



COUNCIL

All Members of the Council are
HEREBY SUMMONED
to attend a meeting of the Council to
be held on

Wednesday, 25th January, 2017

at 7.00 pm

in the Council Chamber, Hackney Town Hall,
Mare Street, London E8 1EA

Tim Shields
Chief Executive

Contact: Emma Perry
Governance Services
Tel: 020 8356 3338
governance@hackney.gov.uk

The press and public are welcome to attend this meeting

MEETING INFORMATION

Future Meetings

1 March 2017

24 May 2017 - AGM

Contact for Information

Emma Perry, Governance Services

Tel: 020 8356 3338

governance@hackney.gov.uk

Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane. For directions please go to <http://www.hackney.gov.uk/contact-us>

Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in the Assembly Halls, rooms 101, 102 & 103 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.

AGENDA ITEM NUMBER	AGENDA ITEM	INDICATIVE TIMINGS:
1 – 4	Preliminaries	5 minutes
5	Deputations	30 minutes
6	Questions from Members of the Public	10 minutes
7	Questions from Members of the Council	30 minutes
8	Elected Mayor's Statement	20 minutes
9	Calculation of Council Tax Base & Local Business Rate Income for 2017/18	20 minutes
10	National Scheme for Auditor Appointments	5 minutes
11	Pay Policy Statement 2017-18	5 minutes
12	Motions	30 minutes
13	Appointments to Committees	5 minutes

Council Agenda

1 Apologies for Absence

2 Speaker's Announcements

3 Declarations of Interest

This is the time for Members to declare any disclosable pecuniary or other non-pecuniary interests they may have in any matter being considered at this meeting having regard to the guidance attached to the agenda.

Members are reminded that, under Section 106 of the Local Government Finance Act 1999, any Member who is in arrears of two or more months Council Tax must declare it at the meeting and abstain from voting on agenda item 9.

4 Minutes of the previous meeting

(Pages 1 -
18)

5 Deputations

a Lack of on-street parking for residents in Lea Bridge Ward

We would like to ask the council to come up with a solution to relieve the impossible parking situation in the seven streets in displacement Zone N CPZ that have been left without controls. Residents have absolutely nowhere to park as there are commuters, local teachers/workers, residents from the CPZ without permits etc. circling the streets to find free spaces from 7am onwards. We are unable to collect children, go to the supermarkets, use leisure services or get any home repairs done etc. because there is simply nowhere to park – and we cannot move our cars on Mondays to Fridays from 7am to after 7pm. We have made suggestions and explained our plight on several occasions to the Parking Department, Mayor and Councillors but they have been unable to help us.

Since the implementation of the CPZ (N displacement) on December 19th there has been growing tension, altercations and damage to cars due to frustration caused by the poor implementation of the extended zone. The situation is unbearable for us and is causing much stress and disruption to daily life and work. We ask the council to find a solution that can be implemented immediately to alleviate the situation for residents in streets affected (Fletching Road, Thornby Road, Wattisfield Road, Chailey Street, Cornthwaite Road, Cotesbach Road, and Mildenhall Road).

The Deputation will be introduced by Cllr Rathbone
The Deputation spokesperson is Ian McNicol

b Wordsworth Road Area CS1 Motor Traffic Reduction Scheme

We're a group of residents living in the Wordsworth Road area.

We believe road closures implemented here in September as part of the CS1 motor traffic reduction scheme do not fairly address the needs of all road users – cyclists/cars/pedestrians, and that the consultation process wasn't carried out representatively or transparently.

We've seen adverse effects since the road closures were implemented last September, including:

- Traffic overspill from restricted roads resulting in congestion on neighbouring residential roads.
- Traffic pushed onto the busy A10 and Crossway or neighbouring residential streets – worsening pollution and increasing risk of accidents.
- Speeding cyclists on Wordsworth Road – endangering pedestrians.

We believe any perceived advantages of this scheme are outweighed by the disadvantages. We've been actively engaging local residents/stakeholders and have collected a significant number of objections via on-line and door-to-door petitions and individual letters of objection submitted to Hackney/TfL.

We ask that:

- The ETO review due in March agrees to remove the road closures.
- Hackney/TfL meet with our residents' group to review all aspects of the responses to the ETO and discuss alternatives for a workable and balanced solution that will democratically address the needs of all road users.

The deputation will be introduced by Cllr Michelle Gregory
The Deputation spokesperson is Nicky Bowden

6 Questions from Members of the Public

6.1 From Mr Christopher Sills to the Mayor:

"Would you agree with me that fresh thinking by all concerned is needed if the current unsatisfactory situation of elderly care is to be resolved bearing in mind that there will never be enough money to solve the problem under any party if current policies are continued. Would you consider the following changes in policy which could reduce the problems in individual cases;

- A) Encourage tenants to take on tenants, which will reduce loneliness and homelessness and therefore demands on the health services.
- B) Introduce an estate based transfer system which will enable tenants to transfer on the same estate as their families grow, on condition they move to smaller accommodation when their children leave home.

C) Introduce a limited Sons and Daughters scheme

D) Consider one off schemes to solve individual problems”

6.2 From Mr Andy Pakula to the Mayor:

“At the Hackney Citizens Mayoral Accountability Assembly in September 2016, Mayor Phillip Glanville committed to resettling 7 Syrian families by Christmas 2016, however only 3 families have been resettled so far. We recently read a statement from the Mayor that this pledge will be fulfilled by March 2017.

What plans are in place to ensure that the families will be in the borough by March 2017 as promised?”

7 Questions from Members of the Council

7.1 From Cllr Abraham Jacobson to the Cabinet Member for Housing Services:

“What is Hackney Council doing to mitigate the financial impact on larger households due to the compulsory roll out of water meters in Hackney?”

7.2 From Cllr Sophie Conway to the Deputy Mayor:

“In light of the stabbing of three young people over the Christmas period could the Deputy Mayor explain what interventions (therapeutic and otherwise) are offered to the young victims, perpetrators and witnesses of such traumatic incidents?”

7.3 From Cllr Ian Sharer to the Deputy Mayor:

“What assistance is Hackney Council providing to assist religious privately maintained Schools and establishments to find suitable premises?”

7.4 From Cllr Sharon Patrick to the Cabinet Member for Health, Social Care and Devolution:

“What is the Council and its partners doing to assist people with Dementia to lead a fulfilling and activate life?”

7.5 From Cllr Harvey Odze to the Mayor:

“Would the Mayor please inform the council how much leaseholders and council tax payers have been overcharged for energy not supplied but billed for in 2015/16 and what is being done to prevent this waste of leaseholders and council tax payers’ hard earned money.”

7.6 From Cllr Snell to the Cabinet Member for Planning, Business and Investment:

“What is the Council doing to protect the traditional street scene in Hackney; particularly in terms of limiting the loss of small retail units to bar and restaurant use?”

- 7.7 From Cllr Susan Fajana-Thomas to the Cabinet Member for Neighbourhoods, Transport and Parks:
 “I would like the Cabinet Member for Neighbourhoods, Transport and Parks, to provide an update on the Council's long term business plan for Clissold House in Clissold Park”
- 7.8 From Cllr Margaret Gordon to the Deputy Mayor:
 “Could the Deputy Mayor outline her strategy in respect of the proposed so called 'fair funding formula' which, if implemented as proposed, will have a very significant impact on our schools?”
- 7.9 From Cllr Clare Potter to the Cabinet Member for Health, Social Care and Devolution:
 “Can the Cabinet member for Health, Social Care and Devolution provide an update on the North East London Sustainability and Transformation Plan (STP); with particular reference to the potential impact on health service provision for Hackney residents.”

8 Elected Mayor's Statement (standing item)

9 Report from Cabinet: Calculation of Council Tax Base and Local Business Rate Income for 2017/18

(Pages 19
- 32)

10 Report of the Group Director Finance and Resources: National Scheme for Auditor Appointments

(Pages 33
- 52)

11 Report of Corporate Committee: Pay Policy Statement 2017-18

(Pages 53
- 64)

12 Motions

a Hackney Road Recreation Ground

Hackney Road Recreation Ground is one of the 58 parks and green spaces managed by the Hackney Council. The space is the old burial ground of St Leonard's Church of Shoreditch and is the last resting place of Thomas Fairchild (1666-1729), a notable horticulturalist who discovered that plants have a sex and was the first person to scientifically create an artificial hybrid plant.

The local community is keen to reflect the site's unique history by renaming it 'Fairchild's Garden'. The proposed new name for the park was selected through a consultation exercise with park users and the wider community, and is supported by St Leonard's Church, the Metropolitan Public Gardens Association and by the local community.

Hackney Council approves the proposal to rename the space *Fairchild's Garden*, to celebrate this notable Hackney citizen.

Proposed: Cllr Jonathan McShane
 Seconded: Cllr Feryal Demirci

b Number 73 Bus Route

Given that the 73 bus route is garaged in Stamford Hill Bus garage and runs empty through Stamford Hill en route to its starting point at Stoke Newington Common then on to Victoria Station, as opposed to its previous route from Tottenham Swan to Victoria Station, and that the curtailment of this route is a great inconvenience to many Hackney residents, businesses and visitors, this Council calls upon Mayor Glanville to use his best efforts to intercede with the Mayor of London, Sadiq Khan to request that he instruct senior officers at TfL to immediately review the starting point of this bus route with a view to reintroducing the Stamford Hill Broadway to Stoke Newington Common section of the 73 bus route at the earliest possible opportunity.

Proposed: Cllr Simche Steinberger
Seconded: Cllr Harvey Odze

13 Appointments to Committees and Commissions (standing item)

RIGHTS OF PRESS AND PUBLIC TO REPORT ON MEETINGS

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the 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.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director of Legal;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- i. relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- ii. relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- iii. affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- ii. You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- iii. If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained

a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.

- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Yinka Owa, Director of Legal, on 020 8356 6234 or email Yinka.owa@hackney.gov.uk



FS 566728

London Borough of Hackney
Council
Municipal Year 2016/17
Date of Meeting Wednesday, 30th November, 2016

Minutes of the proceedings of
Council held at Hackney Town
Hall, Mare Street,
London E8 1EA

**Councillors in
Attendance:**

Mayor Philip Glanville, Cllr Kam Adams, Cllr Soraya Adejare, Cllr Dawood Akhoun, Cllr Laura Bunt, Cllr Jon Burke, Cllr Sophie Cameron, Cllr Robert Chapman, Cllr Mete Coban, Conway, Cllr Feryal Demirci, Cllr Michael Desmond, Cllr Sade Etti, Cllr Susan Fajana-Thomas, Cllr Margaret Gordon, Cllr Michelle Gregory, Cllr Katie Hanson, Cllr Ben Hayhurst, Cllr Ned Hercock, Cllr Christopher Kennedy, Cllr Michael Levy, Cllr Yvonne Maxwell, Cllr Clayeon McKenzie, Cllr Jonathan McShane, Cllr Sem Moema, Cllr Patrick Moule, Cllr Ann Munn, Cllr Guy Nicholson, Cllr Harvey Odze, Cllr Deniz Oguzkanli, Cllr M Can Ozsen, Cllr Benzion Papier, Cllr Sharon Patrick, Cllr James Peters, Cllr Clare Potter, Cllr Tom Rahilly, Cllr Ian Rathbone, Cllr Rebecca Rennison, Cllr Anna-Joy Rickard, Cllr Rosemary Sales, Cllr Caroline Selman, Cllr Ian Sharer, Cllr Nick Sharman, Cllr Peter Snell, Cllr Simche Steinberger, Cllr Vincent Stops, Cllr Geoff Taylor, Cllr Jessica Webb and Cllr Carole Williams

Apologies:

Cllr Brian Bell, Cllr Barry Buitekant, Cllr Tom Ebbutt, Cllr Abraham Jacobson, Cllr Richard Lufkin and Cllr Sally Mulready

Officer Contact:

Emma Perry, Governance Services

Councillor Rosemary Sales [Speaker] in the Chair

1 Apologies for Absence

- 1.1 Apologies for absence from Members are listed above.
- 1.2 Apologies for lateness were received from Councillors McShane, Peters, Rahilly and Stops.

