promoting greater opportunity, set out in the administration's manifesto, while making substantial saving over the next three to five years. Taking into account officers' suggestions and the views expressed by Members the proposed scrutiny task groups to be set up are:

a) Scrutiny Task Group on Customer Services

This group will review how the Council is using its intelligence about service delivery and residents' needs to manage demand. Initial work to date has covered housing repairs, including responsive repairs and the repairs call centre, and the communal repairs service. The cross cutting programme will look at a wider range of Council services using a whole system approach from first customer contact to completion of the task; this is expected to include services such as Planning. In addition, improved processes for Council Tax, Business Rates and Housing Benefits are being developed, and are expected to generate savings of £2m.

b) Scrutiny Task Group on Public Realm

This group will look at all environmental cleansing functions, i.e. for streets, parks and estates, and how these should change over the next few years so that the Council can continue to maintain high standards as the population continues to increase and budgets reduce. This service plans to spend around £47.8m in 2015/16 to meet these aims and to provide services for Waste and Recycling, Street scene, Parking and Street Markets.

c) Scrutiny Task Group on Adult and Children Social Care

The Children's Social Care (CSC) Service plans to spend around £40.2m (gross expenditure) in 2015/16. The core focus of the Service is child protection, supporting families where their children are on the edge of care and securing positive long-term life chances of children permanently looked after by the Council.

The Adult Social Care Service plans to spend around £98.8m (gross expenditure) in 2015/16. Adult social care services are delivered both in-house and by external providers, covering the entire care process from safeguarding vulnerable adults, advice, signposting, referrals to universal services, initial assessment, brokering and commissioning of individual packages of care for clients, review and ongoing support. This includes clients with mental health issues, physical disabilities, learning disabilities and older people. This service also works closely with carers across the Borough to ensure they are supported in their caring role.

d) Scrutiny Task Group on Enforcement

This cross cutting programme is about taking a step back and re-stating the purpose of the Council's different enforcement functions. It aims to re-align the enforcement function to better achieve the Council's aims, while dealing with the additional demand arising from an increased population and economic growth, and at the same time also making savings.

The scope of the programme covers Building Control, Planning Enforcement, Trading Standards, Licensing, Environmental Health, Environmental Enforcement, Parking Enforcement, Parks, Markets, Hygiene Services, Street scene Enforcement, Shop Front Trading, Community Safety, including the Wardens Service, and Private Sector Housing; the gross budget for these services is over £29m. It is expected to identify potential savings of up to £2m for 2016/17.

3. Number of panels and Membership

It is proposed once the initial work to look at the direction of travel for savings in 2016/17 is complete. If required, further scrutiny task groups could be established as needed.

No more than four panels will be established at any one time, save for exceptional circumstances.

Once the topics have been approved, Members would be asked to volunteer to serve on a specific group. Because these are time limited, Members will be asked not to volunteer for a panel unless there is a reasonable expectation they can be present for all the meetings. Membership will be open to all backbench councillors not just those currently involved in scrutiny. The allocation of members to panels will be decided by each party. All Members would be encouraged to attend the meetings of the task groups, regardless of membership.

Through the party whips Members would be nominated to serve on each task group. The political make-up will be proportionate over all to the membership of the Council so for example, if 20 positions are available (if there are 4 groups of 5), there will be 1 Conservative and 1 Liberal Democrat position offered as a minimum. As the work of these groups would be a matter of public record, and they would meet in public, all Members would be encouraged to attend.

4. Mayor and Cabinet

Neither the Mayor nor Members of the Cabinet are eligible to be Members of the Scrutiny Task Groups. However, they will be invited to attend, particularly for discussion about service areas related to their portfolios.

5. Frequency and timing of meetings

It is envisaged that the outputs of these groups will contribute to the reshaping of services but as they will also contribute significantly to the budget setting process, the aim would be to complete their initial work for 2016/17 *by November 2015* (ongoing timescale required to be confirmed with HMT).

Members would be made aware of the time commitment expected and would be offered both daytime and evening meetings.

