

## Scrutiny Panel

All Members of the Scrutiny Panel are requested to attend the meeting of the group to be held as follows

**Monday, 16th July, 2018**

**7.00 pm**

**Room 102, Hackney Town Hall, Mare Street, London E8 1EA**

Contact:

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**Tim Shields**

**Chief Executive, London Borough of Hackney**

**Members:** Cllr Ben Hayhurst, Cllr Mete Coban, Cllr Margaret Gordon, Cllr Sharon Patrick, Cllr Sophie Conway, Cllr Sade Etti, Cllr Richard Lufkin and Cllr Yvonne Maxwell

## Agenda

**ALL MEETINGS ARE OPEN TO THE PUBLIC**

- 1 Election of Chair and Vice Chair**
- 2 Apologies for Absence**
- 3 Urgent Items / Order of Business**
- 4 Declaration of Interest**
- 5 Minutes of the Previous Meeting** (Pages 1 - 22)
- 6 Quarterly Finance Update** (Pages 23 - 68)
- 7 Overview and Scrutiny Resources**
- 8 Overview and Scrutiny Work Programmes** (Pages 69 - 100)
- 9 Proposals for Scrutiny Panel Work Programme 2018/19** (Pages 101 - 122)
- 10 Any Other Business**

## Access and Information

### Getting to the Town Hall

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### Accessibility

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

### Further Information about the Commission

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

<http://www.hackney.gov.uk/individual-scrutiny-commissions-health-in-hackney.htm>



### Public Involvement and Recording

Scrutiny meetings are held in public, rather than being public meetings. This means that whilst residents and press are welcome to attend, they can only ask questions at the discretion of the Chair. For further information relating to public access to information, please see Part 4 of the council's constitution, available at <http://www.hackney.gov.uk/l-gm-constitution.htm> or by contacting Governance Services (020 8356 3503)

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

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

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

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

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

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

Providing oral commentary during a meeting is not permitted.

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<b>Scrutiny Panel</b>  16 <sup>th</sup> July 2018  <b>Minutes of the previous meeting</b>	Item No  <b>5</b>
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## **OUTLINE**

Please find attached the draft minutes for the Scrutiny Panel meeting held on 7<sup>th</sup> February 2018.

## **Matters arising**

**Action 1 - Overall Financial Position (OFP) and the Capital Programme reports to be included in all the Scrutiny Panel agendas.**

This is attached under item 6 in the agenda.

**Action 2 - The Group Director of Finance and Resources to provide statistics on:**

- a) **The number of times the Council has instructed bailiffs since the housing benefits and welfare reform were introduced.**
- b) **Information on the strategies developed for the collection of Council tax and rents e.g. aligning pay dates to help residents budget their expenditure better and any noticeable trends.**

The update reports are attached on pages 17-22 of the agenda.

## **ACTION**

The Scrutiny Panel is requested to agree the minutes and note the actions update and matters arising.



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London Borough of Hackney  
Scrutiny Panel  
Municipal Year 2017/18  
Date of Meeting Wednesday, 7th February, 2018

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

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<b>Chair</b>	<b>Councillor Ben Hayhurst</b>
<b>Councillors in Attendance</b>	<b>Cllr Margaret Gordon, Cllr Ann Munn, Cllr Sharon Patrick and Cllr James Peters</b>
<b>Apologies:</b>	<b>Cllr Mete Coban, Cllr Christopher Kennedy and Cllr Anna-Joy Rickard</b>
<b>Co-optees</b>	
<b>Officers In Attendance</b>	<b>David Padfield (Interim Director of Housing Services), Steve Platt (Interim Head of Property and Asset Management), Tim Shields (Chief Executive), Ian Williams (Group Director of Finance and Resources), Kim Wright (Group Director Neighbourhoods and Housing), Rob Jack (Project Manager), Malcolm Peek (Delivery Manager), Dan Paul (Head of HR &amp; OD &amp; Elections) and Michael Sheffield (Head of Investigations)</b>
<b>Other People in Attendance</b>	<b>Councillor Clayeon McKenzie (Cabinet Member for Housing Services)</b>
<b>Members of the Public</b>	
<b>Officer Contact:</b>	<b>Tracey Anderson</b>  0208 3563312  tracey.anderson@hackney.gov.uk

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**Councillor Ben Hayhurst in the Chair**

**1 Apologies for Absence**

1.1 Apologies had been received from Cllrs Coban, Rickard and Kennedy.

**2 Urgent Items / Order of Business**

2.1 There were no new or urgent items of business and the agenda was as published.

### **3 Declaration of Interest**

3.1 None were declared.

### **4 Minutes of the Previous Meeting**

4.1 Members gave consideration to the minutes held on 11<sup>th</sup> December 2017.

4.2 Cllr Gordon, asked to make a correction to the minutes of the previous meeting:

- Paragraph 3.1 should read ‘...an employee of the Government Legal Department...’ rather than ‘...an employee of the Department of Work and Pensions...’.

4.3 The Chair briefly explained that the 4 actions from the last meeting were either going to be covered as a part of this meeting agenda or had been scheduled as agenda items going forward.

4.4 The minutes of the meeting held on 11<sup>th</sup> December 2017 subject to the amendments were agreed as a correct record of the last meeting.

### **5 Council's Code of Governance**

5.1 Members were informed that the Council’s Code of Governance document had been reviewed by the Statutory Officer Group and Hackney Management Team. It had come to the Scrutiny Panel for Members’ consideration before being submitted to the Audit Committee for formal approval.

5.2 The Code of Governance sets out and describes ways in which the Council carries out its functions and the processes to ensure that resources are directed in accordance with agreed policy and that decision making is sound and inclusive. Accountability is clear for the use of those resources in order to achieve desired outcomes for service users and communities.

5.3 The Chair welcomed Michael Sheffield, Head of Investigations, to the meeting. Before answering Members questions the Head of Investigations made the following substantive points:

- The revised document was being presented to the Scrutiny Panel for comments because it has implications for the work of the Panel.
- The revised Code of Governance was an update of the Council’s existing Code of Governance which is based on best practice. It was noted that the Council is not obliged to follow best practice but there is an expectation to do so unless it is justified not to do so.
- The current draft will go to the Audit Committee for approval with the caveat that it will be subject to further change and review. Changes will take place throughout the year to make it more ‘Hackney specific and in line with the Council’s policies and procedures.



- 5.4 The Members wanted to better understand how the Council will ensure that effective arrangements and principles in place to manage data are adhered to across the Council. In response the Head of Investigations stated that:
- Once the document was updated and agreed there will be a need to focus on publishing it more widely than previously, to ensure staff are aware of the document. This will form part of the comprehensive framework of principles around data collection and storage.
- 5.5 Members expressed the following points, they wanted the Code of Conduct document to be included in the training programme for Councillors alongside guidelines on how to better assess risks. In addition, Members highlighted the importance that data is not only accessible but also available in a usable format in order to improve interactions with and support to residents.
- 5.6 The Chair confirmed the Code of Governance did not need to be formally endorsed by the Scrutiny Panel.

## **6 Housing Repairs Service**

- 6.1 The Chair welcomed the Cabinet Member, Group Director of Neighbourhoods and Housing and the senior managers from housing repairs service to the meeting.
- 6.2 The Chair explained that housing repairs service would normally be scrutinised by the Living in Hackney Scrutiny Commission. However, at the last scrutiny panel meeting Members agreed to discuss this service area at the next meeting of the Scrutiny Panel. The Scrutiny Panel submitted the following request for information:
- The Council's action plan to improve the housing repairs service from the first point of call to the feedback request.
  - Highlight any best practice by other local authorities or Registered Social Landlords that Hackney could learn from to help advance the progress of improvement for the repairs service.
- 6.3 In response the Cabinet Member made the following substantive points:
- The report in the agenda provides a wealth of information about the scale of the work for the repairs and maintenance services and the steps being undertaken to make improvements. The report also include benchmarking information where relevant as part of the picture in relation to how Hackney compares to other similar authorities.
  - It was noted that the Council completes approximately 78,000 repairs a year. 87% are carried out by the in-house service (the DLO) and 94% are completed on the first visit; a 2% improvement from last year.
  - Overall, complaints about repairs are less than 1% of the repairs completed, and for the DLO it is 0.6% of the repairs completed.
  - The Council has increased spending on planned works such as fitting new kitchens and bathrooms, replacing roofs and windows and external decorations from £59.3m in 16/17 to a projected £98.9m for 17/18.

- Overall, the services are delivering an enormous number of repairs and improving the homes of thousands of residents. However, the services are not complacent about the need for service performance improvement and therefore welcome the Scrutiny Panel's input.
- 6.4 In addition, the Group Director of Neighbourhoods and Housing made the following substantive points:
- The top 2 priorities for the Housing Service are performance improvement and the fire safety work.
  - Despite improvement there are still concerns around response rates, inaccurate repairs and the implications of this, as well as issues around the benchmarking of the performance data. Improved performance is essential in order to ensure a better standard of living for those in Hackney Housing.