2 Speaker's Announcements

- 2.1 The Speaker welcomed everyone to the meeting. The Speaker congratulated Councillor Maxwell on her recent election and welcomed her to her first Council meeting.
- 2.2 The Speaker announced the following dates to her civic events:

- 9 December – Gala Dinner
- 14 December – Carol singing outside Hackney Town Hall from 3.30pm
- 27 January 2017 – Holocaust Memorial Day

3 Declarations of Interest

- 3.1 Councillor Rathbone declared a non-pecuniary interest in Item 14 – Pensions Committee Annual Report 2015-16, as he took a pension.
- 3.2 Councillor Odze declared a non-pecuniary interest in Item 15a Motion – Stamford Hill Road Safety Scheme, as he had worked for TfL in the past.

4 Minutes of the previous meetings

- 4.1 **RESOLVED** that the minutes of the previous meeting held on 20 July 2016 be approved, subject to the following comment:-
- Councillor Steinberger stated that his comment at paragraph 6.2 had been taken out of context.
- 4.2 **RESOLVED** that the minutes of the previous meeting held on 26 October 2016 be approved, subject to the following amendments:-
- Councillors Mulready and Munn were in attendance but not listed in the attendance list.
 - Paragraph 2.2 – the list of events were not all fundraising events
 - Paragraph 10.2 – Councillor Steinberger stated that the Conservative Group would be open to talks to discuss nominating a representative, inline with the Localism Bill.
 - Page 25 – the voting should state ‘Councillor’ Odze

5 Deputation

- 5.1 Councillor Rathbone introduced the deputation on behalf of the Chatsworth Road Traders’ and Residents’ Association.
- 5.2 Damian Patchell, Acting Chair of Chatsworth Road Traders’ and Residents’ Association, stated that they had been in discussions with the Council over the past six years regarding the request for the partial closure of Chatsworth Road (from Dunlace Road to Rushmore Road) on a Sunday when the market runs. Mr Patchell requested that the Council press TfL to re-route the 308 bus, which had previously been done for festivals and Christmas Markets. Residents believed that this would make the market safer for users and help expand the community hub aspect of the market. He added that from a survey response, over 630 local residents, 86% had supported this proposal.
- 5.3 Mr Patchell stressed the importance of promoting a safe environment surrounding the market and referred to a few instances when a vehicle had hit one of the market stalls. The closure of the road would promote a sustainable market and support local traders.

- 5.4 Councillor Patrick was a Kingspark Ward Councillor and also welcomed the proposals. She believed that the 308 bus service should be diverted permanently to help support the development of the market, as it had successfully been done on a number of occasions.
- 5.5 Councillor Odze recognised the long history of the market, which dated back to the 1930s. Councillor Odze referred to the proposed partial road closure and stated that the emergency services should also be consulted to ensure that any measures taken would not prevent access for emergency vehicles.
- 5.6 In response to a question from Councillor Stops regarding the proposed diversion of the 308 bus route, Mr Patchell stated that the diversion would effectively only be located 0.6m away and therefore the impact on local residents would be minimal.
- 5.7 Councillor Demirci responded to the deputation and thanked everyone involved in transforming the market and the surrounding area, which had seen a huge amount of regeneration. Councillor Demirci was aware of the requests for the partial road closure and diversion of the 308 bus route and acknowledged the results of the survey. The suggested bus diversion had been discussed with TfL which had not been supported, due to an increase in journey times and costly long delays.
- 5.8 Councillor Demirci advised that the Fire Commander confirmed that Chatsworth Road was a crucial route for the fire service, which was also confirmed by the Resilience Manager at Homerton Hospital. The Metropolitan Police also shared the views of the other stakeholders. Therefore, the relevant stakeholders believed that an emergency vehicle access only along Chatsworth Road would give rise to serious conflict to pedestrians and could not support a full closure at this point.
- 5.9 Councillor Demirci stated that the Council was not against road closures, however it was unable to agree to this proposal at the current time.

6 Questions from Members of the Council

- 6.1 From Cllr Michael Levy to the Cabinet Member for Community Safety and Enforcement:

“In light of deplorable incidents where fireworks were thrown at members of the community including young children and a visitor to this country what measures does the Council employ to ensure that sales of fireworks are restricted to adults only.”

Response from Cllr Selman:

Cllr Selman stated that the Council’s Licensing Authority ensured that licences were correctly issued for the purposes of selling fireworks, on the basis that the licence holder could demonstrate that they were a ‘fit’ person to hold the licence. Cllr Selman advised that this year the Licensing Authority received eleven applications, but issued only ten licences after receipt of an objection from Trading Standards.

On an annual basis, Trading Standards conducted age restricted test purchases of fireworks in partnership with the Police. This year there had been two action days conducted using Police cadets. It was an offence to set off

fireworks in the highway, street, thoroughfare or public place and enforcement was undertaken by the Police, so any illegal use of fireworks should be reported to the Police on 101 or 999 in an emergency.

Cllr Selman added that in the lead up to November, the Council Community Safety Team carried out re-assurance patrols across the borough, including activities in and around Gillett and Dalston Square.

In response to a supplementary question, Cllr Selman stated that she would find out what work was being done in schools to educate children on the dangers of fireworks.

6.2 From Cllr Sharon Patrick to the Deputy Mayor:

“Could the Deputy Mayor please let me know what Hackney is doing to consult looked after children about the service provided to them. Also could she update the Council on the latest education results for looked after children, and how this compares to the rest of the country?”

Response from Deputy Mayor Bramble:

The Deputy Mayor advised members that the Hackney’s Children in Care Council, Hackney Gets Heard, gave looked after children the opportunity to shape and influence the corporate parenting that they received at every level. It gave young people the opportunity to have a say about the things that really mattered in their lives, helping to shape the overall strategy for looked after children and young people in Hackney.

Children and young people, through Hackney Gets Heard, led work in 2015 to develop and re-design the previous Hackney Pledge. This was re-launched in a comic book format as the ‘Hackney Promise to Children and Young People in Care’ in summer 2015. Following work with young people through Hackney Gets Heard to ratify priorities, Hackney’s revised Corporate Parenting Strategy for 2016-19 was approved by the Corporate Parenting Board in March 2016. Ofsted inspectors praised this piece of work and the Hackney Promise as an example of good practice in the recent Ofsted inspection.

Young people, through Hackney Gets Heard, were also involved in producing leaflets for children and young people about the services they received, staff recruitment, and designing and piloting new more child-friendly ways of working, for example related to Looked After Children reviews.

Deputy Mayor Bramble stated that Hackney’s GCSE results (Key Stage 4) for looked after children are exceptional. Hackney’s looked after children achieved the best results in the country in 2015 for 5 GCSEs with English and maths at 34.6% compared to a national average of 12%.

6.3 From Cllr Kam Adams to the Mayoral Adviser for Advice Services and Preventing Homelessness:

“In light of the recent official figures that show homelessness has risen to the highest level for nearly a decade can the Mayoral Adviser for Advice Services and Preventing Homelessness tell us the latest figures on the number of homeless people in the borough?”

Response from Cllr Rennison:

Cllr Rennison stated that it was important to distinguish the type of homelessness. In terms of Rough Sleeping, the most visible form of homelessness and the most damaging to a person's quality of life, numbers had been rising in recent years across the country after a period of decline. Cllr Rennison was pleased to announce that this year the numbers of rough sleepers found in Hackney had fallen from 20 to 17. However, this was still more than double the number in 2010.

Cllr Rennison was proud to state that Hackney was the first local authority to produce a specific strategy to tackle rough sleeping, which had just been adopted by Cabinet. This built on successful and innovative work to prevent hundreds of cases of homelessness a year, such as the Greenhouse Single Homeless Hub. The Council also looked forward to welcoming the No Second Night Out hub to the borough next year. With co-ordinated work on prevention, outreach and supported pathways into housing, the Council had set an ambitious target to eliminate rough sleeping in Hackney by 2020.

As of October this year there were 2,375 households in Hackney living in temporary accommodation. This had risen from 1,296 since 2010/11. The Council's Temporary Accommodation Strategy outlined how the Council would procure and manage temporary accommodation and assist homeless families to move into secure, sustainable homes.

6.4 From Cllr Sophie Cameron to the Cabinet Member for Community Safety and Enforcement:

"What has Hackney Council done to follow up on the issues raised by the deputation regarding ASB in relation to street sex work, in the Lordship Park area of Clissold and Stamford Hill West Wards; which was brought to full Council in January this year?"

Response from Cllr Selman:

Cllr Selman informed Members that at Council on 27 January 2016 a deputation of residents from the Lordship Park area had drawn members' attention to concerns about anti-social behaviour (ASB) associated with street based sex work and called on the Council to take action.

Since that date, working with partners, Hackney Council had developed a new Standard Operation Procedure (SOP) setting out how the Council Community Safety Team, Hackney Police and relevant support agencies would approach ASB related to street based sex-working. The focus of the SOP was on partnership working and support.

Cllr Selman stated that work to tackle on street sex working required a delicate balance. Hackney Council prioritised supportive action to enable sex workers to access health and other services, and provide the best opportunities to move on to a less risky lifestyle. Street based sex work was concentrated in Hackney in two distinct areas, and associated ASB could have a particular impact on local residents. That ASB could include kerb-crawlers propositioning local residents for sex, noise, drunkenness, discarding of used condoms, drugs paraphernalia and urination in residential doorways, alleyways and gardens.

In addition to proactive enforcement action, the Council had taken practical steps around Lordship Park since the deputation in January 2016. The Council's Police Crime Prevention Design Advisor (seconded to Hackney Council Community Safety Team) had conducted a review of the relevant areas. This had resulted in the installation of new CCTV, target hardening measures such as cutting back trees and foliage, which had helped improve lighting. Through Community Safety Officers the Council had been engaging with residents, encouraging the development of a local Neighbourhood Watch scheme.

6.5 From Cllr Clare Potter to the Cabinet Member for Employment, Skills and Human Resources:

"In December 2015 the Government announced they plan to deliver 3 million apprenticeships by 2020 with the aid of a new apprenticeship levy. Can the Cabinet Member for Employment, Skills and Human Resources describe the work being carried out within the Council to take advantage of this levy so that we maximise the opportunities for Hackney residents?"

