

London Borough of Hackney
Scrutiny Panel
Municipal Year 2018/19
Date of Meeting Monday, 16th July, 2018

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

Chair	Councillor Margaret Gordon
Councillors in Attendance	Cllr Ben Hayhurst, Cllr Mete Coban, Cllr Sade Etti, Cllr Richard Lufkin and Cllr Yvonne Maxwell
Apologies:	Cllr Sharon Patrick and Cllr Sophie Conway
Officers In Attendance	Stephen Haynes (Director – Strategy, Policy and Economic Development) and Ian Williams (Group Director of Finance and Resources)
Other People in Attendance	Councillor Rebecca Rennison (Cabinet Member for Finance and Housing Needs)
Members of the Public	
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Councillor Margaret Gordon in the Chair

1 Election of Chair and Vice Chair

- 1.1 The Scrutiny Officer opened the meeting and called for nominations for Chair. Cllr Coban proposed Cllr Gordon and Cllr Maxwell seconded. There were no other nominations and the vote was carried unanimously.
- 1.2 Cllr Gordon took the Chair. She advised that discussions with the majority opposition had not yet led to securing their engagement in the scrutiny process. With the Vice-Chair-Ship of the Panel allocated to the majority opposition party, she advised that the position would not be elected to at this time.

2 Apologies for Absence

- 2.1 Apologies had been received from Cllrs Conway and Patrick and from Cllr Sharman (Chair of Audit Committee) who - whilst not a Member of the Panel - was a regular attendee.

3 Urgent Items / Order of Business

3.1 There were no urgent items and the order of business was as laid out.

4 Declaration of Interest

4.1 There were no declarations of interest.

5 Minutes of the Previous Meeting

5.1 The Minutes of the meeting of the 7th February 2018 were agreed as an accurate record.

5.2 The Chair noted that in the last meeting and as recorded in paragraph 7.4, the previous Chair had suggested that Members would benefit from receiving guidance around the level of flexibility open to the Council (what it could and could not do) around increasing Council Tax charges and Council Tax bands.

5.3 The Group Director, Finance and Corporate Resources noted that a detailed training session had been delivered which was relevant to this. He offered to produce a summary paper for circulation to Panel Members.

Action 1: Group Director, Finance and Corporate Resources
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To circulate paper summarising levels of flexibility for the Council around Council Tax charges and Bands.
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5.4 The Chair noted that one of actions arising from the last meeting had been for the latest available Overall Financial Position (OFP) and Capital Programme reports to be included in Scrutiny Panel agendas as a matter of course. She noted that these were both available under item 6, and thanked the Group Director Finance and Corporate Resources.

5.5 She noted that the other two actions related to Council Tax collection, in regards to the number of occasions in which the Council had instructed enforcement agents since the onset of welfare reform, and the approaches developed to better enable residents to manage their budgets (for example by aligning payment dates for rent and Council Tax).

5.6 She thanked the Group Director Finance and Corporate Resources for the papers provided in response to these which were available on pages 17 to 22 of the agenda. She asked him to summarise their key points.

5.7 The Group Director Finance and Corporate Resources advised that the table on page 17 showed that the number of instances in which working age Council Tax Support Claimants had had their accounts referred to enforcement agents had significantly fallen between the scheme's introduction in 2013/14, and 2017/18.

5.8 This reflected the significant work of Officers to share information on the scheme, the new liabilities it brought for some residents, and to improve flexibility and convenience around payment options.

- 5.9 The Council now had 54,000 residents paying their Council Tax by Direct Debit. This could make things more convenient for customers whilst at the same time achieving savings and more certainty for the Council. Recent periods had seen 300 to 400 customers moving to Direct Debit arrangements each month.
- 5.10 He said it was important to compare the number of Council Tax accounts which the Council managed and issued bills for, against the relatively small number of cases which were referred to enforcement agents. There were around 113,000 live Council Tax accounts in place. The number of bills issued were far higher than this (approximately 200,000 a year), reflecting the churn in terms of property occupants. This compared to a total number of Council Tax cases referred to Enforcement Agents of 12,750 in 2017/18.
- 5.11 The relatively low numbers of cases which were referred to enforcement agents helped to highlight that the Council would take this option only where necessary, and where earlier actions in the recovery process (first and second reminders, text messaging, final notices) had not led to resolution and or positive steps being made towards it. It was a rare event that the Council referred cases to enforcement agents. Most cases which were referred involved high levels of arrears accrued over more than one year.
- 5.12 A Member noted that 709 working age Council Tax Support claimants had had their cases referred to bailiffs in 2017/18 (with an additional 30 pensioner CTS claimants). He was keen to focus on this group given that they were likely to be on lower incomes. He was keen to explore how numbers for Hackney compared to other local authorities.
- 5.13 The Group Director Finance and Corporate Resources said comparisons were sometimes difficult due to population and socio-economic differences. However, the evidence available had shown Hackney to not be referring many cases. The Council was not an outlier (in terms of referring significantly higher or lower numbers than others).
- 5.14 The Member accepted this point, but said that the panel would benefit from analysis to evidence this.
- 5.15 The Group Director Finance and Corporate Resources agreed with this. He offered to provide benchmarking comparing referrals of Council Tax accounts (of households in receipt of Council Tax Support) to enforcement agents by Hackney and other comparable authorities. He suggested that these would be Southwark, Lambeth, Camden and Croydon.