#### Questions and Answers

- 6.5 Members wanted to better understand what is currently in place to and what can be done to increase in-house capacity in relation to repairs. It was noted that currently the DLO perform far better than those contracted to carry out repairs.
- 6.6 Members also wanted to know more about the development programme in-house, recruitment process for apprentices and the number of apprenticeships.
- 6.7 In addition, they sought clarification around the framework of contracting in regards to how it benefits the local economy and in terms of wages and conditions.
- 6.8 In response to the questions above the Head of Building Maintenance and Estate Environment explained that:
- In general the DLO carry out smaller repair work while the contracted firms for example Purdy carry out more complex repair work that requires scaffolding. There are limits to the Council's ability to impact on how they carry out their work due to these being external companies. However, the intention and plan is to move more contracted work in-house.
  - In a competitive market the Council find it difficult to recruiting and retaining staff because people often opt to work for other companies rather than a local authority.
  - There are 20 new apprentices per year. All apprentices are hackney residents highlighting that the local community is benefitting from the scheme. In addition, there are plans to improve the current scheme to include the older cohort. The idea is that the scheme will offer opportunities to upskill those that missed out on doing an apprenticeship.
  - There is a strong history of apprenticeships in housing services. Offices pointed out several employees in senior management roles started out as an apprentice.
  - The Housing Service is reviewing the procurement process in such a way that it encourages small to medium contractors, who tend to be more local, to tender for contracts which are designed around recruiting local labour. However, the procurement framework needs to allow for larger contractors too in order to cover a range of skills. Unfortunately, it might still be the case that following the tender process a contractor does not use local talent and recruits workers from outside the borough.

- 6.9 The Group Director of Neighbourhoods and Housing added that as a part of the re-procurement of contracts in line with the Council's expectations there is a commitment to paying the London Living Wage.
- 6.10 The Members sought to understand why 1 in 5 repairs appointments are not kept (as indicated in the diagram on p5) and what has been done to improve this as well as what is being done to manage and monitor the work carried out by contractors. In response the Interim Director of Housing made the following substantive points:
- It was noted that the figure for repair appointments included compulsory gas safety checks. In regards to these it is not uncommon for residents to refuse to let officers in to do the necessary checks which counts as a 'repair appointment not kept'. However, in these cases the housing services will follow-up with a letter of appointment and where necessary they will force entry in order to ensure that they have completed all gas checks by the required deadline.
  - Residents call to book an appointment and non-urgent repairs appointment are made in agreement with the resident to ensure that they will be in. Residents also receive a phone call when the repairs team is on their way to the appointment.
  - In the near future the appointment booking system will be available online.
- 6.11 At this point the Delivery Manager added that a number of steps have been taken to improve performance:
- The KPIs have been reviewed to acquire residents' feedback before, during and after the repair works.
  - New contracts and partnerships are designed so that KPI are more easily obtained.
  - The Housing service has moved away from using some contractors, for example Mulalley. However, they might still be visible in the borough as they still need to complete their contracts.
  - Residents are encouraged to fill out an online survey form following their repairs appointment and the liaison officer will manage any complaints in regards to contractors.
- 6.12 The Members pointed out that in their experience there seems to be a lack of ownership, coordination and communications in regards to more complex repair cases particularly those involving a third party. Members sought to understand how issues around communication, coordination and ownership could be improved. This point was illustrated with an example where the DLO had removed a water tank in order to eliminate asbestos and the tenant was left with no water while waiting for the asset management team (and subsequently the contractor) to be contacted. In response the Head of Building Maintenance and Estate Environment and the Group Director of Neighbourhoods and Housing made the following substantive points:
- Following this particularly case lessons have been learnt and improvements made.
  - It was noted that the existing issues are known to the service and that some improvement had taken place. It is anticipated that the transformation programme - which in the Group Director's opinion has not been moving at a quick enough pace or consistent - will continue to focus on the culture of the organisation. The introduction of neighbourhoods structures is expected to improve the issues around ownership and accountability.

6.13 Members enquired about the Housing Service's view on tenants' engagement and the role of TRAs in proactively and preventatively working with the service to improve. Members wanted to know how they ensured council tenants are receiving a high standard service and made to feel like valued customers. In response the Head of Building Maintenance and Estate Environment and the Group Director of Neighbourhoods and Housing made the following substantive points:

- Resident participation and associations are key to discussions about repairs including communal repairs in the transformation programme.
- There are a number of initiatives being developed around improving engagement such as instant updates online, reviewing practices around Section 20 notices and the involvement of TRAs.
- A new structure is scheduled for implementation on the 1<sup>st</sup> April. This will include more streamlined roles, offering better liaison between the housing service and residents and a flatter structure to address communication and coordination issues.
- There are currently pockets of excellent work but this is not consistent across the service. Issues around the treatment of tenants is being addressed in the work to change cultural behaviour in the organisation. This work is being carried out through communication and engagement work focusing on raising standards. The message being communicated to staff is that 'the service provided should be good enough for you and your family'.
- It was noted that the resident feedback provides a rich data set which feeds into the service improvement work to ensure the processes in place are providing a good repairs service.

## **7 Quarterly Finance and Budget Update**

7.1 The Chair welcomed Ian Williams, Group Director of Finance and Resources, to the meeting. An updated version of the Power Point presentation in the agenda was circulated to Members prior to the meeting.

7.2 Before answering Members questions the Group Director of Finance and Resources made the following substantive points in regards to the Local Government Settlement:

- There is no additional central government funding.
- Core Spending Power will increase by 2.1% over SR period, with a 1.5% increase in Core Spending Power in 2018/19.
- Central government has based their assessment on local authorities increasing their council tax following the flexibility to do so.

7.3 The Members enquired if the Adult social care precept would result in a 6% increase for Council tax over the 3 years. In response the Group Director of Finance and Resources made the following substantive points:

- It is expected that the Adult social care precept would be raised by 6% over the three years and it is anticipated that the Council tax would either be raised by 3% in the first and second year with no increase in the third year or raised by 2% across the three years. The Council has raised it by 2% in the first year and is proposing to raise it with 2% this year and a further 2% in 2019/20.

- It was pointed out the Secretary of State has based the Core Spending Power around the assumed growth in council tax and the Adult social care precept.
  - It was noted that an increase of 2% in council tax for adult social care and the referendum limit of 1.59% means that the Council can increase the Council tax by 2.99% and by a maximum 4.9%. This has resulted in some local authorities increasing their Council tax by 5.9%.
- 7.4 The Chair suggested Members would benefit from receiving brief guidance notes around 'what you can do and cannot do' in terms of increasing Council tax and Council Tax Bands.
- 7.5 The Group Director of Finance and Resources explained that 60-65% of households in Hackney fall within Council tax band A and B. In the last 12 hours the government had announced an additional £150 million in funding would be made available for adult social care. Despite this additional funding there was still concern about how to tackle the £7.1 billion funding gap.
- 7.6 The Group Director of Finance and Resources made the following points in regards to the overall financial position for the current financial year:
- The reported overspend was £5.563million. This is mainly Adult social care, Children social care and the continuing pressures of Temporary Accommodation.
  - Council tax collection has continued to increase. This year £79.7million was collected compared to £74.9million last year. A further 20,000 residents are now paying Council tax via Direct Debit. This is close to approaching 54,000 households paying Council tax via Direct Debit.
  - The Business Rates devolution, has resulted in an increase to £107.8 million compared to £91.4 million last year.
  - The collection of Housing Benefit overpayments has increased. This was noted to be due to improvements in regards to collection processes.
  - There is no drawdown on Corporate Contingency which has stood a £2 million for a number of years. Instead the Council will continue to deliver departmental efficiency programmes to minimise the use of the reserve. It was noted that there is a general reserve fund and earmarked reserve for a range of costs and services where the Council has experienced high cost pressures such as Children services. The reserve is used to tackle in year cost pressures and to ensure that services are stabilised. The earmarked reserve take into account upgrading the Council fleet as well as any Capital programmes. The reasons for holding the earmarked reserves are explained in the Council's accounts.
- 7.7 The Members sought reassurance in regards to the increasing Business Rates and wanted to know how the increase in Business Rates was being managed to avoid businesses experiencing a significant increase in costs. In response the Group Director of Finance and Resources made the following points:
- Following their campaigns in regards to the proposed Business Rates the Council was granted £4 million in business rates relief over four years. However, this will be tapered down significantly year on year.
  - In addition, the Council has successfully implemented 2 schemes to minimise the impact on Public houses and licensed premises and small businesses as well as having a local scheme.

- It was noted that not all businesses have taken up the Council's offer. The Council is investigating whether the funding can be carried over to the next financial year. Work is also underway to increase the uptake to ensure that businesses are accessing their entitlement.

7.8 The Members wanted to better understand what action is being taken to address the pressures around SEND. In response the Group Director of Finance and Resources made the following points:

- A budget monitoring board has been established to work closely with the relevant managers in implementing an action plan to reduce these pressures and to ensure the forecast is as accurate as possible.
- In addition the Council is working with colleagues across London to address this national issue. The Group Director advised he has met with officers at the Department for Education (DfE) to discuss the significant increase of SEN statements and Education and Health Care Plans against the backdrop of minimal increases in funding. It was noted that this issue is of the same level of concern as the national funding formula for schools. Unfortunately, central government remains reluctant to release additional funding unless the Treasury gets a business case that shows return of investment. Consequently, it remains unclear how the Council, within the resources available, will continue to meet the increasing costs. Plans are being developed for implementation in the budget year 2019/20 and beyond. In the short term the Council will need to decide if it will continue to fund these services through the general reserve fund for the next 18 months to 2 years.

7.9 Members highlighted their concerns about the consultation process for the SEND proposals as well as the need for these challenges around overspend to be highlighted at an earlier point in the process.