Response from Cllr Williams:

Cllr Williams explained that the Council was committed to increasing and improving its apprenticeship provision and had established a corporate apprenticeship programme to achieve this. An Apprenticeship Programme Manager was now in post, with a focus on generating apprenticeship opportunities across the Council. The apprenticeship programme would support teams to create and recruit to apprenticeship vacancies, and identify appropriate study programmes which could be paid for using the new apprenticeship levy funding. Council apprenticeships were ring-fenced for 16-24 year olds who lived or had been educated in the borough, as well as care leavers for whom Hackney was a corporate parent.

All apprentices aged 18 or over would be paid at least the London Living Wage. The Council already employed 42 apprentices across all directorates, with established schemes in Housing, Waste and Young Hackney. By the end of the financial year the Council aimed to increase this to 50 by recruiting apprentices to teams including Public Health, Central Payments, and Hackney Learning Trust. The target was to increase the number of apprenticeships within the Council to 100 by 2018/19.

In response to a supplementary question, Cllr Williams recognised the challenges faced in providing apprenticeship opportunities. She stressed the importance of providing quality apprenticeship schemes, with accredited providers.

6.6 From Cllr Jessica Webb to the Cabinet Member for Planning, Business and Investment:

"Can the Cabinet Member for Planning, Business and Investment detail what the council is doing to support Well Street Market, particularly its re-launch on 3 December 2016 which includes a teenage market?"

Response from Cllr Nicholson:

Cllr Nicholson explained that the intention to regenerate Well St Market was outlined in the Council's 2010-15 Market strategy. In 2015 the Council engaged with the Well St Traders and Residents Association (WESTRA) and the

decision was made to re-launch the market in 2016. The Council's Markets service worked in partnership with WESTRA canvassing local residents to determine what kind of market the community wanted. Additionally it sought to understand what would attract customers from elsewhere in the borough and beyond to drive economic development and opportunities in the area. Earlier this year the Council embarked upon the project to re-launch the market initially on the first Saturday of every month.

The Markets service have led and managed the end to end project in close partnership with WESTRA who have achieved remarkable success with their crowdfunding campaign through the Spacehive initiative. Detailed action plans had been put in place and new ways of working have been adopted resulting in improved communication and transparency between stakeholders. Teams across the Council in Regeneration, Streetscene, Communications and Waste had all contributed to ensure the necessary action had been taken to ensure a successful launch.

Cllr Nicholson welcomed all Members to attend the opening of the market on Saturday 3 December 2016. The Council was informed that the Speaker and the Mayor of London would be attending.

6.7 From Cllr Sophie Conway to the Mayoral Adviser for Advice Services and Preventing Homelessness:

"November 25th was the International day for the elimination of violence against women, could the Mayoral Adviser for Advice Services and Homelessness update members on the work the Council is undertaking to support women experiencing domestic violence in Hackney?"

Response from Cllr Rennison:

Cllr Rennison stated that the Council took the need to support victims of domestic abuse very seriously, in order to reduce the risks they faced and address the issue in a systemic way across the borough. The Council offered pro-active case work service to anyone in Hackney experiencing domestic abuse aged 16 or over. The Domestic Abuse Intervention Service was the primary operational service for victims of domestic abuse in Hackney and this calendar year to date had received over 850 contacts, 100 more than had been received at the same point in 2015. The Council currently fund 48 refuge places, which was the third highest in London.

Cllr Rennison referred to the International Day for the elimination of violence against women held on 25 November 2016, which promoted 16 days of activism against gender based violence.

6.8 From Cllr Christopher Kennedy to the Deputy Mayor:

"How is Hackney planning to protect our excellent schools from the loss of local authority support that is threatened by current Government plans to dramatically reduce local education authority funding?"

Response from Deputy Mayor Bramble:

The Deputy Mayor stated that all schools must receive comprehensive support from the Local Authority. The removal of local education authority funding from young people in Hackney would not protect Hackney's excellent schools.

The Council awaited a new education bill from the Government. The Deputy Mayor stated that the aim was to have a proposition that was credible and appealing to schools, which retained a coherent and collective education system in Hackney.

7 Elected Mayor's Statement (standing item)

- 7.1 Mayor Glanville congratulated Councillor Yvonne Maxwell on her recent election and welcomed her to the meeting.
- 7.2 Mayor Glanville referred to the Housing and Planning Act and the recent victory on Pay to Stay. The Government had now scrapped compulsory Pay to Stay plans to force councils to charge higher-income tenants rents of up to market rates. Mayor Glanville highlighted one of the consequences of the Housing and Planning Act would have been a £500,000 cost of this implementable policy, with uncertain rent rises and a tax on tenants and aspiration. He was pleased to announce that Right to Buy Two had now been postponed until 2018.
- 7.3 Mayor Glanville stated that the Mayor of London had set out new planning rules to speed up the building of more affordable housing, alongside plans for how record-breaking investment of £3.15 billion would support 90,000 new affordable homes in the capital. He referred to the benefit cap of £23,000, how this affected residents in the borough and how the Government needed to do more.
- 7.4 Mayor Glanville discussed the issue of education and the challenges faced due to funding cuts. Mayor Glanville referred to the Government's support of grammar schools with funding of £50 million, and plans which could leave the Council with £20 million less for its schools over the next three years, equivalent to £1,000 per pupil. He stressed the importance of promoting equality and providing funding for much needed school places in state education, which the Council would continue to do. This resulted in Hackney having some of the best GCSE results and primary school results in the country. He urged all residents to respond to the consultation being undertaken to shape the response to the Government's education agenda.
- 7.5 Mayor Glanville advised that the Council would soon be launching its consultation on the future of Britannia Leisure Centre. The consultation would look at safeguarding the leisure centre and improving facilities, as well as creating a permanent site for a new secondary school, in consultation with the City of London.
- 7.6 Mayor Glanville paid tribute to Councillor Nicholson for standing up for local businesses and challenging the Government on business rates and Councillor McShane for setting out clearly where the Council stood on Sustainability and Transformation Plans NHS.
- 7.7 Councillor Levy responded to the Mayor's statement on behalf of the Conservative Group. Councillor Levy paid tribute to former Councillor Jacob Landau for Springfield Ward who had sadly passed away. Councillor Levy stated that he was a gentleman and devoted Councillor over the years, mentor and friend. A one minute silence was held in tribute to former Councillor Jacob Landau.

- 7.8 Councillor Sharer responded to the Mayor's statement on behalf of the Liberal Democrat Group. Councillor Sharer stated that the Council was against hate crime and referred to a number of incidents which had taken place in the north of the borough over the previous couple of weeks, some of which were racially motivated. He welcomed the motion on hate crime which was later in the agenda.
- 7.9 Councillor Sharer welcomed the Mayor of London's new planning rules to speed up the building of more affordable housing and additional funding. He also raised the issue of increasing business rates within the borough, which would have a negative impact on small businesses.
- 7.10 Councillor Steinberger also spoke in tribute to former Councillor Landau who was first elected in 2002 and suggested a form of recognition for him.
- 7.11 Councillor Odze echoed the comments made regarding former Councillor Landau who had been extremely supportive to everyone during his time as Councillor. Councillor Odze also made reference to the Mayor of London's commitment to housing and suggested that he had already broken one of his election commitments regarding the level of affordable housing being provided.
- 7.12 Councillor Burke commended the comments made by Mayor Glanville regarding education proposals and requested a cross party commitment to oppose grammar school education.
- 7.13 Mayor Glanville thanked the opposition group leaders for their responses and stated that he had also worked with former Councillor Landau in the past and stated that he would look into how he could be remembered. Mayor Glanville responded to the comments made by Councillor Sharer regarding hate crime and was proud of the work being done to bring communities together in the borough.
- 7.14 Mayor Glanville responded to the comments made regarding the Mayor of London and confirmed that he stood by his commitment of providing 50% of affordable housing. He added that it was important that Members stood up for children in the borough and promoted additional funding for education.

8 Report of the Chief Executive: Proposed in-year changes to the Council's Members' Allowances Scheme for 2016/17

- 8.1 Yinka Owa, Director of Legal, introduced the report for the proposed in-year changes to the Council's Members' Allowances scheme for 2016/17, following the resignation of the previous Mayor, Jules Pipe CBE. Following the appointment of Mayor Glanville, he had decided to appoint two Mayoral Advisers.
- 8.2 Sir Rodney Brooke CBE DL introduced his report and stated that as Mayoral Advisers were not included in the current Members' Allowances Scheme, he had provided a number of recommendations on the proposed remuneration of Mayoral Advisers. Sir Rodney Brooke stated that it was not unusual for additional advisors to be appointed and there was a recommendation for the Special Responsibility Allowances for the role of Mayoral Adviser to be set at £14,963.06. The two Mayoral Advisers were as follows:-

- Councillor Sem Moema – Mayoral Adviser for Private Renting and Housing Affordability.
 - Councillor Rebecca Rennison – Mayoral Adviser for Advice Services and Preventing Homelessness.
- 8.3 Councillor Odze stated that he would be abstaining from the vote, however this was not personal to the individual Mayoral Advisers. Councillor Odze objected to additional special responsibility allowances being implemented in the current economic climate.
- 8.4 Mayor Glanville explained that there were a range of portfolios in the new Cabinet. There were two existing part-time Cabinet Members which allowed two new Mayoral Advisers to be created without a need to increase the members' allowances fund.

RESOLVED that:

1. The report of the Council's independent adviser on Members' Allowances be noted.
2. The inclusion of Mayoral Advisers in a revised Members' Allowances Scheme for 2016/17 be agreed.
3. The recommended Special Responsibility Allowance for the role of Mayoral Adviser to be set at £14,963.06 be agreed.

Votes

For: Many
Against: None
Abstentions: 3

9 Report from Cabinet: Annual Report of the City and Hackney Safeguarding Adults Board 2015/16

- 9.1 Councillor McShane introduced the report and commended the work of the City & Hackney Safeguarding Adults Board.

RESOLVED that the CHSAB Annual Report 2015/16 be noted and endorsed.

10 Report of the Group Director Neighbourhoods and Housing: The Adoption of Section 4 and 5 of the London Local Authorities and Transport for London Act 2013

- 10.1 Councillor Demirci introduced the report and commended it to Council.

RESOLVED:

- i) To adopt sections 4 and 5 of the London Local Authorities and Transport for London Act 2013 ("the Act") so that its provisions enabling the Council to affix traffic signs and street lighting to buildings shall apply to the London Borough of Hackney from the day appointed for this purpose;

- ii) To fix the Appointed Day, from which the adopted provisions in paragraph 3.1(i) above take effect, as 15 January 2017 pursuant to section 3 of the Act;
- iii) Delegate power to the Group Director, Neighbourhoods and Housing to publish notices of the aforementioned resolutions pursuant to section 3(4) of the Act;
- iv) Delegate power to the Group Director, Neighbourhoods and Housing to exercise powers under Section 4 and 5 of the Act for the purpose of affixing traffic signs and street lighting onto buildings.

11 **Report of the Governance & Resources Scrutiny Commission: Delivering Public Services**

11.1 Councillor Anna-Joy Rickard introduced the report and commended it to Council. Members were advised that the report highlighted the following:

- The need for a service that was fit for the complexity of individual lives as well as local community circumstances and was built around people and their places.
- Service redesign work across the whole place and system including how frontline staff could work holistically with service users to meet their needs at the first point of contact.
- Reductions in public expenditure imposed by the Government and how Hackney Council would manage them.