Action 2: Group Director, Finance and Corporate Resources

To provide benchmarking data on referrals of Council Tax accounts (of households in receipt of Council Tax Support) to enforcement agents by Hackney and other comparable authorities (Southwark, Lambeth, Camden and Croydon).

- 5.16 The Group Director Finance and Corporate Resources added that in terms of comparisons with others, it was also important to note that some Councils had worked to develop in-house enforcement (in regards to debt recovery) functions to replace contracts with external agencies. Experiences had not been positive;

two Councils he was aware of which had developed their own model had seen their recovery rates and costs increase. One had moved to return to a use of external enforcement agents.

- 5.17 A Member said she would be very cautious around the development of an in-house bailiff function. She supported the work aiming to reduce the number of cases where enforcement agencies were needed. She felt it would be inappropriate to develop a permanent staffing model for a function for which there was a desire to end the use of.
- 5.18 The Cabinet Member for Finance and Housing Needs agreed with this point. She was supportive of the work set out in the second paper around a number of projects piloting some new and different approaches to debt collection. This included the 'Stop the Knock' initiative where the Council in collaboration with a consultancy worked on a project aiming to better secure payment arrangements between the Council and customers, and to reduce the risk of journeys ending in referrals to enforcement agencies.
- 5.19 In response to a question, the Cabinet Member for Finance and Housing Needs confirmed that the private provider – Agilisys – was not an enforcement agency but an IT and software provider. They were no longer working with the Council as they had made the decision to withdraw from the revenues market. The Council was exploring the benefits of alternative collaborations and fully internal models.
- 5.20 A Member said he would be keen to explore the total and average values of Council Tax debt among the 709 Council Tax Support cases where there had been a referral to bailiffs.
- 5.21 The Group Director said that whilst he did not have these figures to hand, it was important to note that the referral to enforcement agents was a last resort, and one taken only after other options had been non-effective. One example of a case was when court action was about to be taken against a debtor with arrears in the tens of thousands. In this case, the account holder made the payment in full prior to the court date.
- 5.22 The Cabinet Member for Finance and Housing Needs added to this point. The Council needed to ensure that it collected Council Tax in order that it could invest in services. There had been great successes in this area – collection rates now stood at over 90% compared to around 60% in 2000. This said, it was also important that there was a 'human look' in cases to ensure that actions taken were not unreasonable. This was in place via monthly monitoring.
- 5.23 A Member asked whether an Equalities Analysis had been carried out in into the characteristics of the group of Council Tax Support claimants with their cases referred to enforcement agents.
- 5.23 The Group Director of Finance and Resources said he would need to check on the level of data kept and recorded around the profiles of those cases referred. This said, he confirmed that the Council Tax Reduction Scheme itself underwent a detailed Equalities Impact Assessment. The Council was also careful to take into account individual circumstances of households in terms of

their referrals to Enforcement Agents. This included aspects around the presence of children, and any prevalence of mental ill health.

6 Quarterly Finance Update

- 6.1 The Chair opened the item by asking the Corporate Director Finance and Corporate Resources to set out the context in which this Council and others were operating.
- 6.2 The Group Director Finance and Corporate Resources made the following points:
- Local Government had been on a trajectory of declining finance since 2010.
 - Hackney had seen a 45% reduction in funding from central Government at a time when cost pressures were increasing.
 - He suggested that he shared with Members some detailed slides which set out the context, how the Council had responded to the reductions so far, and the forecast challenges moving forward.

Action 3: Group Director, Finance and Corporate Resources

To provide Scrutiny Panel Members with slides setting out the Council's response to funding reductions since 2010 and the forecast challenge moving forward.

- The Council had worked to achieve greater savings in some areas compared to others, in an approach informed by the organisation's priorities, which included best protecting the most vulnerable. Within this approach, some services had seen little or no funding decrease, or had had their budgets slightly increased.
- Intensive work was now being undertaken around budget planning up to 2021/22. Given the scale of the savings which had been required in recent years, there was a risk that the levels now required could be seen as quite small. However, it was important to note that the savings figures now needed to come from a significantly smaller total amount meaning that required savings as a percentage of total budgets would still be high.
- There was major uncertainty around allocations of funding for the period 2020/21 to 2022/23. This would not be eased until the autumn of 2019 when the Government would publish its Spending Review setting out the budgets for its departments for this period.
- The Prime Minister's announcement in June around increases to NHS funding was coupled with soundings that there was very little room for increases for other Government departments. Indeed, given the apparent continued commitment by Government to fiscal rules requiring reductions in debt coupled with the state of public finances generally, it was difficult to see how tax rises would not be required to fund this element alone. The recent announcement had not contained any reference to social care funding meaning the Council would continue to face significant pressures at least for the short term. Social care funding would be dealt with via the Spending Review next year.