**ACTION:** Overall Financial Position (OFP) and the Capital Programme reports to be included in all the Scrutiny Panel agendas.

**ACTION:** The Group Director of Finance and Resources to provide statistics on:

- a) The number of times the Council has instructed bailiffs since the housing benefits and welfare reform were introduced.
- b) Information on the strategies developed for the collection of Council tax and rents e.g. aligning pay dates to help residents budget their expenditure better and any noticeable trends.

7.10 The Members asked for the Group Director of Finance and Resources to comment on Northamptonshire County Council being issued with a section 114 notice. Putting a ban on new expenditure. The Group Director of Finance and Resources explained there was a range of issues that led to the ban of expenditure. Northamptonshire County Council has over a number of years made decisions around the outsourcing of services and commissioning, leaving most of their services having a relatively low-funded per capita and experiencing issues around efficiency due to organisational structures.

**8 Chief Executive Question Time**

- 8.1 The Chair welcomed Tim Shields, Chief Executive and Dan Paul Head of HR, OD and Elections to the meeting. The Chair further explained that the Chief Executive had been asked to provide an update on the integration of Hackney Housing with the Council (partly covered under Item 6 of the agenda).
- 8.2 In addition, the Head of HR, OD and Elections had been asked to provide an update on the planning and provision for the operation of the local elections in May 2018. The Members wanted to know what measures have been put in place to ensure that postal votes arrived in good time. In response the Head of HR, OD and Elections made the following substantive points:

Local Elections:

- The procedure for postal votes is prescribed and therefore the Council has very little flexibility around the processes.
  - All postal votes are personalised and labelled with their individual Ballot number. This makes it a time consuming process.
  - The Council will do 4 print runs for postal votes for the local election in May:
    - The first run will contain all of the people that have an active postal vote as of the 5<sup>th</sup> March. This should cover the bulk of postal votes, approximately 31,000 electors.
    - The complexity for this particular election is that the Council needs to ensure the postal vote electors also receive the mayoral candidate booklet before they receive their postal vote leaflet.
    - The mayoral candidate booklet was expected to be ready for distribution on or around the 13<sup>th</sup> April. Shortly after this date the first round of postal votes will be distributed. These are sent by first class post and the expectation is approximately 93% of the postal votes in the first round will arrive the next working day.
    - The second distribution will follow a week later and include those whose postal vote application has been successfully processed (between the 5<sup>th</sup> March and early April). This is expected to be a smaller number of postal votes and faster turnaround time.
    - The third distribution contains those who applied from early April to the deadline date of 18<sup>th</sup> April at 5pm.
    - The final round contains those who applied to vote by post by the deadline but the application was still pending due to additional information requirements from the elector before processing their postal vote.
    - It was noted that all the dates will be published on the Council's website.
- 8.3 It was noted that because the Council has to go through the same processes, in a highly regulated system, such as checking names, verifying documents etc. for each application for a postal vote, the later the elector registers to vote the later their postal vote will arrive. The high volume of 'last minute' registrations was highlighted to be the cause of delays to postal votes in the last election.
- 8.4 Members referred to disabled electors highlighting this cohort mainly applies for postal votes. Member enquired if their postal votes could be collected. The Head of HR, OD and Elections explained postal votes could not be collected, the voter would need to appoint a proxy voter, who could either vote on their behalf at the polling station or by post. The same deadline applies to all voters. When applying

for a proxy vote, the elector will receive an information pack outlining all the options available.

- 8.5 In addition, the Members were informed that there will be a campaign across the borough encouraging residents to register to vote. The Elections team has also continue to work closely with other departments to ensure residents are reminded to register to vote. They automatically send out voter registration forms when distributing any new Council tax letters. It was noted that as a result of the large volume of elections recently registrations have continued to increase. In their view the register was fairly accurate.

#### Integration of Hackney Housing

- 8.6 The Chief Executive made the following substantive points:
- In 2006, the Council decided to create an ALMO (Arm's-length management organisations), in order to secure a grant of £2.5million to carry out housing repairs.
  - Prior to 2016 the Council consulted with residents, tenants and leaseholders about continuing with the ALMO or bringing the housing service back under Council management.
  - A ballot was carried out with an 18% turnout, and 56% wanted to bring housing services back under Council management.
  - On the 1<sup>st</sup> April 2016 housing services transitioned back into the Council. Prior to the services transition the council became aware of a number of challenges, the worst being the performance of the contact centre. Members were informed that in August 2015 waiting times were up to 23 minutes. Subsequently, a transformation team was established to address these challenges and put in place intervention processes. As a result the waiting times significantly improved and dropped from 23 minutes to 17 seconds.
  - A number of interventions were in place prior to the transition back into the Council in regards to contracts, repairs, processes and performance.
  - In addition to the improvement work around repairs, estate cleaning has been integrated with the street cleaning. Further changes have been made to block cleaning offering a 7 day week service to see a gradual improvement.
  - Work has begun on joining up estate grounds maintenance with parks and other open spaces with the expectation that there will be similar improvements to that of the estate cleaning.
  - New teams have been set up to manage properties that come out of the regeneration estates like the new tenancy team who address issues like snagging as well as make sure tenants move swiftly into the new properties.
  - The volume of disrepair cases was around 200 at the point of transition. Currently it stands at 109 including 52 cases involving legal cost.
  - It was noted that the Housing service is currently closing around 20 cases per month.
  - Members were informed that a Leaks Team was created and to date this team has resolved 195 complex cases.
  - A residents' engagement review and staff survey have been carried out. The big challenge remains around the culture of the organisation and this is taking a longer time to turn around. The Chief Executive continues to work closely with the Group Director Neighbourhoods and Housing to resolve the



housing services issues and the culture of the organisation including making improvements to the procurement and contracting processes.

- It was pointed out when the new telephony system was introduced there were a few 'hick-ups' which caused a few issues with the contact centre however these have been resolved and the new system is up and running.
- The Council is looking to improve the asset management strategy because at the point of transition it was not clear or strong enough.
- In summary, the Council transitioned 850 staff and huge service costs across to the Council which was seen as successful because there was minimal disruption despite a range of improvements being put in place including the contact centre. However, changing the staff culture within the organisation has continued to be more difficult despite continuous intervention from the management.

8.7 The Chief Executive outlined the impact the Grenfell tragedy on Hackney:

- A large amount of resources were diverted to carry out fire safety assessments and the impact is expected to last for the next few years partly due to changes to building regulations around fire safety.
- A decision was made to remove and replace the cladding on three housing blocks even though they were assessed to be low risk as well as installing sprinklers in some of the taller blocks and scissor blocks. In regards to the latter installation is proving difficult.
- Going forward an officer will be appointed to deal specifically with the volume of queries from residents' about fire safety.

8.8 In addition, the Members were informed that following the Grenfell tragedy central government has not provided any additional funding for the Council to carry out the fire safety work. However, the Council had received approximately £30,000 from central government to report back on all private sector buildings in the borough that potentially have high risk cladding or that may have issues around fire safety.

8.9 The Members enquired about the timeframes around fire safety issues for categories 1 and 2. The Chief Executive advised the timescales are 4-6 weeks dependent on the issue however, urgent issues, such as a broken door, are expected to be dealt with within 48-72 hours. The Chief Executive highlighted in regards to fire safety the safety inspections is only guaranteed on the day of the check. It was explained the reason for this is because circumstances are continuously changing, i.e. furniture being put out on a landing obstructing the fire escapes, mopeds being parked in front of an entrance, fire exit signage being vandalised down, rubbish blocking door ways etc. Subsequently, tenants and leaseholders' behaviours need to be addressed and changed in order to protect themselves.

8.10 The Council continues to work closely with London Fire Brigade and with the independent fire safety advisor on these complex issues including getting access to flats and scissor blocks to install sprinklers.

## 9 Review & Reflect and Scrutiny Panel Work Programme 2017/18

9.1 The Chair invited the Chief Executive and the Group Director of Finance and Resources to share their thoughts on the Scrutiny function. The Chief Executive and the Group Director of Finance and made the following points:

- It was noted that regrettably none of the suggestions, of where Scrutiny could add value, from the Chief Executive, over a number of years, have been taken forward. However, it was recognised that scrutiny can play a vital role in unlocking positions around difficult topics. To illustrate this point the Chief Executive gave the example of the Children and Young People Scrutiny Commission's investigation into unregistered educational settings in Hackney and further emphasised that it was helpful when Scrutiny taking the topic out into the community and talking with stakeholders, other local authorities and other partners to open up discussions in an objective way.
- Further, it was noted that the Governance and Resources Scrutiny Commission had provided financial challenge and acted as a welcome forum where officers could have discussions with Members around thorny issues.
- In light of the cost pressures going forward it was felt that partnership working between Members and officers will be increasingly important in order to communicate messages and explain to residents the difficult decisions for example SEND budget, debt collection etc.
- Scrutiny also has a role in cascading in-depth knowledge and expertise around difficult issues while it would be near impossible to immerse all the Members on such a level.