11.2 Councillor Sharman advised Members that the Commission explored vulnerable groups of people with mental health issues. It was highlighted that the response from the Governance and Resources Scrutiny Commission reflected that the Council must not only rely on external organisations when delivering public services.

11.3 Councillor Taylor commended the report and expressed that there was both economic issues and a lack of communication in the delivery of public services. It was highlighted that Hackney Council could not afford to operate inadequate services with the current level of reductions in public expenditure.

11.4 Councillor Anna- Joy Rickard highlighted that the Council must focus on the residents who required Hackney Councils services, it was explained that the responses in the report outlined the Governance and Scrutiny Commission directives.

RESOLVED that the Commission's report and the response to it from the Executive, be noted.

12 **Report of the Children and Young People Scrutiny Commission: Hackney a Place for Every Child and Young Person**

12.1 Councillor Rahilly introduced the report and stated that developments over recent years had seen transformational change to Hackney's schools and increased opportunities for many children and young people living in the Borough. The ever changing nature of the Borough meant that it was important that the Council understood both the challenges faced by children, young

- people and families and also what more needed to be done to ensure that Hackney was a great place to grow up for all children.
- 12.2 The review was set within the context of the Council's wider review, Hackney a Place for Everyone, which sought to understand the impact of changes in the Borough on its residents. The Council wanted to ensure that the views and interests of children and young people played a full part in the response.
- 12.3 Councillor Kennedy welcomed the report and thanked the work of everyone involved in the Commission. Councillor Kennedy referred to the key areas of action and requested that the recommendations in the report be taken forward.
- 12.4 Councillor Coban also welcomed the report and thanked Councillor Rahilly for leading on the Commission. Councillor Coban stated that the Children and Young People Scrutiny Commission put children and young people at the heart of everything they did in the borough.
- 12.5 Councillor Odze stated that there was a technical problem with the numbering in the report and was surprised to see that the report did not provide all-inclusive opportunities for all diversities.
- 12.6 Deputy Mayor Bramble welcomed the report and confirmed that all of the recommendations would be taken forward. The report highlighted that there were now more opportunities for children and young people that were not there before. The issues surrounding housing and opportunities for young black males were acknowledged and would be used as part of a framework model going forward. She stated that it was important to work collectively as a Council to ensure that Hackney was a place for everyone.
- 12.7 Mayor Glanville also commended the report and recognised the work that had been done in making Hackney a place for everyone.

RESOLVED that the Commission's report and the response to it from the Executive, be noted.

13 Report of the Community Safety Social Inclusion Scrutiny Commission - Anti-Social Behaviour, Crime and Policing Bill: Measures for Tackling ASB

- 13.1 Councillor Sade Etti introduced the report to Members highlighting the six new powers that had been introduced to replace a range of provisions to tackle anti-social behaviour. The Commission felt it was important to identify if the new powers would assist the council and its partners to improve their response to reports of ASB for the benefit of all residents. Councillor Sade Etti drew Members attention to the four recommendations tabled in the report.
- 13.2 Councillor Selman commended the report and highlighted that the Community Safety Social Inclusion Scrutiny Commission must work to improve new ASB enforcement.
- 13.2 Councillor Sade Etti highlighted that intervention was key and continued by thanking the Council, all Councillors and external participants for contributing to the review – Hackney Homes Board and ASB Champion, Hackney Downs Ward

Panel, Hackney Metropolitan Police, Thames Reach and the Wenlock Barn TMO.

RESOLVED that the Commission's report and the response to it from the Executive, be noted.

14 Pensions Committee Annual Report 2015-16

- 14.1 Councillor Chapman introduced the report which detailed the role of the Pensions Committee and summarised the key activities in 2015/16 that demonstrated how the Committee had fulfilled its role effectively, acting in its capacity as quasi-trustees of the Council's Pension Fund.
- 14.2 The Pensions Committee had focused heavily on how it could manage the potential impacts of climate change on the financial position of the Fund. A special strategy meeting had been held in January 2016, which had resulted in the development of a series of resolutions, as set out in the report, with work beginning in Q4 2015/16 to be taken forward into the new municipal year.
- 14.3 Councillor Chapman advised that the Pensions Committee commenced two investment programmes during the year, with investments of £53m and £48m being made to new multi-asset and emerging markets respectively. These had been fully invested by 31 December 2015. Councillor Chapman took the opportunity to thank relevant officers and advisers for another successful year.
- 14.4 Councillor Taylor welcomed the report and referred to the issue of divesting on ethical grounds. He stated that it was important to look at how energy would be supplied in the future and finding places to invest, with sustainable sources of energy, which produced a long term return.
- 14.5 Councillor Chapman added that it was about science, not politics, and stressed the importance of protecting the interests of the 22,000 members of the pension scheme.

RESOLVED that the Pensions Committee's Annual Report for 2015/16 be noted, as attached at Appendix 1 to the report.

15 Motions

a Stamford Hill Road Safety Scheme

Councillor Stops introduced the motion and stated that Transport for London had a statutory duty to promote road safety and a proposal had been put forward for a road safety scheme at Stamford Hill junction, with the objectives listed in the agenda. Councillor Stops explained that there were no substantive objections regarding the proposed scheme and objections had been concentrated on one part of the community. TfL had subsequently objected to the proposals and the Council called on TfL to revisit its decision not to proceed.

Councillor Kennedy seconded the motion and referred to the local implementation plan, which put pedestrians as a main priority. Councillor Kennedy stated that it was a modest proposal which would make street users safer. He indicated that certain

opposition members had written to TfL objecting to the scheme, suggesting that they did not promote road safety.

Councillor Odze was not in support of the motion and believed that the proposal would not assist in promoting road safety and would in fact reduce road safety. Councillor Odze stated the provision of a 100m bus lane would create confusion. He believed that the best option was to prevent illegal U turns by redesigning the traffic lights at the junction and re-introducing two right turns.

Councillor Steinberger was also not in support of the motion and stated that the local community ambulance scheme had written to object to the proposals.

Councillor Levy was also not in support of the motion and referred to bus journey times in the surrounding area.

Councillor Moule supported the motion and referred to the success of the Narrowway Scheme, which was previously objected to. He added that the junction was a death trap and urged TfL to support the proposed road safety scheme.

Councillor Demirci responded to the motion and stated that TfL had rejected the proposed road safety scheme due to the level of objections received from the surrounding communities. Councillor Demirci stated that in 2001, 244 people died on the roads within the Borough, which had now reduced to 80. Councillor Demirci urged the Council to support the motion and to call on TfL to revisit its decision in order to reduce the number of road fatalities further, with cross party agreement.

RESOLVED:

Council noted that:

- i) Transport for London recently developed a road safety scheme for the Stamford Hill junction with the following stated objectives:
 - Improve safety for all road users
 - Create a nicer environment for local residents and businesses
 - Reduce journey times for pedestrians crossing the junction
 - Protect bus journey times
 - Reduce traffic speeds
 - Make the area more attractive as a destination for people to shop
- ii) Hackney council support the scheme.
- iii) The scheme was funded.
- iv) There were no substantive objections.
- v) This road junction is busy and has a history of collisions. The scheme was designed to save casualties.

This Council supports a road safety scheme at this junction and calls on Transport for London to revisit its decision not to proceed.

For: Many

Against: 4 (Cllrs Odze and Steinberger recorded vote)

Abstentions: None

b Hate Crime

(During the debate Councillor Chapman moved under council procedure rule 16.1 (xiv) to extend the meeting beyond 10pm. This was duly seconded by Councillor Odze).

Councillor Odze proposed an amendment to the motion, this was formally seconded by Councillor Levy.

Councillor Hercock highlighted that the incidents which took place in Haringey were unacceptable. It was stressed that the Council was against these actions and stood alongside the public against hate crime. The actions that had taken place portrayed violence and fear for the residents of Hackney.

Councillor Odze stated that the leadership of the Council would create a hate crime strategy, and that symbols of hate would not be tolerated in Hackney. It was further reported that the public must be aware of the Council's objection to the recent events.

Councillor Adejare seconded the motion and drew attention to a statement which was made in relation to an increased number of hate crime incidences since the 2016 UK referendum. Councillor Adejare was in support of the motion being proposed at Council and shared her personal experiences of hate crime with the Members of the Council. It was stressed that hate crime was a criminal activity and must be recognised.

All Members declared that they embraced the level of diversity of different cultures and religions and ethnic minorities within the borough, it was stated that this was something that Hackney was proud of.

Councillor Levy stated that he was grateful for the motion being brought to Council and was strongly opposed to divisions within the community.

Councillor Selman stated that the diversity of Hackney was one of its greatest strengths. Members were advised that the percentage of hate crimes had increased to 70% in comparison to London's national average of 19%, it was further reported that there had been a decrease in the number of hate crime incidents in relation to Lesbian, Gay, Bisexual, and Muslim individuals.

Members were informed that the Council would support the police in securing prosecutions, for example through CCTV monitoring and the preservation of evidence by council enforcement officers. Members were assured that evidence would be referred to the Community Safety Team. It was further reported that Home Office funding had been secured to support the work with local partners in the reduction of hate crime.

Councillor Chapman contributed to the debate and welcomed the motion, he expressed that he was in support of Councillor Odze's amendment to the motion.

Councillor Sharman made reference to one of the motions proposals in relation to analysing the recorded incidents of hate crime for any frequent patterns. Councillor Sharman stated that there was no pattern with hate crime incidents as they were

irrational actions, it was added that the Council must discuss hate crime convictions with the Government as it was felt there was not enough prosecutions in comparison with the number of hate crime incidences.

Councillor Fajana-Thomas welcomed the motion and contributed to the debate, it was expressed that hate crime offenders became more confident when not prosecuted for their actions.

RESOLVED:

This Council condemned the recent racist and anti-Semitic attacks in Hackney. Members were proud that Hackney was a diverse and tolerant borough. However, Members noted the importance of always ensuring that there was no place for hate in the borough.

The Council therefore proposed to:

- Listen to residents' perceptions of cohesion and hate crime in the Borough using the Council's Annual Survey.
- Analyse recorded incidents of hate crime for any pattern in terms of perpetrator profile, victim vulnerability and location hotspots.
- Use meetings between the Police and officers from across the Council ('Partnership Tasking Meetings') to look at what the Council and other agencies can do to support the police in preventing hate crime and re-assuring the public.
- Support the police in securing prosecutions, for example through CCTV monitoring and the preservation of evidence by council enforcement officers.
- Use Home Office funding to employ a Community Co-ordination Officer to support cohesive communities and to counter messages of hate.
- Support third-party reporting through the Community Alliance to Combat Hate (CATCH) (<http://www.catch-hatecrime.org.uk/>)
- Support regular meetings between the Community Co-ordination Officer, the Police and the Hackney representative of CATCH to discuss what can be done to combat anti-Semitism.
- Ensure that the Council and its Community Co-ordination Officer work with the Community Security Trust and other groups.
- Develop a Hate Crime Strategy with community input.

For: Unanimous

16 Council Appointments and Nominations to Outside Bodies

RESOLVED that the appointment or nomination of appointment of Members to Outside Bodies on behalf of the Council as listed in the Schedule, be agreed.