Monday, 16th July, 2018

- The Council was working with its local government partners to lobby government around the extent of funding reductions suffered in the sector alongside increasing service demands. This was in order to state the case that the sector was now one of the most efficient in the public sector and that it was working within an increasing unsustainable financial context.
- There were signs that these messages – which had been given illustration through Northampton county council having had to impose emergency funding controls – were now beginning to land. However, there remained little sign that financial constraints would be eased, and it was conceivable that funding could decrease further.
- Alongside risks of static or reduced funding for Local Government as a whole, reviews to the way that funding was distributed across Councils also brought significant risk to Hackney.
- The Government's Fair Funding Review would produce a new formula to calculate the needs of a local authority against its resources. Depending on whether a local authority was deemed to have resources lower or higher than their needs, they would either receive a further allocation for a pool or would be required to pay into this pool.
- The current formula arrangements were similar, and within this Hackney received a further allocation rather than being required to pay a 'surplus' into a pool. However – with the needs assessment currently based on 2011 census data (including around levels of deprivation) – there was a risk that changes to the calculations and or to the data source informing them, could shift the Council from receiving a 'top-up' from the pool to a position of being required to pay into it.
- The Fair Funding Review would also involve a review of an adjustment factor taking into account the higher staff and business case costs which some local authorities faced. Hackney benefitted from this as a London borough. There was a risk that this review could impact on levels of compensation it received.
- There was a common view outside of London that London boroughs received unfairly high shares of Government funding. Other local authorities pointed to the lower rates of Council Tax in London as evidence of this. There was also some feeling among outer London boroughs that inner London received unfair shares of allocations to the capital. There was a risk that the Fair Funding Review could test how collaborative London boroughs would be in their responses to consultations.
- From 2018/19 the Council along with the rest of London had entered a pilot arrangement in which business rates were pooled. This brought benefits in terms of London retaining 100% of any growth, with contingencies built in to ensure that no borough was worse off than they would have been had the previous system remained in place. It was very likely that pooling arrangements would continue beyond this year.
- He had been asked to give his view on the areas which the Mayor had suggested could benefit from budget scrutiny through task and finish groups.

Monday, 16th July, 2018

- He said he felt that the four areas put forward (Fees and Charges, Early years' Service, North London Waste Authority (NLWA) / Recycling and Waste and Integrated Commissioning were relevant and timely.
- On Fees and Charges there would be benefits to a myth busting exercise which explored what was and was not possible in both financial and other aspects, in light of declines in funding from Government.
- On the suggestion of the Early Years' Service - with this being funded through the Schools Grant which was being adjusted by Government - it would be a very good time to explore the extent to which resources were being used effectively and efficiently. Some other local authorities had found levels and profiles of usage of children's centres to not always justify the shares of early years funding they received.
- In regards to waste and recycling, the NLWA (of which the Council was a financing member alongside 6 other boroughs) was about to enter a procurement exercise for the development of a new Energy from Waste facility. The current plant had been in operation for 20 years and was reaching the end of its life.
- It was becoming increasingly costly and difficult to maintain. This had been most recently illustrated by a turbine blowing, a part no longer being available to replace it, and a customised item to do so needing to have been procured from Poland to replace it. The plant had been passed over to Councils from the Greater London Council (GLC) at very low cost. This meant that Hackney had benefited from very low waste costs.
- With the project estimated to bring a total cost of £600 to £700 it would constitute one of the largest public infrastructure projects the Council had been involved with. It brought very significant cost implications to each of the seven NLWA member boroughs.
- With the new facility paid for via menu pricing arrangements in which the amounts boroughs paid would depend on the levels of waste they produced, the Council could mitigate the level of cost increase. There would be continued efforts to increase recycling rates towards 50% from the current 27%. However, it was important to note that even in the event of this ambitious aim being met the Council would see a very steep climb in costs over forthcoming years.
- He would support a budget scrutiny task and finish group working to gain a full understanding and exploration of the decisions being made.
- He also supported the suggestion that Integrated Commissioning constitute another area for a task group. A Governance Review of the Integrated Commissioning Board was being carried out. However, given the significance of the Health and Social Care funds which would be pooled, it would be valuable for a working group to explore and gain a full understanding of decisions made.

6.3 A Member noted the escalating waste costs due to the required development of a new plant. He asked what the scale of the increase would be for Hackney. He

Monday, 16th July, 2018

presumed that there would be a period when Hackney was paying for the running of the old site (or using alternative disposal options) whilst also paying into the build of the new site. He asked when costs would reach their maximum.

- 6.4 The Group Director Finance and Corporate Resources confirmed that costs would escalate during the development period, and start to come on line during the next administrative cycle (from 2022). At its highest point, costs were forecast to reach annual costs of £12 - £13 million, up from the current level of £7.5 - £8 million. In response to a question, he confirmed that these projections were based on achieving an increase in recycling rates to 50%. If this target was not met costs would be higher.
- 6.5 The Cabinet Member for Finance and Housing Needs agreed with the fact that significant waste cost increases were on the horizon, but added that the Council was already feeling the effects of the current plant being increasingly unstable. The breakdown of the turbine had led to a large reduction in the capacity of the plant to process waste. The Council was needing to help fund the bespoke repair and alternative processing arrangements while it was made. She had recently become Vice Chair of the NLWA.
- 6.6 A Member asked how the Council envisaged meeting these higher costs. He noted that restricting waste collections and or reduced collections had been used by some other local authorities to help achieve behaviour change by residents around recycling. However, he noted that even these measures would only partially offset the much higher costs the Council would incur.
- 6.7 The Group Director Finance and Corporate Resources said that they would need to come from existing sources. The Council was incorporating the forecast costs within its budget planning. Whilst the costs would not impact until the next administrative cycle he expected that by the end of the current one the Council would be in a position where half of the additional annual costs had been recouped via efficiencies achieved. He confirmed that there would not be a cliff edge position where the Council was required to source the increased liabilities in a single year.
- 6.8 The Chair thanked the Group Director Finance and Corporate Resources. She noted that there appeared little room for manoeuvre in terms of the need to make decisions and to move forward with delivery of a new plant. She asked what the timescales were.
- 6.9 The Group Director Finance and Corporate Resources advised that the NLWA of which Cllrs Rennison and Burke were members, would have responsibility for making a final decision on to go ahead of the project. However, it would be important that Members representing the boroughs had confidence that their colleagues in the boroughs had a full awareness and understanding of the context and implications.
- 6.10 The Cabinet Member for Finance and Housing Need confirmed that initial decisions were scheduled to be made in the summer.
- 6.11 Regarding Integrated Commissioning, a Member said she felt pooling to be broadly in the interests of patients, when it was done effectively. It could help achieve an environment where there was less conflict in the public sector