9.2 In the discussion the following comments and suggestions were made by Members:

- While a number of Members felt that there was a need for the Scrutiny Panel to expand on its overarching co-ordinating role in order to ensure that reviews are aligned and to ensure suggestions from officers are taken into account. Including more in-depth discussions looking at how and why we are reviewing certain issues as recommended by the Scrutiny review.
- It was noted that pitching and defending the work programmes as well as identifying good practice would improve standards and co-ordination.
- Others felt that this needed to be dealt with outside of the dedicated meetings and referred to holding an offline discussion about the work programmes.
- Further they raised concerns in regards less output and the best use of the resource. However, they agreed that there is a role for the Scrutiny Panel to provide non-confrontational peer support and to act like a critical friend.
- Further the following suggestions were made:
  - Look at the possibility of inviting members of the public to discuss policy issues as a way of allowing different communities to have a voice and get their messages across through scrutiny.
  - An additional meeting through the year in order to manage the vast remit of the commissions.
  - Cross-cutting reviews and picking up some off the work from the old Governance & Resources scrutiny commission.
  - Accessing the E-panel and other forms of consultations.

**Wednesday, 7th February, 2018**

**ACTION:** The Head of Scrutiny and Ward Forums to further develop the ideas above and to set-up a work programme meeting with scrutiny Chairs and Vice-Chairs following their meetings with Group Directors and Cabinet Members.

Duration of the meeting: 7.00 - 9.30 pm

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## INFORMATION REQUIRED FOR SCRUTINY PANEL (1)

### BAILIFF INSTRUCTIONS

#### Number of Council Tax cases referred to Enforcement Agents

	<b>Total</b>	<b>Council Tax Support Claimants Working Age</b>	<b>Council Tax Support Claimants Pensioners</b>	<b>Non- Council Tax Support Recipients</b>
2017/18	<b>12,750</b>	709	30	12,011
2016/17	<b>12,053</b>	793	27	11,233
2015/16	<b>10,547</b>	1,200	67	9,280
2014/15	<b>12,916</b>	1,115	39	11,762
2013/14	<b>14,483</b>	1,844	65	12,574
2012/13	<b>14,931</b>			
2011/12	<b>18,103</b>			
2010/11	<b>20,055</b>			

**Note:** 2017/18 total figure excludes circa 3,000 cases that were transferred from one EA company to another following the new contract start date (these cases are already included in previous year figures)

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## **INFORMATION REQUIRED FOR SCRUTINY PANEL (2)**

**Information on the strategies developed for the collection of Council tax and rents e.g. aligning pay dates to help residents budget their expenditure more easily and any noticeable trends.**

### **1. Introduction**

- 1.1. As a part of the exploration of a more corporate approach to debt collection Revenues has been exploring a number of changes to working practices via pilot projects
- 1.2. These are currently being run separately from work that Housing is undertaking in relation to rent collection
- 1.3. The pilots include:
  - 'Stop the Knock' – a programme in conjunction with Agilisys to attempt to make contact with Council Tax payers who have had a liability order granted against them and to arrange payment without the need to refer the case to Enforcement Agents
  - Referrals to Payplan and / or Citizen's Advice Bureau where customers identify being in financial difficulty
  - Taking account of other debts owed to services in Revenues control when collecting former tenant arrears from temporary accommodation cases (TA FTA)
  - Updating Council Tax recovery letters to take account of recommendations from the Money Advice Trust

### **2. Updates on Pilot projects**

#### **2.1. Stop the Knock**

The purpose of the pilot was to refer cases to Agilisys where the Council had obtained a liability order but did not have an agreement in place for the customer to make payment.

- 2.2. The cases referred were Council Tax Reduction scheme cases, including those with children in the property.
- 2.3. The Stop the Knock process was to validate the address held, make contact with customers using a programme of letters, telephone calls and text messages – with the intention of making either a direct payment arrangement, an attachment to benefits or earnings or to set up a direct debit instruction. Where cases were identified as vulnerable Agilisys were to refer these cases for debt advice.
- 2.4. Whilst the case was with Agilisys the cases were put on hold in the Revenues system to prevent further recovery action.
- 2.5. 483 cases with a value of £362k were referred. Of those:
  - 28 cases paid (£29k) in full either to Agilisys or direct to the Council
  - 19 cases made arrangements to pay of which 11 cases still remain at arrangement
  - 17 cases were sent for tracing
  - 419 cases were returned at the end of the project period with no contact or payment having been made or payment plan in place

- 2.6. Before the project concluded Agilisys advised the Council that it was withdrawing from the Revenues market and would therefore not be interested in either further pilots or a more extensive project.
- 2.7. The results of the pilot were not better than the Revenues team would likely have achieved its self, subject to having sufficient resources to carry out the work in the timescales required.
- 2.8. Going forward consideration will be required as to whether
  - Further work is carried out, over and above what is already done as a part of the recovery process, to target these case types using staff directly within the Revenues service – this would also allow contact to be carried out before a summons is issued; or
  - An alternative commercial partner is sourced

### **3. Debt advice Referrals**

Two pilot projects have been agreed with advice agencies. This is also in conjunction with Revenues adopting the new Standard Financial Statement (SFS). The SFS is promoted by the Money Advice Service (MAS) and is being rolled out to all advice agencies. MAS says that the SFS marks a single debt sector wide view on how to approach the challenge of bringing greater consistency to the way information on people's financial circumstances is gathered. Over 22 organisations have come together to agree this single format for recording income, expenditure and arrears as well as agreeing a set of spending guidelines. Importantly, the statement will include a savings category which will help encourage people to build financial resilience while they deal with their problem debt. Organisations who sign up to the SFS will agree to a code of conduct to ensure best practice usage, which will not only ensure that people's affordability assessments are more consistent, but will enable smoother transfer of information between the organisations working with them.

- 3.1. In addition to this the Council has also signed up to the CAB's new Council Tax protocol
- 3.2. The Revenues Service has agreed that, where it identifies customers whom it appears would benefit from debt advice, and subject to the customer consenting, it will refer those cases to either Payplan (using an online web form) for a phone call back from Payplan, or to the CAB for a face to face discussion. CAB are only at this stage able to offer 3 appointments per week.
- 3.3. To date 14 number of cases have been referred to Payplan and 7 number of cases referred to CAB. It is at present too soon to say whether those referrals will bring positive results. It is worth noting that one case referred to CAB has not attended appointments made on three occasions, and has still to do so. However, the referral does allow the customer a further breathing space.
- 3.4. Further cases will be referred to increase the numbers on which to make a judgement of success
- 3.5. Training sessions for Revenues staff are being developed to embed the revised approach, procedures and referral process to increase the chances of success.



#### **4. TA FTA debts**

- 4.1. Revenues has recently taken over the collection of TA FTA debts. This is also being used as an opportunity to look at whether these customers also have other debts owing by way of Council Tax and / or Housing Benefit Overpayments
- 4.2. Data matching was carried out to identify those cases with debts in more than one stream, and where the non TA FTA debt was not already subject to a current form of recovery.
- 4.3. This identified 1655 cases with a TA FTA debt and either a Council Tax or HB Overpayment debt.
- 4.4. To date 470 cases with Council Tax outstanding and 368 cases with an HB OP outstanding have been reviewed. This has only generated payments of £3k Council Tax and £0.4k HBOP so far.

#### **5. Changes to Council Tax recovery letters**

- 5.1. As a part of the work carried out with MAS Revenues also arranged for all its recovery letters and supporting documents to be reviewed by the Money Advice Trust (MAT).
- 5.2. MAT made suggestions to simplify the language and change some of the fonts and colours used. MAT believes that this will make the letters and documents more accessible to all customers and so those changes have been made.
- 5.3. Revenues will monitor the number of letters issued and the progression of cases through the recovery process to see if there is an impact on action taken.

#### **6. Housing Rents**

- 6.1. The housing rents team are currently undertaking a review of their working practices. As well as modernising the service, there is a need to review activity to support the wide-scale rollout of full Universal Credit service from the autumn, and also to support our corporate debt plans. There is support of the project to align debt recovery activity across the Council, although it is recognised that this is challenging due to differing debit cycles and recovery and enforcement paths. Some core principles will be reviewed by the Housing Services Management Team, which will help form the new recovery procedure and support this work. This will include alignment of the internal support services (statutory and non-statutory) and externally funded advice to the principles of the corporate debt strategy. The Advice Services review is due to conclude in April 2019.
- 6.2. An IT project is underway to build a modern platform to sit above Universal Housing which will provide greater efficiency in the recovery process through an improved staff interface, some automation and prioritisation of cases. Currently in the pilot build phase, results are being shared across the council and it is hoped that the key principles can be rolled out to support wider debt collection activity beyond housing rents.

## **7. Adult Social Care**

- 7.1. The Adult Social care collection team contacted the Collection Project Manager to ask for advice on collection.
- 7.2. Information has been shared with ASC on the suggestions made by MAT and in the proposed approach to future debt collection.

## **8. Conclusion**

- 8.1. It is too early to draw conclusions as yet on whether extending / continuing the pilots will bring results which are better than continuing to use existing methods.
- 8.2. Revenues collection does require contact and engagement from customers, particularly those that have reached the later stages of recovery and would benefit most from the additional support that can be provided.



<b>Scrutiny Panel</b>  16 <sup>th</sup> July 2018  <b>Quarterly Finance Update</b>	Item No  <b>6</b>
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## Outline

The finance reports attached cover:

- A forward look at the future of local government funding
- A look at how well placed the Council is to adjust to the new business rates regime
- Council's Monthly Overall Financial Position (OFP) Report – using the data from March's monitoring.
- Capital Programme report

The report shows the overall financial position as at March 2018, covering the General Fund, Capital spend and the Housing Revenue Account. The OFP shows that the Council is forecast to have a £3,677k overspend which is equivalent to 0.4% of the total gross budget. The report outlined the latest position in relation to General Fund expenditure and the areas of key overspend.