It is expected that much of the work will be completed on-line and by email but that a limited number of meetings (maximum three) are held in public either daytime or evening from September – October 2015.

As is usual for Scrutiny these are meetings held in public but they are not Public Meetings. Only those invited to give evidence would be allowed to contribute to the discussion. Residents or members of the public with specific interests would of course be encouraged to contact their ward councillor or a Task Group Member directly to make their own representation.

The following Membership is proposed:

Name	Membership	When it meets	Proposed meeting dates
Budget Scrutiny Customer Service	Cllr Rennison Cllr Louisa Thomson Cllr Tom Rahilly Cllr Chris Kennedy (Cons / Lib Dem Member)	Daytime/Evening	9 th September 2015 TBC Oct
Budget Scrutiny Enforcement	Cllr Caroline Selman Cllr Peter Snell Cllr Richard Lufkin Cllr James Peters (Cons / Lib Dem Member)	Daytime/Evening	9 th September 2015 TBC Oct
Budget Scrutiny Adults and Children Social Care	Cllr Emma Plouviez Cllr Laura Bunt Cllr Clare Potter Cllr Susan Fajana-Thomas (Cons / Lib Dem Member)	Daytime/Evening	16 th September 2015 TBC Oct
Budget Scrutiny Public Realm	Cllr Margaret Gordon Cllr Nick Sharman Cllr Jonathan Burke Cllr Rick Muir (Cons / Lib Dem Member)	Daytime/Evening	16 th September 2015 TBC Oct

Following confirmation of membership the Scrutiny Task Groups can agree their own preferred times to meet to suit the schedules of the councillors and officers involved. At the end of the task the Groups will be dissolved.

6. Officer support

The Groups will be supported by a combination of the Overview and Scrutiny Team, the Programmes and Projects Team and Policy Team, as well as expertise from officers in the directorates of the service areas affected.

7. Task and Finish Group

There will be two phases of work from the Groups. Phase 1 will consider the approaches to budget savings for 2016/17 to give Members an understanding of the direction of travel and where savings will come from.

Phase 2 will look at the budget savings for 17/18 through to 19/20 and help shape the priorities for budget savings in 2017/18, 2018/19 and 2019/20.

Task groups will seek to understand what modelling has been done to apply to 2016/17, 2017/18, 2018/19 and 2019/2020. On each Task Group, Members will be asked to emphasise the following lines of enquiry.

- a) The approach taken to savings to date, impact and learning.
- b) Any barriers to delivering future savings
- c) Approach to future transformation and the consideration given to the needs of communities, businesses and residents
- d) Priorities for delivering services over and above statutory services.

8. Statement of Outputs

The outputs of these Scrutiny Task Groups will inform budget decisions to be taken this year and the next three years.

The Governance and Resources Scrutiny Commission will receive updates on the progress of each group on an ongoing basis. The reports themselves will be limited to: addressing the lines of enquiry set out above, reflecting options for change, and making recommendations for future action.

All Members who served on the groups will be invited to discuss the process and to give their views on service configuration and how budget planning might be progressed.

9. Timetable for establishment of the Task Groups

Action	Date
Discussion at party groups	July
Identification of the four topic areas and agreement with the Mayor and Cabinet, the Chief Executive and the Corporate Director of Finance and Resources	July
Members to volunteer their service	July

Whips to agree proposed membership of the initial four Scrutiny Task Groups	July
Meetings of the initial four Scrutiny Task Groups	Sept – October 2015
Reports of each Scrutiny Task Groups in agenda for G&R	Earliest possible G&R meeting
Response from Cabinet Member for Resources to the work of the initial four Scrutiny Task Groups	December 2015
Meeting to review the process with all Members of the initial four Scrutiny Task Groups	January 2016

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Governance & Resources Scrutiny Commission 8 th September 2015 Governance & Resources Scrutiny Commission Work Programme for 2015/16	Item No 9
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Outline

Attached is the work programme for the Governance and Resources Scrutiny Commission for 2015/16. Please note this is a working document and regularly revised and updated.