Monday, 16th July, 2018

around where financial liabilities fell. However, she appreciated that this needed to be balanced by transparency and accountability.

- 6.12 The Group Director agreed with the Member. In dialogue with the CCG he was making clear his view that a protocol and set of guidance needed to be agreed and put in place which ensured transparency and consistency in the more joined up arrangements. For example, in cases where savings had been achieved via pooling arrangement, criteria needed to be in place to show where these savings would be accounted and what would happen to them. There was a key need for the Council to receive assurance and have evidence that pooling was in the interests of Hackney residents.
- 6.13 He advised that the Integrated Commissioning was at this point in its infancy. £50 million had so far been pooled, with a further £430 million aligned directly to services.
- 6.14 The Chair of the Health in Hackney Scrutiny Commission noted this latest point and recalled that its meeting of the 26th September was due to receive an update on pooled versus aligned budgets, including its implications on planned savings programmes. The Group Director Finance and Corporate Resources was due to attend this item. He asked that a paper in support of it gave an insight into the £50 million already pooled in terms of the areas of care it was supporting, the outcomes it had delivered, and the savings it had achieved.
- 6.15 The Group Director agreed to this request.

<p>Action 4: Group Director, Finance and Corporate Resources For Health in Hackney Scrutiny Commission meeting of 26th September 2018 - To ensure that paper(s) in support of the <i>'Update on pooled vs aligned budgets in Integrated Commissioning and implications for cost savings programmes'</i> item provides insight into £50 million pooled budgets, and covers areas covered, outcomes delivered and savings achieved.</p>

- 6.16 A Member noted that the Overall Financial Position Report for 2017/18 available in the agenda packs had included a request for Cabinet approval for entering into leases with commercial tenants in properties at Kings Crescent Estate and the Great Eastern Building. He noted the levels of rent (£22,500 and £95,000) and length of leases involved (10 to 15 years). He asked whether the Council carried out full viability checks around whether potential tenants could afford the units, and provided advice and support in this regard where necessary.
- 6.17 The Group Director confirmed that these checks were delivered. There had been occasions where the Council's due diligence had resulted in applicants for a leases not being successful due to concerns around affordability. The Council had also rejected applications for other reasons (for example applications for an entertainment venue which if successful brought a risk of significant negative impact on residents).
- 6.18 The Council worked hard to secure wider community benefits from the leases entered into. Depending on their value and size, these could include linkages

with the Ways into Work Team and or commitments around apprenticeships and agreement to pay at London Living Wage levels.

- 6.19 In response to a question the Group Director Finance and Corporate Resources confirmed that the Council did insist on London Living Wage levels of pay where it could. However, for some providers such as small family run businesses, this was not always viable.

7 Overview and Scrutiny Resources

- 7.1 Introducing the item, the Chair advised that she had asked that Members receive an item on the staffing resources in place within the Scrutiny function, its position within the wider organisation, its areas of work, and its approach.
- 7.2 She invited Tracey Anderson, Head of Scrutiny and Ward Forums to deliver a presentation.
- 7.3 Thanking the Chair, the Head of Scrutiny and Ward Forums made the following substantive points while presenting a set of slides:
- She and each of the three 3 Scrutiny Officers she managed was designated dedicated scrutiny support for one of the 4 Scrutiny Commissions.
 - The role involved managing the work programme and day-to-day work of the Commission in consultation with the Chair and Commission Members.
 - In addition, the Head of Scrutiny and Ward Forums led on supporting work programme management of the Scrutiny Panel, with officers within the team supporting meetings through taking minutes on a rolling basis.
 - In addition to scrutiny work, the Scrutiny Team had a number of other responsibilities, as per below:
 - Management and support of the Ward Forums; led by the Head of Scrutiny and Ward Forums this involved the management and co-ordination of ward forums across the borough, and strategic development of support and provision for the function.
 - Healthwatch Contract Management; the Scrutiny function was deemed to be the most appropriate service area of the Council to undertake the management of this contract, given that it involved monitoring an organisation which conducted scrutiny of (among others) a number of Council service areas.
 - Inner North East London Committee (INEL); INEL was a regional joint health scrutiny committee across north east London. Hackney had led this committee for over 2 years and had provided officer support. Moving forward, support would be provided by the residing borough of the committee chair.
 - It was important to note that whilst the service took on a number of wider areas, ongoing regular monitoring ensured this did not impact on the dedicated

Monday, 16th July, 2018

support to the commissions. This element remained the first and foremost function of each Officer.