The capital programme report for 2018/19 includes capital project approvals for Children, Adults and Community Health Services, Finance and Corporate Resources and Neighbourhoods and Housing (Non- Housing). This report updates Members on the current position of the Capital Programme.

## Action

The Commission is requested to note the reports and ask questions.

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## SCRUTINY PANEL 16<sup>th</sup> JULY 2018

### FINANCIAL UPDATE

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#### 1.0 FORWARD LOOK FOR FUTURE LOCAL GOVERNMENT FUNDING

- 1.1 The Government has published indicative values of the major funding streams for 2019/20 and whilst there is some uncertainty about some of the streams, we do not expect major changes from the indicative estimates. Uncertainty relates to the New Homes Bonus Grant as our allocation will partly depend on the number of new properties that enter on the council tax database in 2018, which at present is not known; and there is always the risk that the Government will reduce the total of New Homes Bonus Grant to fund other grants as it did in 2017 when the Adult Social Care Grant was paid for by transfer of funding from the total of New Homes Bonus Grant. There is also uncertainty concerning the Improved Better Care Fund – the total looks robust, but changes could be made to the re-distribution methodology; and the methodology used to calculate the top-up grant could also be changed.
- 1.2 There is far more uncertainty concerning funding allocations over the period 2020/21 to 2022/23.
- 1.3 In the Autumn of 2019, the Government will publish the 2019 Spending Review which will set out the spending totals/budgets for each Government Department over the period 2020/21 to 2022/23. This will be a major determinant of our core funding allocations from central government over this period. It will also set out grant allocations to local government from departments other than MHCLG.
- 1.4 Turning to the former, on 17<sup>th</sup> June 2018, the Prime Minister announced a five-year plan for NHS funding which comprises an extra £20bn a year by 2023 (an average 3.4% increase annually) but interestingly no mention was made of social care. In a subsequent announcement, the Health and Social Care Secretary stated that the “long-term funding profile” of social care would not be settled until the next spending review (which won’t be published until the Autumn of 2019), which probably means that there will not be any significant changes to the current social care funding arrangements until 2020/21.
- 1.4 The increased funding for the NHS means that there will be less funding for other Government Departments over the period 2020/21 to 2022/23, including Local Government especially since the Chancellor remains committed to sticking to the fiscal rules which requires the Government to continue to reduce debt. In fact, the Chancellor admitted tax rises would be necessary to pay for the increased NHS funding, something which the Institute for Fiscal Studies believes is inevitable.

- 1.5 In light of the above, whilst there may be increases in funding for social care, it is difficult to see that there will be any significant increases in funding for other local government services in the Spending Review. Indeed, there could be further decreases. And even with social care, it must be recognised that any 'additional' funding may not be wholly new money.
- 1.6 With regards to grants from other departments, the key ones here are the Improved Better Care Fund (IBCF) and Public Health Grant. Both make a significant contribution to the council's overall resource base (an estimated total funding from these sources in 2019/20 is £45m).
- 1.7 So clearly, there are risks here in terms of reduced local government funding over the period 2020/21 to 2022/23 particularly following on from the increase in NHS spending, and reduced IBCF and Public Health Grant allocations. What compounds this is that we will not know until the autumn of 2019 (possibly as late as November) what the Government's plans are. This does not give us long to build any unforeseen changes into the 2020/21 budget.
- 1.8 Aside from these risks, there is also a risk that the distribution of the funding will change in a way in 2020/21 which is not favourable to the Council.
- 1.9 The Government is planning to introduce a new system of local government funding when it completes its Fair Funding Review and associated transition arrangements to protect authorities that lose from the Review. The Review is planned to be completed in the Summer of 2019 and introduced in 2020/21 and it does hold significant risks for the Council.
- 1.10 The Review involves the production of a new formula driven assessment of local authorities' needs and an assessment of resources. The same formula will apply to all authorities. A comparison will then be made between the two constructs and if an authority's needs exceeds its resources it will receive a payment equal to the difference (currently called a top-up); but if its resources exceed its needs then it will then make a payment equal to the difference into a pool (central or local) which will be re-distributed to top-up authorities (the payment is currently called the tariff). Hackney will receive a top up under the new system.
- 1.11 For Hackney, there are 3 main factors which drive our Needs Assessment: - Deprivation, Area Costs and Population.
- 1.12 With regards to deprivation, most of the deprivation factors used in the current needs assessment date back to 2011 (Census) and to 2012. Since then Hackney has become less relatively deprived according to measures such as the Index of Multiple Deprivation (IMD) and Free School Meals and so it is very likely we will lose out from the review of the needs factors. The replacement of some of the factors will be necessary in any case, given the introduction of Universal Credit.

- 1.13 The Area Cost (ACA) is an adjustment factor which compensates authorities that face higher salaries and wages costs and business rates costs than average, through increased funding. The former is much larger element than the latter. In its present form and geographical division (i.e. a whole of London ACA) the ACA is extremely beneficial to us, but it will be reviewed by a separate technical group as part of the Fair Funding Review. As almost every proposed change in recent years has reduced the funding Hackney gets from this factor, I am less than enthusiastic about the outcome of the group's work.
- 1.15 Whilst we could potentially lose from any changes to the deprivation factors and the ACA, the proposed treatment of Population is one element that may benefit us as CLG are now proposing to use projections rather than a static count.
- 1.16 With regards to transitional arrangements, prior to 2011/12, a safety net was applied which unwound the losses from changes to needs assessments over a long timescale. However, in 2011/12, most authorities, including Hackney's losses were unwound in just two years (the year of introduction and the following year). If, as we suspect, we will lose from the Fair Funding Review, the type of transitional arrangements introduced will be of key importance.
- 1.17 In summary, the prospects for local government funding and Hackney's funding, in the medium term, whilst possibly not as bleak as those set out in the last three Spending Reviews are not favourable and the financial climate that we work in will continue to be extremely challenging.

## **2.0 HOW WELL PLACED IS THE COUNCIL TO ADJUST TO THE NEW BUSINESS RATES REGIME?**

- 2.1 Scrutiny Panel will recall that London Councils and the GLA have made various devolution proposals to Government, one of which involves piloting of 100% business rates retention (BRR) via a voluntary pool for London as a whole from 2018-19. A pool is where a group of authorities come together under the business rate retention scheme to aggregate their business rates resources and be treated as a single entity under the scheme for the purposes of calculating tariffs, top-ups, levies and safety net.
- 2.2 The net financial benefit of pooling in London consists of retaining 100% of growth (rather than 67% across London under the previous scheme), and in not paying a levy on that growth (which tariff authorities and tariff pools currently pay). The principle would mean that any aggregate growth in the pool overall – because of the increased retention level – would generate additional resources to share, with each pooling member benefiting to some extent.
- 2.3 The scheme is framed to ensure that no single borough is worse off compared to what it would have got under the current system and that all boroughs will share in any growth in business rates in London. The growth shares will be allocated out by a formula which is favourable to Hackney.

- 2.4 For each borough, its 2018/19 revenue support grant is replaced by retaining additional rates. So, while the composition of each borough's "core funding" will therefore change, the overall quantum will not (before any London wide growth)
- 2.6 In January 2018, all boroughs agreed to participate in a pool in 2018/19. This does not bind boroughs or the Mayor indefinitely. As with existing pool arrangements, the founding agreement will include notice provisions for authorities to withdraw in subsequent years.
- 2.7 It follows that we are already well versed with the operation of the devolved business rates arrangements having operated it since April 2018.
- 2.8 It is worth noting that the Government is proposing to extend the kind of scheme that applies in London currently to all councils in 2020/21, although councils will retain 75% of funding rather than the 100% kept by the boroughs and GLA in London. It follows that whether we remain in the pool in future years or instead take part in the Government scheme, we are well prepared for either.

### **3.0 YOUR THOUGHTS ON THE TASK AND FINISH GROUPS THAT MAYOR GLANVILLE IS PROPOSING?**

3.1 In the past, task and finish groups have considered specific areas of the budget and have scrutinised specific savings proposals to assist in reducing budget gaps and developing sustainable budgets. In my view these working groups have been successful and so I welcome their participation in future budget development.

3.2 Each of the potential areas that have been identified for future work over the next 12 months, offers scope for the positive involvement of the task and finish groups, i.e.: -

- Fees and Charges
- Early Years' Service
- NLWA/Recycling & Waste
- Integrated Commissioning

3.3 Our approach to Fees and Charges was successfully looked at over 5 years ago by Governance and Resources and out of that key principles were identified. As core income streams from Government decline it feels absolutely timely to again look at these and also improve understanding of the true scope of what is possible in not simply financial terms but also in relation to non financial aspects. The Early Years budget is one that is funded through Dedicated Schools Grant and it is timely to ensure that the resources we have are being deployed most effectively in this space.

3.4 The North London Waste Authority are in the process of gearing up for the procurement of the Edmonton incinerator that will be one of the largest public infrastructure investments Hackney has been involved in. It will result regardless of improvements in recycling rates as Scrutiny Panel are aware in increased costs as the existing facility is now very much at the end of its



economic life and any new facility will be required to be funded. Finally, and in parallel to the Governance Review given the scale of expenditure with the Integrated Commissioning work where we are pooling significant Health and Social Care resources it is again important that the decisions that need to be taken are fully understood and explored.