Action

The Commission is asked to consider and note any suggestions for the work programme in 2015/16.

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Overview & Scrutiny

Governance and Resources Scrutiny Commission

Rolling Work Programme June 2015 – April 2016

All meetings take place at 7.00 pm in Hackney Town Hall unless stated otherwise on the agenda. This rolling work programme report is updated and published on the agenda for each meeting of the Commission.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Wed 10th June 2015 Papers deadline: Mon 1st June	Election of Chair and Vice Chair	Chief Executive's	First meeting of newly elected Commission.
	London Living Wage Executive Response	Chief Executive's	Cabinet Member for Finance response to letter of reference following the outcome of G&R's short inquiry
	Delivering Public Services – Whole Place, Whole System Approach Evidence session	Early Intervention Foundation Donna Molloy – Head of Implementation	Presentation by Donna Molloy from Early Intervention Foundation about prevention and spending on late intervention.
	Delivering Public Services – Whole Place, Whole System Approach <ul style="list-style-type: none"> • Health in Hackney Scrutiny Commission – Depression and Anxiety Report • The 21st Century Public Servant 	Chief Executive's	Review the findings from the Health in Hackney Scrutiny Commission Depression and Anxiety Review. Review of the finding from a review conducted by Dr Catherine Needham and Catherine Mangan on

Dates	Proposed Item	Directorate and officer contact	Comment and Action
			the changing public service workforce.
	Delivering Public Services – Whole Place, Whole System Approach <ul style="list-style-type: none"> • Long Term Unemployed People in Hackney – The Customer Journey 	Chief Executive's	Discussion based on the findings from the qualitative research report by BDRC highlighting the customers journey for the long term unemployed in Hackney.
	Work Programme Discussion	Chief Executive's	To agree a review topic and topics for one-off items for the year.
Mon 8 July 2015 Papers deadline: Fri 26 June	London Borough of Hackney 2015 Elections	Chief Executive's (Tim Shields)	Report on the 2015 Elections - voters registration and postal votes
	Devolution	Chief Executive's (Tim Shields)	Discussion about the opportunities devolution could provide for Hackney
	Corporate Cross Cutting Programmes	Chief Executive's (Tim Shields)	Update on the progress of the Corporate Plan 2015-18 cross cutting programmes

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Tues 8 Sept 2015 Papers deadline: Thu 27 August	Finance update	Finance and Resources (Ian Williams)	Briefing on the budget scrutiny process and update on General Fund savings 2011/12-2013/14.
	Complaints Service Annual report	Chief Executive's (Bruce Devile)	Annual report of the Council's complaints service
	Budget Scrutiny Task Groups	Chief Executive's Overview and Scrutiny	Terms of Reference to establish
Tues 13 Oct 2015 Papers deadline: Thu 1 Oct	HR Workforce Strategy	Legal, HR and Regulatory Services (Gifty Edila)	
	ICT Review Recommendation Update	Finance and Resources (Ian Williams and Christine Peacock)	
Tues 10 Nov 2015 Papers deadline: Thu 29 Oct			

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Tues 8 Dec 2015 Papers deadline: Thu 26 Nov	Finance update	Finance & Resources (Ian Williams)	
Tues 12 Jan 2016 Papers deadline: Mon 21 Dec	Cabinet Question Time with Cllr Taylor (Cabinet Member for Finance) TBC	Cllr Taylor – Cabinet Member Finance	Cabinet Question Time is now carried out by individual Commissions. Cllr Taylor has lead responsibility for revenues and benefits, audit, procurement, pensions, and customer services.
Mon 22 Feb 2016 Papers deadline: Wed 10 Feb	Budget and Finance update	Finance & Resources (Ian Williams)	Budget and Finance update on local government settlement and Council Budget for 2015/16.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
Tues 8 Mar 2016 Papers deadline: Thu 25 Mar			
Tues 12 Apr 2016 Papers deadline: Thu 31 March	Work programme for 2016/17 discussion		Discussion on topics for work programme for 2016/17.

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