- However, allowing Officers to work on other projects helped to keep staff motivated and engaged, and enabled development and learning of new skills and knowledge bases.
- An activity audit conducted in 2015 had provided independent insight in the profile of activities performed. This audit had been applied to both roles of Scrutiny Officer and Governance Services Officer, with separate analysis produced for both.
- The findings from the exercise had helped to inform a conclusion that the Scrutiny Officer role had greater synergy with posts relating to policy, than it did to Governance Services roles. This had helped lead to the Scrutiny function being placed within the wider Corporate Policy area.
- A chart in the slides gave a profile of the Scrutiny Team's work areas, and the shares of officer time they accounted for. The largest area of work was found to have been planning and management (37%), and the second technical and projects (16%). A further chart profiled the types of work involved within the planning and management area and the shares of this which each accounted for.
- Scrutiny Officers worked to support in-depth reviews carried out by the Commission in various formats, from formal meetings in the Town Hall to site visits. The most important aspect their role was to provide sound advice and to ensure the commissions had all information required in order to carry out their scrutiny work effectively. This was partly achieved through providing the elements of support below:
 - Drafting comprehensive, rigorous and concise scrutiny reports with practical recommendations to improve service delivery and support local priorities.
 - Co-ordination of Commission meetings to invite the right Council officers, partner organisations, external organisations and local residents interested in topical issues
 - Horizon scanning, for example assessing how new legislation might affect residents or Council services, and ensuring that Scrutiny was best placed to respond
 - Producing effective briefing information to support Commission Members in their meetings
 - Drafting responses to statutory consultations, for example the annual Quality Account reports on local NHS Trusts, and carrying out a range of statutory functions including scrutiny of the Community Safety Partnership Scrutiny. Ensuring that Hackney's local perspective is included in national considerations.
 - Producing minutes reflecting the nature of discussion as well as decisions taken, and producing public records of evidence gathering.

- Publicity of meetings, forthcoming reviews, scrutiny outcomes, and the wider role of accountability in the borough
 - Maximising public involvement, producing surveys and distributing them effectively
 - Representing the borough's scrutiny function in Pan-London meetings, and at national conferences
 - Analysing feedback following reviews to ensure all stakeholders felt their views were used appropriately, and lessons learnt
- A survey undertaken in 2014 by the London Scrutiny Network had asked boroughs to indicate how many whole time equivalent dedicated scrutiny support officers they had in place. This found there to have been an average of 2.4 officers within each responding borough. Hackney with its 4 officer resource sat at the top of the most common range reported (2.5 – 4).
 - The internal review mentioned earlier (in addition to helping to lead to incorporation of Scrutiny into the wider policy function) had also noted that the importance in which Scrutiny in Hackney was held was reflected by the level of resources which were dedicated to supporting it.
 - In terms of the structure of the function in Hackney - an overarching scrutiny committee (in the form of the Scrutiny Panel) with standing panels (in the form of the 4 Commissions) - was the model most commonly found in other boroughs.
 - Presenting a slide highlighting the methods through which scrutiny was delivered in Hackney, the Head of Scrutiny and Ward Forums stated that Scrutiny in Hackney was well respected and that strong working relationships with senior management and service areas had been achieved.
 - The executive always responded to a scrutiny review report within the required timeframe once published.
 - There was provision for debate to take place on reports at full council
 - There were regular 6 month progress updates held on recommendations following publication of the report.
 - The review mentioned had the provisions above as being helpful in ensuring that scrutiny reports were taken seriously both by the cabinet, and subsequently by those responsible for the implementation of recommendations.
 - A key aim of the function was to add value. This was consistent with the pressures on all services and functions given the significant financial constraints they were operating within. Overview and Scrutiny was no exception. The capacity of the function to demonstrate this added value could be through work which in any particular way, added value to the performance of the Council.

Monday, 16th July, 2018

- Hackney Scrutiny had been able to deliver in-depth scrutiny reviews on topics where there is the opportunity to 'make a difference'. The quality of several review reports had been externally recognised. These included the examples below:
 - A review of unregistered educational settings had led to raising the profile of a serious legal deficit in the current education legislation and to training being developed for other local authorities on the topic of in partnership with the LGA
 - A review around domestic violence had raised the profile and reinforced the importance of specialist domestic violence courts
 - The Fees and Charges review had helped improve communications between the council and bailiffs on live cases
 - A review around HIV prevention had been selected by Public Health England as an example of best practice and the successful engagement of a local authority in this topic. This demonstrated how the NHS could use councils to improve their campaigns and the outreach to target groups.
- The Scrutiny function in Hackney sat within the wider Policy and Partnerships service. This had brought a number of benefits which had helped to maximize Scrutiny's impact. The function was able to draw on the insight gathered corporately and have knowledge of the key challenge areas facing the council both currently and on the horizon.
- An example of this was demonstrated by the Vulnerable Migrants review. The findings of the review fed directly into and helped to shape the development of a Council programme of work, led by the Policy and Partnerships Service. This included the gaining of external funding.
- A clear view among those feeding into the review was around the need for the function's independence to be maintained. There was a risk that the move of the function into the wider corporate policy area could be felt to compromise this. However, it was important to note that the team had been kept as a distinct entity within the broader service and continued to have dedicated officer resources in place.
- The review of the scrutiny function had identified a number of development areas, which were being addressed.
- It had shown highlighted variation in the way in which the Commissions behaved and the priorities the Chairs brought to their role. This included around the selection of topics for detailed review. Choices were fully delegated to the Commission but had been typically largely influenced by the preference of the chair. Whilst this was not-unreasonable, it was noted that there was no explicit criteria which Scrutiny Commissions were expected to use in helping to identify suitable topics for in-depth study. This could bring a risk that topics selected would not in all cases have the capacity to add full value.