17 Appointments to Committees and Commissions (standing item)

RESOLVED that the membership of the Children's and Young People's Scrutiny Commission be agreed, as set out below:

Wednesday, 30th November, 2016

Cllr Soraya Adejare, Cllr Mete Coban, Cllr Tom Ebbutt, Cllr Christopher Kennedy, Cllr M Can Ozsen, Cllr James Peters, Cllr Tom Rahilly, Cllr Ian Rathbone, Cllr Caroline Selman, Cllr Yvonne Maxwell and Cllr Emma Plouviez.

Co-optees – Rabbi Judah Baumgarten, Richard Brown, Shuja Shaikh, Jo McLeod, Jane Heffernan, Sevdie Sali Ali and Ernell Watson.

Duration of the meeting: 7:00 – 10:05pm

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Calculation of Council Tax Base and Local Business Rate Income for 2017/18

KEY DECISION NO. FCR N42

CABINET MEETING DATE 2016/17

23 January 2017

CLASSIFICATION:

Open

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

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Cllr Taylor

Finance and Corporate Services

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report is a key component of setting the budget and Council Tax for the forthcoming financial year. The monies available for service delivery in this year depend on the amount of Council Tax that we believe will be collected and we have to be careful to estimate this accurately as possible. The consequences of overestimating the amount available from Council Tax will have adverse impact on future years' budgets as any deficit arising would have to be made good through additional savings.
- 1.2 Whilst this report proposes no changes to the local Council Tax Reduction Scheme in 2017/18, we will be reviewing it during the year to ensure that it continues to be used as effectively as possible to continue to provide support to those residents who need it most. Any proposals for changes to the scheme following that review will be fully consulted upon in accordance with the relevant Regulations.
- 1.2 In addition, Members are asked to agree the baseline level of Local Business Rate income the Council will be likely to receive for 2017/18.
- 1.3 The Business Rate element of the Council's budgeted income is becoming more significant as the results of the 2017 revaluation exercise feed through into the system along with the move toward 100% retention. These changes bring an increased risk regarding the forecasting of the amount to be collected, particularly as the likelihood of appeals regarding the revaluation is expected to increase. The position regarding appeals is made more unpredictable by the length of time it takes for the Valuation Office to deal with these. Unfortunately this is entirely outside the control of the Council.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 Section 13A(2) of the Local Government Finance Act 1992 requires the Council as a billing authority to operate Hackney's Council Tax Reduction Scheme. For 2017/18 there are no proposed changes to the scheme that was agreed and consulted upon prior to its approval during 2013.
- 2.2 Section 33 of the Local Government Finance Act 1992 requires that the authority must agree Hackney's Council Tax Base for 2017/18 as calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. This decision must be taken and communicated to preceptors by 31 January 2017. This report recommends a Council Tax Base of 68,399 Band D equivalents based on a Council Tax collection rate for 2017/18 of 95%.
- 2.3 Section 3 of The Non-Domestic Rating (Rates Retention) Regulations 2013 requires that for 2017/18 the authority must estimate Hackney's

billing authority Non-Domestic Rating income and calculate: the central share due to the Secretary of State, the major preceptor's share due to the Greater London Authority and any deductions to be made for qualifying relief. This decision must be taken and communicated to the Secretary of State and the Greater London Authority by 31 January 2017. The figures contained in this report will become the effective starting point for setting the Budget for 2017/18, subject to the completion of NDR1.

- 2.4 This report asks the Council to approve the estimate of business rates yield for 2017/18, to be used in the budget and tax setting report before Council on 1 March 2017. As set out in the Cabinet Member's introduction above, The Business Rate element of the Council's budgeted income is becoming more significant as the results of the 2017 revaluation exercise feed through into the system along with the move toward 100% retention and this brings an increased risk regarding the forecasting of the amount to be collected.

3. RECOMMENDATION(S)

Cabinet is recommended to:

- 3.1 Recommend to Council that in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Hackney Council as its Council Tax Base for 2017/18 shall be 68,399 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 95%.**
- 3.2 Recommend to Council that in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2017/18 is £115,509,254 subject to completion of the NDR1. This comprises three elements.**
- £37,427,756 which is payable in agreed instalments to Central Government**
 - £43,428,722 which is payable in agreed instalments to the Greater London Authority**
 - £34,652,776 which is retained by Hackney Council and included as part of its resources when calculating the 2017/18 Council Tax requirement.**
- 3.3 Note that there are no proposed changes in 2017/18 to the local CTRS scheme that has now been in operation since April 2013.**

Council is recommended to agree:

- 3.4 That in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount**

calculated by Hackney Council as its Council Tax Base for 2017/18 shall be 68,399 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 95%.

3.5 That in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2017/18 is £115,509,254, subject to completion of NDR1. This comprises three elements.

- **£37,427,756 which is payable in agreed instalments to Central Government**
- **£43,428,722 which is payable in agreed instalments to the Greater London Authority**
- **£34,652,776 which is retained by Hackney Council and included as part of its resources when calculating the 2017/18 Council Tax requirement.**

3.6 Note that there are no proposed changes in 2017/18 to the local CTRS scheme that has now been in operation since April 2013.

4. REASONS FOR DECISION

Council Tax Base

4.1 The rules for calculating the Council Tax Base are set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The calculation is based on the valuation list and other information available on the 27th November 2016.

4.2 Firstly the authority has to estimate the number of properties in each band after allowing for exempt properties. These figures are also adjusted to allow for discounts (e.g. single person discount and Council Tax Reduction Scheme) and the impact of changes in discounts and exemptions which allow the Council to charge additional Council Tax to the owners of empty homes and second homes. A formula is then used to calculate the total number of Band D equivalent properties. This gives a higher weighting to properties in bands above Band D and a lower weighting to properties in bands below Band D. This can therefore be thought of as the average number of properties liable to pay Council Tax. The calculation is set out at **Appendix 1**.

4.3 The Authority then has to estimate what percentage of the total Council Tax due for the year it will be able to collect. This is usually referred to as the collection rate. This percentage is then applied to the total number of Band D equivalent properties to give the tax base to be used for setting the Council Tax. Another way of considering the

tax base is that it represents the amount of Council Tax income that will be received from setting a Band D Council Tax of £1.

- 4.4 There are a number of factors to be considered when assessing the likely ultimate collection rate for 2017/18. 2013/14 marked the first year of the new Local Council Tax Reduction Scheme and also significant changes in the level of discounts allowed for second homes and empty properties, which in turn led to increased volatility regarding the eventual collection rate to be achieved, particularly as the Council was often issuing bills for monies it has not had to previously collect. In the event, collection rates have held up since this time and it is anticipated, given the current in year collection performance, that the budgeted collection rate of 95% will be achieved for 2016/17.
- 4.5 Whilst the Council will continue to use all its powers to collect the Council Tax due from all residents who are liable to pay there will inevitably be a number of bills that may be subject to appeal or delay in payment. Accordingly the Group Director of Finance and Corporate Resources has taken the view that the budgeted collection rate for 2017/18 will remain at 95% albeit the Council will look to exceed this. Actual performance information will be used to inform the setting of the collection rate for 2018/19.
- 4.6 If actual collection in the forthcoming year exceeds the budgeted collection rate this is likely to generate a surplus in the Collection Fund which would provide additional one off resources available for use in 2018/19 and beyond either for one-off revenue or the Capital Programme.
- 4.7 As set out above, it is currently estimated that in 2016/17 Council Tax collection will meet the collection rate set for the year of 95%, but it should be recognised that non-payment continues to have a measurable effect.
- 4.8 The current budget strategy assumes collection rates of 95% going forward to 2019/20. The overall budget for 2016/17 was set to take account of this level and the Revenues section will be making every effort to bring the eventual collection rate up to above 95% to support the budget strategy going forward.
- 4.9 Having carefully taken account of all the issues raised above, including the undertaking of extensive modelling, it is considered that a collection rate of 95% represents a realistic and robust estimate for 2017/18 which is therefore recommended.
- 4.10 A collection rate of 95% will result in a tax base of 68,399 Band D equivalents, as shown in the table below.

2017/18 TAX BASE/COLLECTION RATE	
	2017/18
Aggregate of Band D Equivalentents	71,999
Estimate of Collection Rate	95%
Tax Base (Band D Equivalentents)	68,399

- 4.11 This compares to a tax base of 66,624 Band D equivalentents used in the 2016/17 budget setting. A majority of the increase in the tax base has already occurred during 2016/17.

Local Business Rates Retention Scheme

- 4.12 The Local Business Rate retention scheme came into effect from 2013/14 as part of the changes to Local Government funding in the Local Government Finance Act 2012.
- 4.13 In essence the scheme allows Local Government to keep 50% of any Business Rate growth from its baseline position. For Hackney and all other London Boroughs this 50% share has to be split on a 60/40 basis with the Greater London Authority (GLA). This has the potential to generate significant resources for any authority although of course it will be subject to the economic climate of the day which can influence business growth in the short term.
- 4.14 To determine its baseline position Hackney, along with all other Local Authorities has to complete an NDR1 form which includes the number of rateable local businesses (which is not limited to commercial organisations as it includes schools, churches and of course an authority's own civic estate) multiplied by the appropriate business rate multiplier to arrive at a total cash sum which is then adjusted for various allowable reliefs and discounts to give the final baseline position. This form is required to be completed and submitted to CLG by 31 January each year in respect of the following financial year.
- 4.15 Up until 2013/14, the calculation within NDR1 had not required formal approval by Members as it has had no direct impact on the Council's finances. From 2013/14 onwards, under the current Council constitution, this does now require formal agreement by Members and as such is the subject of the formal recommendation at paragraph 3.2 and 3.5.
- 4.16 It should be noted that the Council, at the time of writing this report, are still in the process of completing the NDR1 form. The figures included within this report and recommendations are therefore based on officers' latest estimates of the figures to be included in NDR1 but it is anticipated that the final version of this will have been completed by the

time of Cabinet and Council meetings. Members will be informed if there are any changes required to the estimate as a result of the completion of the form.

- 4.17 As part of the Autumn Statement announcement, the Chancellor announced the extension of the small business rate relief scheme for a further year in 2017/18 alongside others already in place thus reducing the amount of business rates payable, resulting in a reduced net rates yield. In order that Local Authorities are not disadvantaged by these additional reliefs, a grant is payable to them. It is estimated that Hackney Council will receive £1.6m in s31 grant in this respect during 2017/18.
- 4.18 In addition to this, the Council retains a cost of collection allowance for the administration of the collection of business rates and for 2017/18, this allowance is £535k.
- 4.19 The total resources therefore available to the Council in respect of Non-Domestic Rates and to be included in the budget to be approved by Council in March will therefore be £36.792m, as follows:

	£m
Net rates yield retained by Hackney	34.652
S31 grant re Autumn Statement reliefs	1.605
Cost of Collection allowance	0.535
Total resource for budget from NDR	36.792

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 The requirement to calculate the Council Tax base and NDR1 has been laid down by Statute. As such there are no alternatives to be considered.

6. BACKGROUND

Council Tax Collection

- 6.1 **2015/16 Council Tax Collection:** In January 2016, it was forecast that the collection rate set for the year of 95% would be exceeded. It was estimated that there would be a surplus on the collection fund at the end of March 2016 of £4.621m, of which Hackney's share was £3.567m. In the final accounts for 2015/16 the actual surplus was £5.840m, of which Hackney's share was £4.526m. The variance is taken forward in the calculation of the estimate to be used in the 2017/18 budget. Actual collection for the year was 95.5%.