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**TITLE OF REPORT: 2017/18 OVERALL FINANCIAL POSITION, PROPERTY  
DISPOSALS AND ACQUISITIONS REPORT (MARCH 2018)  
KEY DECISION NO. FCR 09**

**CABINET MEMBER**

**Cllr Rennison**

**Finance**

**GROUP DIRECTOR**

**Ian Williams Finance and Corporate Resources**

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 This is the final OFP report for 2017/18 and on the basis of detailed monitoring data from directorates, the provisional outturn is a forecast overspend of £3,677k. This compares to a forecast overspend of £3,728k in February and to a forecast overspend of £5,300k in January. The primary reason for the significant improvement in the financial position in the final quarter of the year is the receipt by Childrens, Adults and Community Health (CACH) of non-recurrent Better Care Fund (BCF) funding of £1,300k from the Clinical Commissioning Group (CCG) towards maintaining social care eligibility criteria.
- 1.2 An explanation of each directorate's forecast outturn position is detailed in the directorate commentaries below.
- 1.3 Our projected overspend primarily reflects severe spending cuts by central government since 2010, which are likely to continue for a number of years to come, and increasing cost pressures in services which remain underfunded by the government. These include social care, homelessness and special education needs (SEN) in education. With regards to SEN, reforms introduced in The Children and Families Act 2014 extended the age range of young people to be supported and while we welcome the changes, these have not been matched by government investment, with central government funding frozen since 2011. The government's failure to provide any additional funding to address the inherent increasing demands and cost pressures within these services, and to support wage increases for local government staff makes our financial position next year and in the following years, extremely challenging.
- 1.4 This report also seeks approval to enter into leases with commercial tenants in properties at Kings Crescent and Great Eastern Building. These demonstrate the Council's commitment to continuing to invest in the borough, despite the challenging financial position, delivering the homes and businesses local residents need.
- 1.5 I commend this report to Cabinet.

## **2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION**

- 2.1 The OFP shows that the Council is forecast to have a £3,677k overspend which is equivalent to 0.4% of the total gross budget. It should be noted that whilst the closure of the 2017/18 Accounts is well advanced, this is still subject to finalisation and as such this forecast is subject to change.

- 2.2 This report seeks approval to enter into leases of up to 10 and in one instance 15 years in respect of various properties located in Kings Crescent Estate and in the Great Eastern Building. The properties referred to below have been developed as part of the first schemes to be completed on the Housing Estate Regeneration Programme. The properties at Kings Crescent and Great Eastern Building have been marketed, negotiated and the lease terms are being concluded. The residents of the schemes have moved into the properties and the commercial lettings form part of the regeneration of the estates, providing service to the community and it is important that these businesses have a long-term interest, therefore the report recommendation to enter one lease of up to 15 years and the remainder for up to 10 years is supported.
- 2.3 **Kings Crescent Estate (Phase 1) – Clissold Quarter.** The first phase of the regeneration scheme, which included 79 homes for social rent, 36 homes for shared ownership and 158 for outright sale, is now complete with the first residents moving in to the complex in September 2017. In addition to the new homes, Higgin’s Construction handed over 4 retail units, all of which are being marketed in shell and core condition, meaning that the incoming tenants fit out the interior of the unit including all finishes and the necessary services adapted for their own use.
- 2.4 **The Great Eastern Building** forms part of the borough-wide estate regeneration programme includes 18 new homes including 5 one-bedroom, 10 two-bedroom, and 3 three-bedroom homes. There are 6 shared ownership properties paid for through 12 homes for outright sale, as well as 114 sq. m. of commercial space. Similar to the above, the commercial unit was marketed as “shell & core”, requiring the incoming tenant to make considerable investment into fitting out the property for their own use.
- 2.5 The units have been marketed through CF Commercial and, where offers have been received, these have been evaluated against a set of criteria including rental offer, covenant strength, quality of fit out, and local economic impact. The current position with each unit is as follows:
- (a) Unit A Clissold Quarter, 255-259 Green Lanes, Stoke Newington, N4 2UX
- This is the largest of the four commercial units on this site (3337 sq. ft.) in a prominent location fronting Green Lanes and opposite Clissold Park. The Council’s objective has been to secure an anchor tenant for the unit; ideally a general grocer. After a thorough marketing process Heads of Terms have been agreed with Sainsbury’s at a rent of £95,000, exclusive of VAT, Rates & Service Charge. Their offer is subject to agreement of a 15 year lease which they require in order to amortise their extensive fit out costs.
- (b) Unit B Clissold Quarter, 263 Green Lanes, Stoke Newington, N4 2UX
- This commercial unit (721 sq. ft.) has planning designation A1 (Retail-Shops) and is in a good location fronting Green Lanes and opposite Clissold Park. After thorough marketing, Heads of Terms have been agreed with Hourglass Café, a new start up business currently operating from a flat in Stoke Newington. Their business model is that of an independent café and retailer of coffee and coffee making equipment. The agreed rent is £22,500 pa exclusive of VAT, Rates & Service Charge. They require a 10-year lease to amortise their fit out costs.

- (c) Unit C Clissold Quarter 4 Murrain Road, Stoke Newington, N4 2BN  
 This unit (2,293 sq. ft.) is currently being considered as a potential location for a temporary community centre pending completion of the purpose built community centre building within phase two of the Kings Crescent regeneration. However addressing the possibility that this proposed temporary use may not be viable, approval is sought to market the unit generally and enter in to a commercial lease of up to 10 years, in the event that use as a community centre proves not to be viable. That use would also require a planning application for charge of use).
- (d) Unit D Clissold Quarter, 22 Brownswood Road, Stoke Newington, N4 2XS  
 This unit is in a secondary location opposite an existing newsagent and provides a retail opportunity within the estate itself. A tenant proposal from a dry cleaning operator is expected, and it is likely that because of the fit out costs, the tenant will require a 10-year lease.
- (e) Commercial Unit 1, Ground Floor, Great Eastern Building, Reading Lane, E8 1DR  
 The development comprises 14 shared ownership and four private sale homes, built above a commercial unit of 1226 sq. ft. which has planning designation. The commercial unit (1226 sq. ft.) is in a secondary location to the western side of the rail line serving Hackney Downs and London Fields. After thorough marketing and receipt of best bids, Tempo Pilates were identified as the preferred tenant for the site. Their offer amounts to a rent of £42,910 per annum exclusive of rates, service charge and VAT. This use will require a change of use as the unit is current designated D1 and a fitness studio will be within use class D2. Tempo Pilates are seeking a 10 year lease in order amortise the cost of their fit out.

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

**TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT MARCH 2018**

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves	Change from Previous Month
		£k	£k
85,489	Children's Services	0	0
86,324	Adult Social Care	3,388	54
395	Community Health	-17	-17
<b>172,208</b>	<b>Total CACH</b>	<b>3,371</b>	<b>37</b>
<b>44,890</b>	<b>Public Realm</b>	<b>42</b>	<b>17</b>
<b>20,157</b>	<b>Finance &amp; Corporate Resources</b>	<b>-163</b>	<b>-194</b>
<b>8,249</b>	<b>Chief Executive</b>	<b>431</b>	<b>92</b>
<b>2,128</b>	<b>Housing - GF</b>	<b>-4</b>	<b>-5</b>
<b>13,538</b>	<b>General Finance Account</b>	<b>0</b>	<b>0</b>
<b>261,170</b>	<b>GENERAL FUND TOTAL</b>	<b>3,677</b>	<b>-53</b>

### **3.0 RECOMMENDATIONS**

- 3.1 To note the overall financial position for March 2018, covering the General Fund, Capital, HRA and the earmarking by the Group Director of Finance and Corporate Resources of any underspend to support funding of future cost pressures and the funding of the Capital Programme.**
- 3.2 Authorise the council to enter into leases of up to 10 years and one of 15 years in respect of the commercial properties identified in this report.**
- 3.3 Authorise the Director of Strategic Property Services to agree all other lease terms.**
- 3.4 Authorise the Corporate Director of Legal, HR and Regulatory Services to effect the proposed disposal and to enter into any other ancillary legal documentation required to complete the disposal transaction.**
- 3.5 To dispose of the Property by the method that is determined will meet the best consideration requirement set out in Sections 123 of the Local Government Act 1972.**

### **4. REASONS FOR DECISION**

- 4.1 To facilitate financial management and control of the Council's finances and to approve the property disposals**

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

The CACH directorate is forecasting an overspend of £3,371k after the application of reserves and drawdown of grant. A summary of the main variances from budget are described below.

##### **Children & Families (C&F) Services**

There remains sustained pressure on the service, a position which is not unique to Hackney as shown by the results of a recent survey on Children's Social Care spend carried out jointly by the Society of London Treasurers (SLT) and the Association of Directors of Children's Services (ADCS); which has been discussed in previous OFPs.

Corporate Parenting Commissioning budgets (namely Looked After Children Incidentals - +£155k overspent and Leaving Care Grants – +£56k overspent) have remained the same despite a steady increase in activity levels, hence the ongoing pressures in these areas. Charges for Employee Insurance (+£56k) contributed to the overspend across Staffing budgets (+£161k) as did agency premiums and over-established posts, driven in part by maternity pressures.