Monday, 16th July, 2018

- Following this the service had worked to develop a criteria to help guide the commission's decisions about reviews and the content of their work programme.
 - The review had also highlighted a desire and need for greater consistency in the provision of support to the commission. She was currently working on the development of a standard approach to officer support across commissions within the team. This should take away the variation in scrutiny commission operations and dependency on the Chair in order to achieve consistently in the strategies and techniques used.
 - The review of scrutiny had found there to be a correlation between Commissions holding pre meetings, and the Commission meetings following them to have very effective debate. This approach was encouraged amongst all Commissions. They could provide an effective tool in the preparations for meetings through Members together going through the agenda and in particular to plan a strategy for discussions to provide robust challenge.
 - In regards to evidence gathering, every effort was made to diversify Scrutiny's approach to its reviews and wider work. The service used a variety of techniques including focus groups, engagement events, role play, site visits and appreciative inquiry.
 - Around Public involvement in scrutiny, efforts were made to take commission meetings out of the council where it was practical. The Working in Hackney Commission had recently followed this approach in their delivery of an engagement session with local BAME businesses. 23 businesses attended and spoke about a range of topics including their business support needs and barriers to engagement.
- 7.4 Stephen Haynes, Director of Policy, Strategy and Economic Development introduced himself to Members. He was the director of a number of services including Policy and Partnerships, incorporating Scrutiny. He had wished to attend in order to learn from Members and said that he was available to them at all times.
- 7.5 A Member thanked the Head of Scrutiny and Ward Forums. He said he wished to emphasise and agree on the points around Scrutiny adding value. He had been convinced of the role of Scrutiny in helping to influence Council Policy and – through the detailed understandings of topics which it enabled – achieving better and more informed policy decisions.
- 7.6 A Member said that she saw room for improvement in the way the work of scrutiny was publicised and shared. It was difficult to locate scrutiny content on the website. There was little social media coverage and publicity.
- 7.7 She often heard a view from residents that the Council received little challenge due to the size of one party. Scrutiny and the level of resource allocated to it helped to ensure that this challenge was provided. However, its existence and its work needed to be publicised more widely.
- 7.8 The Head of Scrutiny and Ward Forums thanked the Member. She noted that the dates of meetings were advertised in Hackney Today and published online.

Monday, 16th July, 2018

The website held full agendas of all meetings, and reports from previous reviews. There was not a dedicated communications support for the function.

- 7.9 The Member accepted this point. However, she noted that scrutiny had little Twitter presence. This compared to Healthwatch Hackney – another organisation providing scrutiny – which was a regular tweeter.
- 7.10 Another Member said that the publicity of scrutiny was a key role of Chairs, Vice Chairs, and wider Commission Members also. He would support and contribute to work which further built links with the community.
- 7.11 Another Member agreed with this. She celebrated the work of the Working in Hackney Commission in delivering an external event in which many business groups had fed in. She said that initiatives to take scrutiny outside the Town Hall had been very successful when delivered by the (now disbanded) Community Safety and Social Inclusion Scrutiny Commission.
- 7.12 The Chair noted the points around publicity of Scrutiny, by both Officers and Members. She noted that the Panel was due to hear from the Director of Communications, Culture and Engagement around the Council's approach to consultation. She suggested that there might also be discussions around publicity of scrutiny.

Action 5: Scrutiny Officer

To arrange for a 'Publicity of Scrutiny' item to be held by Scrutiny Panel in their meeting of 9th October

- 7.13 A Member agreed with this point. He also felt that the Chief Executive in addition to the Director of Communications, Culture and Engagement should be invited to participate in the discussion around consultation approaches. Other Members supported this

Action 6: Scrutiny Officer

To seek attendance of Chief Executive at 'Council approach to Consultation' item at Scrutiny Panel meeting of 9th October

- 7.14 The item closed with a discussion around the initial proposals for budget scrutiny of the four areas mentioned in item 6, as suggested by the Mayor. The Chair advised Members of her view that findings of the groups should be reported to and discussed within Scrutiny Panel.
- 7.15 The Head of Scrutiny and Ward Forums said that one approach for delivery might be the aligning of the topic areas into the most relevant Commission(s), and the incorporation of the exercises into their work programmes.
- 7.16 The Chair thanked the Head of Scrutiny and Ward Forums. She advised that in early discussions between herself and the Cabinet Member for Finance and Housing Needs, a view was emerging that this might be most effectively delivered by working groups of non-executive Members, separate of the

Scrutiny Commissions. As Chair of a previous budget scrutiny exercise which followed a similar approach, she had found this to be successful.