- 6.2 **2016/17 Council Tax Collection:** In preparing the 2016/17 budget, assumptions were made about the Council Tax collection performance for both in-year collection and for arrears of Council Tax. Based on collection rates which were being achieved at the time and an estimated collection rate for those Council Tax payers of working age who previously claimed Council Tax Benefit now required to pay at least 15% of their weekly Council Tax bill. The assumed overall collection rate for 2016/17 was again set at 95%. As at the end of December 2016 the cash and CTRS collected was almost 80% of the total amount due. The actual amount of cash collected was almost identical in percentage terms as at the same stage in the previous year. With three months of the year remaining, it is anticipated that the eventual collection will meet the collection rate of 95% set for the year. Around £1.444m of arrears relating to previous years has also been recovered to the end of November with expectations this will rise to around £2.0m by the end of the year. In addition to this, the amount of Council Tax collectable is higher than was assumed in the budget for 2016/17 and this will create a surplus on the Collection Fund with Hackney's share available for use in 2017/18. This will be taken account of in the expected budget to be proposed to Council in March 2017.
- 6.3 Hackney's tax base for 2017/18 must be notified to the GLA and to the various levying bodies which base their levies on the Council Tax Base. Under regulations this must take place before 31 January 2017. The appropriate bodies will be notified by the due date once the tax base is confirmed.

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

- 7.1 The setting of a realistic and prudent collection rate for Council Tax in 2017/18 is an essential component of the overall budget strategy. If the collection rate set is over-optimistic, this may result in a deficit on the collection fund at the end of 2017/18, the major part of which would need to be met from Hackney's 2018/19 Budget. This would impact adversely on the overall budget strategy.
- 7.2 The proposed tax base of 68,399 Band D equivalents would result in Council Tax income of £69.662m for Hackney's element, assuming no increase in the Council Tax in 2017/18. The overall resources for the 2017/18 budget will be dependent on the outcome of the final formula grant settlement due to be announced around the end of January 2017, although it is hoped that there will be no significant changes from the provisional settlement figures published in December 2016.
- 7.3 Similarly the setting of an accurate baseline Local Business Rates is essential to enable the Council to be able to plan effectively. Once

agreed the amount of the Business Rates attributable to Central Government and the GLA will need to be paid over at certain dates irrespective of whether or not the income has been received by the Council from local businesses. Thus an overly optimistic or simply erroneous baseline could have significant cash flow implications as well as adverse impact on the future year's budgets.

- 7.4 As set out in section 4.16, the NDR1 form that is used to calculate the baseline Business rate yield for the following financial year is still subject to finalisation. The figures included within this report are therefore based upon Officers' best estimate at this stage. I do not anticipate however any major variation from the estimate included.

8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 Cabinet is being asked to recommend to Council, and Council is being asked to agree, the calculation of the Council Tax Base as required by s.33 Local Government Finance Act (LGFA) 1992. S.33 imposes a duty on the Council, as a billing authority, to calculate the basic amount of its council tax by reference to a formula set out in the Act and Regulations made under the Act.
- 8.2 S.67 LGFA originally provided that adopting the council tax base had to be a decision of full Council. This section was amended by s.84 Local Government Act 2003 which abolished that requirement. However, the calculation is not an "executive" function and it cannot be discharged by the Mayor and Cabinet. It could be delegated to an officer but Hackney has not delegated the decision to an officer so the responsibility rests with full Council.
- 8.3 As the report makes clear, the decision has to be taken by 31 January in each year and therefore this report will be considered by Council on 25 January 2017.
- 8.4 An important part of the calculation of the council tax base is the collection rate which is assumed in the calculation. It is important that Members adopt a prudent approach to agreeing this assumption since, as the report makes clear, an unrealistic assumption is likely to lead to a deficit on the account which will have to be met from elsewhere thus undermining the integrity of the Council's budget. Members will therefore wish to satisfy themselves that the proposed collection rate of 95% is realistic.
- 8.5 Members are reminded that the calculation of the Council Tax Base is covered by s.106 of the Local Government Finance Act 1992. This provides that if a Member owes two or more months' arrears of Council Tax, they are obliged to disclose this fact to the meeting and not vote on the matter. Failure to comply is a criminal offence punishable by a fine.

APPENDICES

Appendix 1 – Council Tax Base Calculation Schedule

BACKGROUND PAPERS

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

None

Report Author	<i>Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk</i>
Comments of the Group Director of Finance and Resources	<i>Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk</i>
Comments of Director of Legal	<i>Yinka Owa, 0208 356 6234 Yinka.owa@hackney.gov.uk</i>



APPOINTMENT OF EXTERNAL AUDITOR

**AUDIT COMMITTEE
MEETING DATE 2016/17**

18 January 2017

CLASSIFICATION:

Open

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

WARD(S) AFFECTED

All Wards

GROUP DIRECTOR

Ian Williams Group Director Finance & Corporate Resources

1. INTRODUCTION AND PURPOSE

Following the demise of the Audit Commission new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the appointing person regime or to establish an auditor appointment panel and conduct their own procurement exercise. This report sets out and recommends that the Council opt in to the appointing person arrangements.

2. RECOMMENDATION(S)

To recommend to Full Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors

3. REASONS FOR DECISION

It is likely that a public sector wide procurement conducted by PSAA will produce better outcomes for the Council than any procurement we undertook by ourselves or with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement.

Regulation 19 of the Local (Appointing Persons) Regulations 2015 requires that a decision to opt in must be made by Full Council (authority meeting as a whole). To comply with this regulation Audit Committee is asked to make the recommendation above to Council.

4. BACKGROUND

As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1 April 2015. The contracts were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.

In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for authorities to either undertake their own procurements or to opt in to the appointed person regime.

There was a degree of uncertainty around the appointed person regime until July 2016 when PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government.

PSAA were originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Governments Association's Improvement and Development Agency (IDeA).

It has been confirmed that the date by which authorities will need to opt in to the appointing person arrangements is 9th March 2017 and hence this report to January Audit Committee in order that the January Council meeting can consider the recommendation ahead of this deadline,

The main advantages of using PSAA are set out in its prospectus (see Appendix 1) and are summarised below. The converse of these can be viewed as the disadvantages if the Council was to decide to undertake its own procurement.

- Assure timely auditor appointments
- Manage independence of auditors
- Secure highly competitive prices
- Save on procurements costs
- Save time and effort needed on auditor panels
- Focus on audit quality
- Operate on a not for profit basis and distribute any surplus funds to scheme members.

4.1 Policy Context

The recommendation within this report helps to ensure that resources continue to be used efficiently and that resources available to maintain frontline services are maximised.

4.2 Equality Impact Assessment

This report deals with the appointment of the Council's external auditors and will not affect any groups of people

4.3 Sustainability

Not applicable

4.4 Consultations

The PSAA has consulted widely with s151 Officers within London and across the country.

4.5 Risk Assessment

As set out in this report, use of the PSAA minimises the risks inherent in undertaking our own procurement.

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

If PSAA is not used additional resources would likely be required to establish an auditor panel and conduct our own procurement. Until either procurement exercise is completed it is not possible to state what additional resource would be required for audit fees for 2018/19 and the years beyond, although it is anticipated that any increase will be minimised through using PSAA.

6. COMMENTS OF THE DIRECTOR OF LEGAL

- 6.1 The Local Audit and Accountability Act 2014, section 9 requires each Authority to have an auditor panel to exercise the required functions of an auditor panel under the Act.
- 6.2 The functions include providing advice to the authority on maintaining an independent relationship with its auditor and on selection and appointment of its auditor taking into account guidance issued by the Secretary of State regarding the exercise of the auditor panel functions.
- 6.3 The process as set out in this report and the Appendix will ensure compliance with the Local Audit and Accountability Act 2014.

APPENDICES

1 - PSAA Prospectus

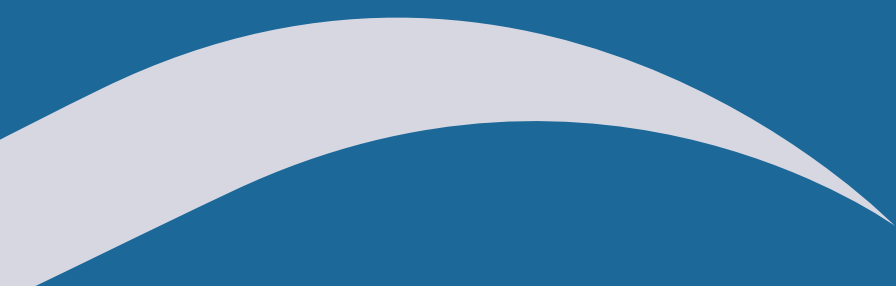
BACKGROUND PAPERS

None

Report Author	Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk
Comments of the Group Director of Finance & Corporate Resources	Michael Honeysett, 0208 356 3332 Michael.honeysett@hackney.gov.uk
Comments of the Group Director of Legal	Patricia Narebor, 0208 356 2029 Patricia.narebor@hackney.gov.uk



Developing the option of a national scheme for local auditor appointments



“The LGA has worked hard to secure the option for local government to appoint auditors through a dedicated sector-led national procurement body. I am sure that this will deliver significant financial benefits to those who opt in.”

– Lord Porter CBE, Chairman,
Local Government Association

Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They may make the appointment themselves, or in conjunction with other bodies. Or they can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. It has been designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views.

The Local Government Association (LGA) is strongly supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

We hope you will be interested in the national scheme and its development. We would be happy to engage with you to hear your views – please contact us at generalenquiries@psaa.co.uk

You will also find some questions at the end of this booklet which cover areas in which we would particularly welcome your feedback.

Audit does matter

High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

Imminent changes to the arrangements for appointing the auditors of local public bodies are therefore very important. Following the abolition of the Audit Commission, local bodies will soon begin to make their own decisions about how and by whom their auditors are appointed. A list of the local government bodies affected can be found at the end of this booklet.

The Local Government Association (LGA) has played a leadership role in anticipating these changes and influencing the range of options available to local bodies. In particular, it has lobbied to ensure that, irrespective of size, scale, responsibilities or location, principal local government bodies can, if they wish, subscribe to a specially authorised national scheme which will take full responsibility for local auditor appointments which offer a high quality professional service and value for money.


The LGA supported PSAA's successful application to the Department for Communities & Local Government (DCLG) to be appointed to deliver and manage this scheme.

PSAA is well placed to award and manage audit contracts, and appoint local auditors under a national scheme

PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA. It already carries out a number of functions in relation to auditor appointments under powers delegated by the Secretary of State for Communities & Local Government. However, those powers are time-limited and will cease when current contracts with audit firms expire with the completion of the 2017/18 audits for local government bodies, and the completion of the 2016/17 audits for NHS bodies and smaller bodies.

The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.

PSAA has been selected to be the trusted operator of the national scheme, formally specified to undertake this important role by the Secretary of State. The company is staffed by a team with significant experience in appointing auditors, managing contracts with audit firms and setting and determining audit fees. We intend to put in place an advisory group, drawn from the sector, to give us ready access to your views on the design and operation of the scheme. We are confident that we can create a scheme which delivers quality-assured audit services to every participating local body at a price which represents outstanding value for money.



“Many district councils will be very aware of the resource implications of making their own appointment. Joining a well-designed national scheme has significant attractions.”