Core Corporate Parenting budgets are overspent by +£848k due to continuing placement pressures driven by an increase in numbers of Looked After Children (LAC) in recent years and a marked change in the profile of LAC placements. Residential placements numbers peaked at 27 in 17/18 - an increase also corresponding with a rise in the number of more costly placements associated with more complex needs. The cost of an average residential placement is now £169k and more expensive placements can exceed £200k. 154 children were placed with independent foster carers - an increase of 38 in the last five years. Conversely, in-house fostering placement numbers reduced from 110 in the same period to 75 this year. The shortage of in-house foster carers and the resulting reliance on independent agencies remains a cause for concern. At around £48k per year, the cost of an independent foster care placement is more than double that of an in-house placement.

Children in Need: The service's projected outturn is an overspend of +£440k which is due to: - additional staffing above establishment as a result of increasing caseload (with average caseload of 17 per practitioner), and the use of agency staff to cover maternity and long term sick leave. It also reflects budget pressures in commissioning due to court ordered assessments and the cost of supporting children during the course of care proceedings e.g. parental contact, travel to school and specialist assessments. There is also pressure on the transport budget resulting from increased activity (+£43k) but pressures in staffing and Section 17 spend have been partly offset by the use of reserves.

Disabled Children Service: Spend across Commissioning budgets (namely Homecare and Short Breaks) was approximately. £230k less than that projected in previous months, alongside a number of positive movements across other areas including Staffing and Transport (-£30k). This resulted in a favourable movement in the position of (-£260k) compared to February.

Safeguarding and Learning Service: Employee budgets were underspent (-£116k) due to vacancies and staff working below their established FTEs. Supplies & Services budgets - particularly those used to cover training costs across C&F departments - were also underspent (-£120k)

Clinical Services: The Clinical Services underspend of (-£107k) is due to vacant and part filled posts (-£66k) and small underspends within non-pay budgets (-£41k)

Youth Justice: The Youth Justice underspend of (-£164k) is mainly due to the service receiving a one-off contribution from Public Health (PH) in relation to 'violence prevention and social exclusion' of £284k, and this PH contribution mitigated the remand pressure which has existed for a number of years due to the falling grant income received from the Youth Justice Board of £168k. There were also underspends on computer licence costs (-£26k) and in permanent staff due to posts being vacant part-year and some staff opting out of the pension scheme (-£22k). The (-£108k) movement in month is due to the removal of the planned remand reserves a reduction in the remand forecast due to an overstatement for Secure Children's Homes; reduction in computer licence costs; and other underspends within non pay budgets.



Directorate Management: The Directorate Management underspend of (-£298k) is due to one-off income from grant maximisation.

The Overstaying Families Intervention Team (OFIT) was supporting 102 families who have no recourse to public funds as at the end of March 2018. The main area of spend is Section 17 payments on accommodation and subsistence of £2,500k in the current year. The service continues to work to ensure that services are targeted to those in need. When the financial burden of supporting these families first arose the Government did not provide any additional funding through revenue support grant nor special grants and even after it became apparent that the burden was significant for some Councils (primarily in London), the Government did not and has still not provided additional funds. And so we are meeting the burden entirely from our own resources – a combination of a budget of £1,400k in 2017/18 (which was taken out of the overall cash limit) and a reserve transfer of £1,100k.

Young Hackney: The Young Hackney underspend of (-£777k) is mainly due to one off factors such as posts being part filled, vacant posts and pension opt outs (-£314k); an underspend in commissioning (-£93k); an underspend in Supplies and Services predominantly due to savings made on computer license costs (-£144k); and a one-off contribution from Public Health for Adventure Playground and Sports (-£223k). The increase in the underspend of (-£136k) from the previous month is due to a revision to the commissioning and computer licence cost forecasts following updates from the service area (-£100k) and planned maintenance work which was not completed by year end (-£30k).

## **HLT**

The Hackney Learning Trust (HLT) forecast is consolidated into the Children and Families position. As part of the delegated arrangements for HLT, any overspend or underspend at year end will result in a contribution from or to the HLT reserve and expenditure is reported on budget. The most recent forecast draw down was £2.4m. At the end of the year this has reduced to around £1m. This is mainly a result of a favourable expected adjustment to DSG funding following the January early years census.

Special educational needs activities' expenditure was around £7.5m in excess of agreed budgets; some of the SEND over-spend was offset with savings made across other HLT departments bringing the overspend down to a net £1m as indicated above. Costs associated with special educational needs have complex cost drivers and the HLT finance team continue to work closely with the relevant managers in implementing an action plan to reduce these pressures and to ensure the forecast is as accurate as possible.

The SEN cost pressure is attributable to the increase in the number of SEN statements and Education and Health Care Plans (EHCPs) as the pupil population has grown significantly and the growing demands on the system since the reforms introduced by the Children and Families Act 2014. The impact of these factors is that, in Hackney, the number of SEN statements/EHCP plans have increased by over a third since 2011. With the exception of SEN transport, SEN costs should be met from the High Needs block of the Dedicated Schools Grant– however, despite the significant rise in numbers and costs there has been minimal increase to this funding source.

## **Adult Social Care & Community Health**

The provisional outturn forecast for Adult Social Care is a +£3,388k overspend. A summary of the main variances from budget are described below.

Care Management & Adult Divisional Support: There is an overspend of +£474k primarily driven by additional staffing resources employed within the Integrated Learning Disabilities team to manage demands within the service

Provided Services: The outturn position for Provided Services is a (-£704k) underspend which is due to decreasing activity within Day Services and the early delivery of savings as part of the transformation programme ( Meals on Wheels and Transport). The underspend within Day Services will be required for the Oswald Street Day centre scheduled to open during 2018/19. The +£77k movement from February's reported position is due to additional locum costs (+£26k) to cover leave/sickness; increased corporate recharges for utilities and repairs (+£31k); and the remaining +£20k is due to one-off cost incurred relating to supplies and services procured across the service area.

Care Support Commissioning: The Outturn position for Care Support Commissioning is a +£5,297k overspend, and this is primarily driven by a significant budget pressure within the Learning Disabilities (LD) service as result of undelivered savings from previous years and increase in demand in terms of numbers and complexity. Further detailed work on spend in this area has highlighted that the deliverability of the savings is compromised by the complexity of need currently funded by Adult Social Care. Management actions through the Care Funding Calculator (CFC) and securing joint funding from the CCG will seek to mitigate some of these pressure in the new financial year. The +£256k movement from February's reported position is due to increased client activity across long term care services (+£167k), and reduced income in relation to a Homecare Provider discount linked to activity that has yet to be agreed (+£89k).

Preventative Services forecast outturn position is an underspend of (-£1,408k) – an increase of (-£312k) in the underspend reported last month. This underspend is largely due to an in year budget underspend of (-£790k) on Median Road Resource Centre as future plans for the Centre are yet to be decided. There is an underspend of (-£357k) on Substance Misuse due to reduced residential activity resulting from successful preventative and early intervention care and support. A further underspend is identified within Safeguarding Adults DoLs assessments and estimated at (-£125k), caused by reduced number of assessment this financial year. This has been possible through improved partnership working via the Triage arrangement with Health partners coupled with DToC performance. However activity is expected to increase next year.

Public Health is forecast to breakeven.

### **4.3 PUBLIC REALM**

The provisional outturn forecast for the Public Realm Division is a +£42k overspend. The main variances from budget are summarised below.

Environmental Operations has both an overspend and movement of +£190k from February position. This is due to the following reasons; additional costs in vehicle insurance of +£106k, backdated VAT liability payment of +£43k after a voluntary disclosure and further smaller changes to various running costs totalling +£41k. Overall insurance costs within Public Realm are showing an underspend. The largest net benefactor of the divisional insurance underspend is within Streetscene. However, this has been offset by increased costs of external contractors for highways related work. The under spend within Streetscene of (-£100k) remains unchanged from the February forecast and the reason for the underspend is increased income from Highways Licenses.

Parking services is showing an underspend of (-£121k) from February position, which is due to underspends in running costs across the service.

As a division there is no change in Libraries, Leisure and Green Spaces from the previous month with the outturn position being a (-£36k) underspend.

The Community Safety, Enforcement and Business Regulation (CSEBR) shows an overspend of +£133k – an increase of +£40k since the previous month. This reflects a delay in embedding the enforcement service which impacted the level of Service Level Agreement income with Housing and CACH. There is an under recovery of £70K of income from Licensing fees against the approved budget. Overall, licensing income (across Licensing and Streetscene) is achieving its target but there is a shortfall in CSEBR (where the Licensing team sit). This has been resolved as part of the budget build for 2018/19. In addition, there is a £90k shortfall of income from Proceeds of Crime Act (POCA). It is recognised that income from POCA is variable year on year and the service will manage the income levels against budget through the use of reserves. A review of the POCA income budget and the associated reserve will be carried out on an annual basis in order to ensure that the service budget is achievable. The overspends in CSEBR have been offset by underspends in running costs (-£27k), mainly in transport, which occurred whilst the new teams were being established.

The Planning Service shows an overspend of +£28k which is an improvement of (-£72k) from the February forecast. This change reflects the increased income from the CIL levy to fund the cost of the administration of the CIL. The amount drawn from Hackney CIL, £473k, represents 4.8% of the total levy received in 2017/18.

#### **4.4 FINANCE & CORPORATE RESOURCES**

Provisional outturn is a forecast underspend of (-£163k) which comprises a series of underspends across most services partially offset by overspends in others. Financial Management is (-£506k) underspent as a result of staff vacancies and lower contract costs (external audit and financial systems); Audit is (-£121k) underspent reflecting reduced fees and Directorate Teams are underspent by (-£205k), which is owed to a number of factors, including staff vacancies. These underspends are partially offset by overspends in Facilities Management, reflecting higher business rates costs on corporate buildings and Procurement which reflects additional staff costs.