- 7.17 Another Member felt that the exercise should be one in which the relevant Cabinet Member led on producing a proposal or set of options for review and exploration through budget scrutiny. He felt that there was a need for Cabinet Members to draw on their insight to produce options or proposals for non-executive Members to explore.
- 7.18 Another Member suggested that incorporating the programme of work into existing Commission work programmes might be the most practical approach to ensuring availability of Members.
- 7.19 The Chair thanked the Members. She said that she would hold further discussions with the Cabinet Member for Finance and Housing Needs on the matter.

8 Overview and Scrutiny Work Programmes

- 8.1 The Chair advised that the purpose of this item was for Chairs and Vice Chairs to update Members on the topics likely to form their Commissions' substantive reviews for 2018/19.
- 8.2 The Chair of the Health in Hackney Scrutiny Commission noted that a decision on this would be made at the Commission meeting scheduled for the following week.
- 8.3 However, he was intending to propose that the focus be on the increasing digitalisation of GP appointments, and implications for both patients and GP surgeries.
- 8.4 One factor for exploration was around the Digital Divide, and exploring any inequalities in access that advancements could create. Another was around the impact which recent developments could have on the financial viability of local surgeries. A new service enabled patients to have video consultations with GPs online.
- 8.5 However, it would involve patients opting out of their existing GP surgery and transferring to one in Central London. Proceeds would be split between the London practices and the private company providing the online app. There was some concern that the programme would lead to lighter users being lost to local surgeries, along with the per patient funding for these patients which in effect helped to fund the spending on higher level service users. Hackney had already lost 1000 patients.
- 8.6 Another likely area for exploration was the Estates Strategy for North East London being developed by the East London Health and Care Partnership. This would include the Commission gauging the emerging plans for key sites including St Leonards and Whipps Cross hospitals, and implications of the proposals for Hackney residents. He suggested that a key question for the Commission would be around the plans for any capital gained from land sales.

Monday, 16th July, 2018

- 8.7 With Cllr Patrick having sent her apologies, the Vice Chair of the Living in Hackney Scrutiny Commission advised that the substantive review for the year would explore some of the issues of possible relevance to levels of serious violence in the borough, with a focus on young adults (aged 18-25).
- 8.8 She advised that the Commission hoped to hear from the Integrated Gangs Unit (IGU) and their work with the approximately 150 young people currently identified as being involved in gang activity. They would aim to explore provision for young adults (18-25s), how those at risk were supported to move away from harmful behaviour, and how prevention might be improved. This would be partly delivered through speaking to both young adults and parents. The Commission also wished to gain an understanding of the level and nature of support provided by Probation Services to the young adults in their client groups.
- 8.9 The Chair thanked the Vice Chair. The Vice Chair agreed to her suggestion that Members were kept abreast of developments with the review, and were invited to attend evidence sessions where it was practical.
- 8.10 The Vice Chair of Living in Hackney advised that the Commission was also holding items reflecting its continued concern around the extended stays of many residents in temporary accommodation.
- 8.11 Healthwatch Hackney had released a report on the experiences of single homeless people with mental health needs living in temporary accommodation. In September the Commission would hear from Healthwatch on their work and from the Council on their response.
- 8.12 The Chair of the Working in Hackney Scrutiny Commission said the main review for the year was focused on how Hackney's communities could harness the growth opportunities of new industries on their door step.
- 8.13 The July meeting had seen a business engagement event with BAME business owners. The aim had been to reach a better understanding of any barriers to engagement for BAME business owners, and to capture views on the support available and that needed to enable full benefit from local economic growth.
- 8.14 23 business owners had been in attendance, supporting earlier points around the benefits of getting out of the Town Hall campus. Future sessions would be held at Hoxton Text City and HereEast.
- 8.15 The Commission was seeking to allocate the majority of some meetings to exploring particular themes. The September meeting would see a focus on transport. A future meeting explore implications and responses to Brexit.
- 8.16 A Member wished to commend the Working in Hackney Commission for having secured the involvement of a very diverse range of business owners in the July event, including groups who the Council had historically found challenging to engage.
- 8.17 He felt that the review had the potential to build a real legacy of ongoing business engagement. He said that he would be particularly keen to explore

- how regular engagement between schools and tech businesses could be achieved.
- 8.18 The Chair of Working in Hackney thanked the Member. He agreed there was real potential to improve linkages, and that the Council (including Scrutiny), had a real role to play.
- 8.19 HereEast had advised they would be creating approximately 3000 jobs over the next three years, and that they were seeking to establish programmes for 13-14 year olds to help them develop the skills needed for later entry into them. Both the businesses the Commission had spoken to and the Council Officers involved had been very positive around the value that scrutiny could provide to this agenda.
- 8.20 The Chair thanked the Chair of Working in Hackney. She updated Members on the emerging review plans of the Children and Young People's Scrutiny Commission (for which she was Vice Chair), with the Chair of that Commission having sent her apologies.
- 8.21 The Commission would draw upon their previous review on school exclusions of 2016, but would look more closely at the impact of exclusions on outcomes. The previous review had focused on the high rates in Hackney and the significant disproportionality in regards to the Black and Black British cohort. Despite that review having established better segmentation analysis, the high rates and inequalities very much remained. She said concerns also remained around informal exclusions and differences between academy schools and others.
- 8.22 The new review would seek to explore any linkages between exclusions and poorer outcomes both within education and other arenas; including the criminal justice system.
- 8.23 The Chair also advised that the Commission would receive an update from the SEND reference group in its meeting on September 20th. This group was aiming to achieve a co-design of a reconfigured SEND function. She and Cllr Patrick represented back bench Members on the group.
- 8.24 In addition and given the importance of the issue, the lead Cabinet Member for the area (Cllr Kennedy – Cabinet Member for Families, Early Years and Play) would provide an update as part of his Cabinet Question Time session in November.
- 8.25 A Member said she would support work to further explore the approaches of academy schools around behaviour policies. A child being excluded entered what she termed an emotional prison. She felt that the Commission might explore the emotional impact of exclusions on those excluded.
- 8.26 A Member asked whether the previous review had identified higher rates of exclusion amongst academies than other schools.
- 8.27 The Scrutiny Officer recalled that quantitative evidence was limited due to quite small numbers, particularly in terms of permanent exclusions.