– Norma Atlay, President,
Society of District Council Treasurers

“Police bodies have expressed very strong interest in a national scheme led by PSAA. Appointing the same auditor to both the PCC and the Chief Constable in any area must be the best way to maximise efficiency.”

– Sean Nolan, President,
Police and Crime Commissioners
Treasurers’ Society (PACCTS)

The national scheme can work for you

We believe that the national scheme can be an excellent option for all local bodies. Early indications are that many bodies agree - in a recent LGA survey more than 200 have expressed an interest in joining the scheme.

We plan to run the scheme in a way that will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. The scheme will take away those headaches and, assuming a high level of participation, be able to attract the best audit suppliers and command highly competitive prices.

The scope of public audit is wider than for private sector organisations. For example, it involves forming a conclusion on the body's arrangements for securing value for money, dealing with electors' enquiries and objections, and in some circumstances issuing public interest reports. PSAA will ensure that the auditors which it appoints are the most competent to carry out these functions.

Auditors must be independent of the bodies they audit, to enable them to them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plans to take great care to ensure that every auditor appointment passes this test. It will also monitor any significant proposals, above an agreed threshold, for auditors to carry out consultancy or other non-audit work to ensure that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration/joint working initiatives or within combined authority areas, if the parties consider that a common auditor will enhance efficiency and value for money.

PSAA will ensure high quality audits

We will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.

PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the National Audit Office (NAO) to help ensure that guidance to auditors is updated when necessary.

We will include obligations in relation to maintaining and continuously improving quality in our contract terms and quality criteria in our tender evaluation method.

PSAA will secure highly competitive prices

A top priority must be to seek to obtain the best possible prices for local audit services. PSAA's objective will be to make independent auditor appointments at the most competitive aggregate rate achievable.

Our current thinking is that the best prices will be obtained by letting three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. The value of each contract will depend on the prices bid, with the firms offering the best prices being awarded larger amounts of work. By having contracts with a number of firms we will be able to ensure independence and avoid dominance of the market by one or two firms.

Correspondingly, at this stage our thinking is to invite bodies to opt into the scheme for an initial term of three to five years.

The procurement strategy will need to prioritise the importance of demonstrably independent appointments, in terms of both the audit firm appointed to each audited body and the procurement and appointment processes used. This will require specific safeguards in the design of the procurement and appointment arrangements.

“Early audit planning is a vital element of a timely audit. We need the auditors to be available and ready to go right away at the critical points in the final accounts process.”

– Steven Mair, City Treasurer,
Westminster City Council

“In forming a view on VFM arrangements it is essential that auditors have an awareness of the significant challenges and changes which the service is grappling with.”

– Charles Kerr, Chair,
Fire Finance Network

PSAA will establish a fair scale of fees

Audit fees must ultimately be met by individual audited bodies. PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising PSAA's own costs. The changes to our role and functions will enable us to run the new scheme with a smaller team of staff. PSAA is a not-for-profit company and any surplus funds will be returned to scheme members.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. Pooling means that everyone within the scheme will benefit from the most competitive prices. Current scale fees are set on this basis. Responses from audited bodies to recent fee consultations have been positive.

PSAA will continue to consult bodies in connection with any proposals to establish or vary the scale of fees. However, we will not be able to consult on our proposed scale of fees until the initial major procurement has been completed and contracts with audit firms have been let. Fees will also reflect the number of scheme participants - the greater the level of participation, the better the value represented by our scale of fees. We will be looking for principal bodies to give firm commitments to join the scheme during Autumn 2016.

The scheme offers multiple benefits for participating bodies

We believe that PSAA can deliver a national scheme which offers multiple benefits to the bodies which take up the opportunity to collaborate across the sector by opting into scheme membership.

Benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, if the parties believe that it will enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement as opposed to a multiplicity of small procurements
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- avoiding the necessity for individual bodies to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

We understand the balance required between ensuring independence and being responsive, and will continually engage with stakeholders to ensure we achieve it.

How can you help?

We are keen to receive feedback from local bodies concerning our plans for the future. Please let us have your views and let us know if a national scheme operated by PSAA would be right for your organisation.

In particular we would welcome your views on the following questions:

1. Is PSAA right to place emphasis on both quality and price as the essential pre-requisites for successful auditor appointments?
2. Is three to five years an appropriate term for initial contracts and for bodies to sign up to scheme membership?
3. Are PSAA's plans for a scale of fees which pools scheme costs and reflects size, complexity and audit risk appropriate? Are there any alternative approaches which would be likely to command the support of the sector?
4. Are the benefits of joining the national scheme, as outlined here, sufficiently attractive? Which specific benefits are most valuable to local bodies? Are there others you would like included?
5. What are the key issues which will influence your decisions about scheme membership?
6. What is the best way of us continuing our engagement with you on these issues?

Please reply to: generalenquiries@psaa.co.uk

The following bodies will be eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils in England
- district councils
- London borough councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area in England
- chief constables for an area in England
- national park authorities for a national park in England
- conservation boards
- fire and rescue authorities in England
- waste authorities
- the Greater London Authority and its functional bodies.

BOARD MEMBERS

Steve Freer (Chairman), former Chief Executive CIPFA

Caroline Gardner, Auditor General Scotland

Clive Grace, former Deputy Auditor General Wales

Stephen Sellers, Solicitor, Gowling WLG (UK) LLP

CHIEF OFFICER

Jon Hayes, former Audit Commission Associate Controller

“Maintaining audit quality is critically important. We need experienced audit teams who really understand our issues.”

– Andrew Burns, Director of
Finance and Resources,
Staffordshire County Council

PSAA Ltd
3rd Floor, Local Government House
Smith Square
London SW1P 3HZ

www.psa.co.uk

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Public Sector
Audit Appointments



PAY POLICY STATEMENT 2017/18

**CORPORATE COMMITTEE
MEETING DATE 2016/17**

13 December 2016

COUNCIL

25 January 2017

CLASSIFICATION:

Open

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

WARD(S) AFFECTED

All Wards

CORPORATE DIRECTOR

Tim Shields, Chief Executive

1. INTRODUCTION

- 1.1 The *Localism Act 2011* requires the Council to publish an annual pay statement for Chief Officer Pay. The draft statement for 2017/18 is attached at Appendix 1. This statement must be approved by a resolution of the Council before 31 March 2017.
- 1.2 This report is presented to Corporate Committee as part of its remit in relation to Human Resources and is presented for DECISION.

2. RECOMMENDATION(S)

- 2.1 Corporate Committee is recommended to agree the Pay Policy Statement and recommend Council approve it.**

3. REASONS FOR DECISION

- 3.1 The *Localism Act 2011* requires the Council to publish an annual pay policy statement setting out its policies relating to the:-
- remuneration of its chief officers (including details of pay elements, pay increases, salary on recruitment and payments on termination);
 - remuneration of its lowest-paid employees; and
 - the relationship between the remuneration of chief officers and employees who are not chief officers.
- 3.2 The attached draft statement updates the 2016/17 statement which was approved by Council. The 2017/18 statement must be approved by a resolution of the Council before 31 March 2017.

4. BACKGROUND

- 4.1 The legal requirements to publish pay policy are broadly drawn and there is considerable discretion over the amount of information that authorities choose to disclose. In preparation of the statement, account has been taken of the guidance *Openness and accountability in local pay: Guidance under section 40 of the Localism Act* and the subsequent supplementary guidance both published by the Department for Communities and Local Government (DCLG). Account has also been taken of guidance issued by the JNC for Chief Executives.
- 4.2 The statement details current pay practice and has been updated to reflect the TUPE transfer into the Council of former Hackney Homes staff. It does not introduce new policy principles
- 4.3 The Council will be bound by the approved Pay Policy Statement, which can only be amended by Council resolution, and the Policy has been drafted to provide sufficient flexibility to enable practical implementation within the year.

4.4 Both the JNC for Chief Executives and the DCLG in their Code of Recommended Practice promote the use of a 'pay multiple' (the relationship between the Chief Executive's salary and the median salary) as the most effective way to present the relationship between chief officers and employees who are not chief officers. We agree and the Statement includes the calculation and tracking of this pay multiple. It should be noted that actual salaries and other payments made to some officers are required to be published in the Annual Statement of Accounts, and we also do this.

4.5 **Policy Context**

The Pay Policy Statement is an external requirement, supporting the Government's aim to enhance accountability, transparency and fairness in the setting of pay.

4.6 **Equality Impact Assessment**

This report has been produced so that full Council can ratify the publication of the pay policy statement for publication on the Council's website. The statement incorporates a range of specific Council decisions which, where appropriate, were themselves subject to specific equality impact assessments.

4.7 **Sustainability**

Not applicable

4.8 **Consultations**

Trade Unions have been consulted

4.9 **Risk Assessment**

It is a legal requirement that the Pay Policy Statement be published by 31st March 2017.

5. **COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

The *Localism Act 2011* requires the Council to publish an annual pay statement for Chief Officer Pay.

The pay multiples have been prepared based on the Local Government Association's Transparency Code.

6. **COMMENTS OF THE DIRECTOR, LEGAL**

Under the Localism Act 2011, local authorities are required to approve and adopt a Pay Policy Statement before the beginning of each financial year.

This Pay Policy Statement meets the requirements of the Act. Each year by 31st March, the Council would need to approve a Pay Policy Statement.

APPENDICES

Appendix 1 - The Pay Policy Statement 2017/18

BACKGROUND PAPERS

None

Report Author	Dan Paul 0208 356 3110 Dan.paul@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Jackie Moylan, Director Jackie.Moylan@hackney.gov.uk
Comments of the Director, Legal	Juliet Babb, Senior Lawyer Juliet.babb@hackney.gov.uk



Pay Policy Statement 2017/18

Part 1 – Introduction and application

- 1.1 To improve transparency and accountability within Local Government, Hackney Council will annually publish details of its pay policy. The publication of this Pay Policy Statement meets the requirements contained in chapter 8 of the *Localism Act 2011*.
- 1.2 For the purposes of this Statement, Hackney's chief officers comprise the Chief Executive officer, first tier and second tier.

The Chief Executive is responsible for the strategic overview of all Council services and for leading the Council's Management Team in ensuring that the Mayor's strategic priorities are met.

The Council has a structure of 4 Groups:

- Chief Executive's Directorate
- Children, Adults and Community Health
- Finance and Corporate Resources
- Neighbourhoods and Housing

With the exception of the Chief Executive's directorate, each Group is led by a Group Director with individual divisions headed up by Directors.

- 1.3 Hackney Council is also required to publish its policy on:-
- Making discretionary payments on early termination of employment¹
 - Increasing an employee's total pension scheme membership and on awarding additional pension²

In the interests of clarity and simplicity, this Pay Policy Statement includes a summary of these provisions as they relate to the Council's chief officers.

- 1.4 This Pay Policy Statement also sets out the Council's policy as it relates to the remuneration of its lowest paid employees.