- 8.28 Cllr Hayhurst said he would be keen to attend either or both of the SEND related discussions, and asked that a calendar invite be sent to him for these. Moving forward, he felt that Chairs should instruct their support officers to send calendar invitations for all items where it was felt there would be particularly high wider interest.

9 Proposals for Scrutiny Panel Work Programme 2018/19

- 9.1 The Chair opened this item by noting that the Commission would hold annual question time sessions with the Mayor and the Chief Executive during the term, and receive Finance Updates at each meeting. It would also receive and review the annual report on Complaints and Members Enquiries.
- 9.2 As covered in an earlier discussion, the next meeting would host an item exploring the Council's approach to consultation.
- 9.3 In terms of other topic-specific areas, suggestions had been made for the Panel to explore aspects around ICT and Digital, the Council's development of a sustainable procurement policy, and on its approach to a review of contracted services.
- 9.4 Of relevance to the latter two elements, the Chair noted the referral letter from the Chair of the Living in Hackney Scrutiny Commission to the Scrutiny Panel, which was available in the agenda packs.
- 9.5 With the Chair of Living in Hackney having sent her apologies, the Vice Chair of the Commission introduced the letter.
- 9.6 She advised that Living in Hackney Members had noted that the Mayor's manifesto committed to a review of external contracts with a view to expanding in house provision where possible, and also that the Council planned to develop a new Sustainable Procurement Strategy.
- 9.7 Members understood that there was an appetite among Scrutiny Members that the Scrutiny Panel helped to inform these elements. This was the basis of the letter that Living in Hackney Members agreed should be issued to the Scrutiny Panel.
- 9.8 She said the letter set out findings of relevant investigations by Living in Hackney over the last year. These explored the subjects of procurement, contract management, and divisions between insourced and outsourced services.
- 9.9 The investigations had focused on contracts managed by the Council's Housing Services. They had involved the Commission receiving regular updates on one specific contract, and holding a single discussion item focusing the benefits, risks and issues with some of our larger housing contracts generally.
- 9.10 There were a range of key findings drawn from the work, which were summarised on the first three pages of the letter. She said that whilst it had been evidenced that large, long term partnering contracts had helped to facilitate very significant levels of renewal in housing stock, and that some of these contracts worked very well, the investigations had also highlighted major

issues. These included factors around contractor behaviour and performance, both in terms of standards of work and in their interactions with the Council.

- 9.11 She encouraged the Scrutiny Panel to digest the content of the letter in full, and asked that it was used as evidence in any broader items around procurement and insourcing and outsourcing by the Panel.

10 Any Other Business

- 10.1 The Chair advised there were four updates around general business.
- 10.2 Firstly, and subject to Council approval at its meeting on 18th July, the name of the Working in Hackney Scrutiny Commission would be changed to the Skills, Economy and Growth Scrutiny Commission. It had been felt by scrutiny Members that this would give greater clarity to the Commission's areas of focus.
- 10.3 Secondly, it was proposed that the Scrutiny Panel agreed to increase the Membership of majority party Councillors on the Health in Hackney, Living in Hackney and Working in Hackney Scrutiny Commissions, from 6 to 8. This would bring each of these Commissions' Memberships up to 9 when including (currently vacant) opposition places.
- 10.4 The third update was around Commission remits. Following discussions, it had been agreed that the scrutiny of the areas of planning and licensing would transfer from the Living in Hackney Scrutiny Commission to the Working in Hackney Commission. This decision had been made to give a better balance to the areas covered by each.
- 10.5 Finally, the Chair reminded Members that whilst sending apologies for this meeting, the Chair of the Audit Committee (Cllr Sharman) was a regular attendee at Scrutiny Panel. Given previous discussions around the value in linkages between Scrutiny and Audit, the Chair advised she had requested legal advice around the possibility of the Chair of Audit position also sitting on the Scrutiny Panel by default.
- 10.6 The Head of Scrutiny and Ward Forums advised that response which had now been received advised against this. This was due to it possibly being seen to put the independence of the Scrutiny Panel in question.
- 10.7 This was due to the conceivable event of the Chair of Audit Committee finding themselves scrutinising decisions taken by their own committee. Whilst a Committee Chair may be able to demonstrate that they held an open mind when scrutinising a decision (or could excuse themselves from any particular item), this would not detract from a likely common perception that they would support decisions made by their committee.