¹ Under the requirements of the *Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006*

² Under regulation 66 of the *Local Government Pension Scheme (Administration) Regulations 2008*

- 1.5 This Pay Policy Statement sets out the principles governing remuneration within the Council in 2017/18. This Pay Policy Statement is approved by full Council resolution.
- 1.6 Hackney Council's pay and remuneration practice in 2017/18 must be in accordance with the policy expressed in this statement. A resolution of Council is required to amend this policy.
- 1.7 This Pay Policy Statement will be published on the Council's website and governed by the publishing local government data licence terms that can be found at <http://www.hackney.gov.uk/3713.htm>

Part 2 – Chief officer pay and remuneration

2.1 Appointment of chief officers

A Council resolution is required to approve the appointment of a Chief Executive. The prospective candidate will be recommended to Council by a committee or sub-committee of the Council that includes at least one member of the Executive.

The Council's Appointments Committee will establish a sub-committee, which includes at least one member of the Executive, to approve the appointments of Group Directors.

Appointments to Director posts will be the responsibility of the relevant Group Director and lead Member.

2.2 Remuneration of chief officers on appointment

The remuneration of the Chief Executive on appointment will be agreed by the Council's Appointments Committee.

With the exception of the Chief Executive, all chief officer posts are evaluated by Human Resources using the Local Government Employers Senior Manager job evaluation scheme. The evaluation provides an overall score for the job that will determine the appropriate grade and pay band for the post-holder.

At appointment chief officers are normally offered a salary corresponding to the lowest spinal column point in the relevant pay band for the job unless a higher spinal column is agreed (in order to, for example):-

- match the appointee's previous salary (e.g. in the case of a move from another authority); or
- secure a specific candidate with particular experience and competence

2.3 Chief Officer pay

The Council uses three chief officer grades – CO1, CO2 and CO3. Salaries of Chief Officers are published according to the relevant Regulations.

The Chief Executive's salary does not correspond to an established Council grade and spinal column point; it is a 'spot' salary determined by the Appointments Committee on appointment and may be reviewed by the Mayor.

The Chief Executive, in consultation with the Mayor, has the authority to approve a 'spot' salary and/or a market supplement outside of the established chief officer grades and pay bands. In such circumstances, the Chief Executive will consider the published advice of the JNC for Chief Officers of Local Authorities.

The Council has appointed the Chief Executive as Returning Officer for parliamentary and local elections, and referenda under the *Representation of the People Act 1983* and subsequent regulations. The Chief Executive will receive fees for discharging the Returning Officer responsibilities as determined by the governing body responsible for the election. Other Chief Officers may also receive fees if appointed to elections roles by the Returning Officer.

2.4 Increases and additions to remuneration for chief officers

Chief Executive

Percentage annual pay increases will be linked to those nationally negotiated and agreed by the Joint Negotiating Committee (JNC) for Chief Executives.

Chief Officers

Annual increases in base pay awards will be determined by those nationally negotiated and agreed by the Joint Negotiating Committee (JNC) for Chief Officers of Local Government Services.

With the exception of the Chief Executive, Chief Officers will be subject to an annual appraisal of achievement against agreed targets/tasks and in accordance with the Council's management competencies. Where overall performance is rated as meeting specified criteria, the officer will receive an increment to the next point of the relevant salary scale.

Where Chief Officers are at the salary scale maximum or on 'spot salary', additional payments may be agreed at the discretion of the Chief Executive.

2.5 Policy on bonus payments

Bonuses will not be paid to chief officers.

Bonuses are also not paid to other employees, with the exception of certain former Hackney Homes staff who have TUPE transferred to Hackney Council and who retain a productivity based incentive scheme as part of their TUPE terms and conditions of employment.

The Council's policies on 'acting-up', honorarium and/or ex-gratia payments will apply to Chief Officers.

2.6 Policy on employees (including chief officers) ceasing to hold office

Redundancy

The Council's policy on redundancy payments applies equally to chief officers and non-chief officers. Where posts are deleted, redundancy payments will be made in accordance with the statutory redundancy tables. Under the Council's discretions policy, redundancy payments are based on actual weeks' pay and not the statutory minimum. The maximum redundancy payment that can be made is equivalent to 30 weeks' pay.

In addition to the redundancy payment the Council will make a discretionary severance payment at the standard rate at 70% of the value of the redundancy payment. This applies to all staff regardless of their pay grade. Where there is an automatic entitlement to the early release of pension benefits as a result of being made redundant³ and there is a pension strain cost due to that early payment, this will be offset against the discretionary severance amount prior to any payment being made.

Any employee leaving the Council as the result of redundancy will not be permitted to re-join Hackney Council in any capacity, including engagement via employment agencies or as a consultant, for at least one year, except in exceptional circumstances and where specifically agreed by the Group Director – Finance & Corporate Resources. There is no such restriction on an individual made redundant by another local authority from securing employment with Hackney Council.

Legislation in this area is expected during 2017/18. Any legislation that may be enacted during the year in respect of termination payments and/or clawback of termination payments will be applied and may vary this policy.

Release from service in the interest of efficiency

Where a post is not being deleted but where an employee is no longer able to carry out the job effectively, the Council may consider the option of early retirement on the grounds of efficiency. A full assessment of all the circumstances must be carried out in accordance with the Council's policy on redundancy and discretionary compensation.

Early retirement of a chief officer on the grounds of efficiency must be authorised by Chief Executive in consultation with the Group Director - Finance and Corporate Resources.

³ Under the terms of the Local Government Pension Scheme Regulations

Non-standard additional discretionary payments

In exceptional circumstances the Council may consider enhanced compensation payments. Any payments made must be proportionate, reflect additional costs that may arise and fulfil the needs of the service. Each case will be considered on its merits. No payment will exceed the value of 104 weeks' pay.⁴

Non-standard discretionary payments will be subject to an internal approval process involving Finance and Human Resources.

Flexible retirement

The Council's policy on flexible retirement applies equally to chief officers and non-chief officers. Flexible retirement provides the ability for an employee to draw their pension at the same time as being able to remain as an employee through a reduction either in hours of work or grade. There is no bar to individuals who have taken flexible retirement from securing work with Hackney Council.

2.7 Arrangements to minimise tax avoidance

The Council aims to appoint individuals to chief officer positions on the basis of contracts of employment and apply direct tax and National Insurance deductions from pay through the operation of PAYE. Consultants will only be used where warranted by the particular chief officer skills required. Where used, consultants' appointments will be reviewed annually by the Group Director – Finance & Corporate Resources.

2.8 Policy on publication and access to information relating to remuneration of chief officers

The Council will publish this Pay Policy Statement and chief officer salary details annually on its website.

Part 3 – Relationship of chief officer pay and remuneration to workforce pay and remuneration

3.1 Pay for employees who are not chief officers

Hackney Council employees are employed on terms and conditions which fall within a relevant national/regional pay and conditions framework. The frameworks are:-

⁴ In accordance with the *Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006*

- the National Joint Council (NJC) for Local Government Services as modified by the Greater London Provincial Council agreement of 2000
- the JNC for Youth and Community workers
- the Soulbury Committee (for educational psychologists, advisers and inspectors)
- Teachers pay and conditions framework
- the JNC for Coroners
- The Local Government Employers senior manager evaluation scheme

Non-chief officer jobs are evaluated using the Greater London Provincial Council (GLPC) job evaluation scheme for posts up to and including PO15 grade and the Local Government Employers Senior Manager job evaluation scheme for posts over PO15. An alternative job evaluation scheme may be adopted for use within the Council for some or all non-chief officer jobs if identified as desirable as part of a pay and grading review. At appointment, officers will be offered a salary corresponding to the lowest spinal column point the relevant pay band for the job unless a higher spinal column point is required to match the appointee's previous salary or to secure a specific candidate with particular experience and competence.

The use of market supplements may be considered where the Council is unable to compete for talented staff owing to the evaluated grade falling below the market rate for the job. Where market supplements are used, their continued use must be assessed regularly against relevant sector pay data.

3.2 Lowest-paid employees

For the purposes of this Pay Policy Statement, the 'lowest paid employee' is defined as an employee on the lowest pay point routinely used by Hackney Council for its substantive jobs, calculated at full-time equivalent. The lowest pay point routinely used is spinal column point 10 of the Inner London pay scale set by the Greater London Provincial Council.

Staff paid at levels beneath spinal column point 10 are not on the pay scale set by the NJC for Local Government Services or are staff who have not wished to come onto Council terms and conditions because of terms protected under the TUPE Regulations, or are apprentices.

It is the Council's policy that all of its employees (excepting employees whose overall terms and conditions are protected under the TUPE Regulations and apprentices) will receive an hourly pay rate that is equivalent to or higher than the London Living Wage.

All workers supplied to the Council by a temporary work agency will be paid a rate at least equivalent to the rate that would be received by a comparative permanent employee. All agency workers will receive an hourly rate that is equivalent to or higher than the London Living Wage.

3.3 Pay multiples

Hackney Council will annually publish the ratio of the pay of its Chief Executive to that of its median and lowest-paid earner.⁵

The median is the salary that separates the higher-earning half of the workforce from the lower-earning half. All salaries will be arranged from lowest to highest value and the middle salary will be selected as the median.

The calculation of the pay multiples will be based on all earnings for the year, including base salary, variable pay, allowances and the cash-value of benefits-in-kind. Pay for part-time employees is scaled-up to full-time equivalence to enable meaningful comparisons and pay for those that have only worked a part year is also scaled up as those they worked a full year. Benefits which employees participate in but not taxed (such as salary sacrifice arrangements) are included within total earnings figures.

Pay:	2014/15	2015/16
Chief Executive's total pay	£176,531	£176,531
Median total pay	£30,525	£31,323
Ratio	5.78	5.64

Hackney Council will also annually publish the rate of its Chief Executive to that of its lowest-paid earner:-

	2014/15	2015/16
Chief Executive's total pay	£176,531	£176,531
Lowest-paid total pay	£17,439	£17,439
Ratio	10.12	10.12

All earnings:	2014/15	2015/16
Chief Executive's total earnings*	£177,956	£185,622
Median total earnings	£32,018	£32,090
Ratio	5.56	5.78

	2014/15	2015/16
Chief Executive's total earnings	£177,956	£185,622
Lowest-paid total earnings	£17,439	£17,836
Ratio	10.20	10.41

* All earnings for the Chief Executive include pay, a travel allowance, and an allowance for election duties. There was no election in 2014/15 but there was in 2015/16, which explains the increase in total earnings for the year.

⁵ In accordance with the *Code of Recommended Practice for Local Authorities on Data Transparency* (DCLG)

Part 4 – Other reward mechanisms

4.1 Pay protection

Hackney Council has a pay protection policy that provides a mechanism to assist employees to adjust to a reduction in pay arising from organisational change or redeployment. Pay is protected for a period of 6 months following which the employee reverts to the level of pay for the substantive grade.

4.2 Pension

Hackney Council operates the Local Government Pension Scheme (LGPS) and makes pension contributions as required to all employees who participate in the scheme. The Council has determined policies around the discretions available under the LGPS.

Since 1 July 2013 the Council automatically enrolls workers into either the Local Government Pensions Scheme or the National Health Service Pension Scheme, as appropriate, if they meet the following criteria:-

- Earn over £10,000 a year; and
- Are aged between 22 and State Pension Age⁶

4.3 Other benefits

All permanent employees may participate in the childcare voucher, computer and cycle-to-work schemes through a salary sacrifice arrangement as well as a range of other benefits. There is also a discounted gym membership offer. Further employee benefits are planned and may be introduced during the year.

⁶ As required by the *Pensions Act 2008*