#### **4.5 CHIEF EXECUTIVE**

Overall the Directorate is forecasting to overspend by +£431k after forecast reserves usage. Communications, Culture and Engagement is projected to be +£304k overspent which is primarily due to a projected lower than budgeted income from the Town Hall and Stoke Newington Town Hall. With regards to the Town Hall, Income generation has relatively been low this year because the ongoing construction works have limited the time available for hire. In addition, there is a small increase in cost relating to changes resulting from the SLT restructure, small reductions in forecast income in Communications Management services and small increase in repairs and maintenance costs for Hackney House. There are also a small overspends in Policy Strategy and Economic Development and the Chief Executive Office, which are partially offset by an underspend in Legal and Governance.

#### **4.6 GENERAL FUND HOUSING SERVICES**

The service is forecasting to come in at budget. Overspends in Private Sector Housing are offset by underspends in Housing Strategy, Economic Regeneration and Housing Office Accommodation.

#### **4.7 HRA**

The HRA is forecast to come in on budget.

##### Income

There is a +£270k adverse variance within Dwelling rents and the void loss charge is currently higher than budgeted due to an increase in void re-let times. There is a -£350k favourable variance within Non-Dwelling rents. This is due to an increase in commercial rental income following a rent review (-£240k) and also increased income relating to Community Halls (-£110k) where there has been a push to increase revenue this year. Within Leaseholder Charges for Services and Facilities there has been an increase in Leaseholder Insurance re-charges, reflecting an increase in costs compared to last year; and the favourable variance within Other Charges for Services and Facilities.

##### Expenditure

The (-£752k) underspend in Repairs and Maintenance mainly relates to the Painting programme where the full budget will not be utilised. There is a £(-1,100k) underspend in Special Services which is primarily due to a reduction in utilities costs of (-£1,600k), which is partially offset by an increase in estate services costs. Rents, Rates, Taxes and other Charges are overspent by +£753k which is primarily due to the increase in business rates during the year. There are also reductions in the increase in the bad debts provision and capital charges

#### **4.8 Capital**

The capital expenditure outturn for 2017/18 is £271.1m, £8m below the final approved budget of £279.1m. This represents an outturn of 3% below the agreed budgeted programme. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances. The June Capital Update report will include the requested transfer of resources and associated approvals into the 2018/19 capital programme arising from the outturn position in order that the schemes can progress to completion

## Summary of the Capital Final Outturn

<b>Table 1 – London Borough of Hackney Capital Programme – Final Outturn 2017/18</b>	<b>Revised Budget Position</b>	<b>Final Outturn</b>	<b>Variance (Under/Over)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive	87	0	-87
Children, Adults & Community Health	25,592	21,783	-3,809
Finance & Corporate Resources	81,017	84,524	3,507
Neighbourhoods & Housing (Non-Housing)	23,049	20,699	-2,349
<b>Total Non-Housing</b>	<b>129,744</b>	<b>127,006</b>	<b>-2,738</b>
AMP Capital Schemes HRA	94,241	87,617	-6,624
Council Capital Schemes GF	1,697	1,469	-228
Private Sector Housing	1,776	1,505	-271
Estate Renewal	44,338	43,996	-342
Housing Supply Programme	3,047	2,240	-807
Other Council Regeneration	4,227	7,280	3,053
<b>Total Housing</b>	<b>149,327</b>	<b>144,109</b>	<b>-5,219</b>
<b>Total Capital Expenditure</b>	<b>279,071</b>	<b>271,115</b>	<b>-7,956</b>

### CHIEF EXECUTIVE'S SERVICES

The final outturn for the Chief Executives Services is nil spend against the revised budget of £0.08m. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.

### CHILDREN, ADULTS AND COMMUNITY HEALTH

The final outturn for the Children, Adults and Community Health is £21.8m, £3.8m below the revised budget of £25.6m.

<b>CACH Directorate Capital Forecast</b>	<b>Revised Budget</b>	<b>Final Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Social Care	3,863	3,397	-466
Education Asset Management Plan	3,465	4,181	717
Building Schools for the Future	586	47	-539
Other Education & Children's Services	657	466	-191
Primary School Programmes	4,924	3,076	-1,848
Secondary School Programmes	12,096	10,614	-1,482
<b>TOTAL</b>	<b>25,592</b>	<b>21,783</b>	<b>-3,809</b>

### Adult Social Care

The final outturn for the overall Adult Social Care is £3.4m, £0.5m below the respective budget of £3.9m. The most significant variance relates to Oswald Street Day Centre which is showing an in-year underspend of £0.5m against the respective budget of £3.7m. The variance relates to delays in the fit-out and construction of the centre. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report in order that the scheme concerned can progress.

### Primary School Asset Management Programme

The final outturn for the overall Primary School Asset Management Programme is £4.2m, £0.7m above the respective budget of £3.5m. The main variance relates to London Fields School AMP which is showing an in-year overspend of £0.4m against the respective budget of £0.09m. The variance was due to the programme of works completing earlier than planned. There is a budget of £0.40m in 2018/19 and this will be utilised to cover this expenditure.. The overall programme will continue into 2018/19 and a request for the slippage of associated funding and approvals will be included in the June Capital Update report in order to ensure that the total allocation across 2017/18 and 2018/19 is not overspent.

### Building Schools for the Future

The final outturn for the overall BSF PRUs programme is £0.05m, £0.55m below the respective budget of £0.6m. The main variance relates to Stormont College which is showing nil spend against the respective budget of £0.03m. The variance relates to the final account payments which will be slipped to 2018/19. The overall BSF programme will continue into 2018/19 therefore a request for the slippage of associated funding and approvals will be included in the June Capital Update report.

### Primary School Programmes

The final outturn for the overall Primary School Programme is £3.1m, £1.8m below the respective budget of £4.9m. The main variance relates to Shacklewell School – budgets will be slipped into 2018/19 to bring the profile of budgets in line with the anticipated delivery of the schemes during the year

### Secondary School Programme

The final outturn for the overall Secondary School Programme is £10.6m, £1.5m below the respective budget of £12.1m. The most significant variance relates to the AMP (Annual Maintenance Programme) Works 2017/18 programme which is showing an in-year underspend of £1.2m. The AMP is the borough's cyclical and periodic yearly maintenance programme which is showing an in-year underspend of £0.5m against the respective budget of £5.0m. This variance relates to a delay on decisions on design and development which will be slipped to 2018/19.

The other significant variance relates to Shoreditch Park School Façade which is showing an in-year underspend of £0.6m against the respective budget of £1.0m. This scheme is part of a rolling programme of repairs of significant structural and condition issues with the high level façades and roofs of the Victorian and Edwardian schools in the Borough. The overall programme will continue into 2018/19 and therefore, a request for the slippage of associated funding and approvals will be included in the June Capital Update report in order that the programme can continue to be delivered as anticipated.

The schools works programme is the result of a survey of all schools done in March 2016. This survey takes place every three years and brought to light urgent statutory, health and safety works which needed to be carried out in schools. The expenditure for this overall project is continuing into 2018/19 and this underspend is fully committed against contract value. Therefore a request for the slippage of associated funding and approvals will be included in the June Capital Update report.

## FINANCE AND CORPORATE RESOURCES

The final outturn for the Finance & Corporate Resources is £84.5m, £3.5m above the revised budget of £81.0m.

F&CR Directorate Capital Forecast	Revised Budget	Final Outturn	Variance
	£'000	£'000	£'000
Property Services	4,998	5,138	140
ICT	5,459	2,647	-2,812
Financial Management	372	463	91
Other Schemes	307	203	-103
Mixed Use Development	69,881	76,074	6,192
<b>TOTAL</b>	<b>81,017</b>	<b>84,524</b>	<b>3,507</b>

### Strategic Property Services

The final outturn for the overall Property Services is £5.1m, £0.1m above the respective budget of £5.0m. At the last re-profiling exercise we re-profiled £2m to 2018/19 due to a number of variances in schemes relating to landlord works to Voluntary Sector properties that started mid to end of March 2018. We also had a number of capital schemes which form part of the Corporate Estate Rationalisation which were still pending project options. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.



## ICT

The final outturn for the overall ICT Programme is £3.1m, £1.8m below the respective budget of £4.9m. The main variance relates to the Digital Capital programme which is showing an £0.7m underspend. Hackney Council is re-developing the Digital Platform for all users. This programme forms part of the overall Council's ICT Strategy which is structured in line with the six strategic themes that have been developed to shape the Council's direction for digital change and technology investment. This is designed to ensure that Hackney is delivering high quality digital services for everyone. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.

## Mixed Use Development

The overall final outturn for Mixed Use Development is £76.1m, £6.2m above the respective budget of £69.9m.

The final outturn for the Tiger Way and Nile Street is £69.8m, £7.3m above the respective budget of £62.5m. This is a budget profiling issue only, and will be corrected through the year-end process. Both schemes remain on target at an aggregate budget level. The final outturn for Britannia Site for 2017/18 is £6.3m, £1.1m below its profiled budget of £7.4m.

Each of these schemes is ongoing into 2018/19 and future financial years. Therefore a request of the slippage of associated funding and approvals will be included in the June Capital Update report in order to bring the profile of budgets in line with the anticipated delivery of the schemes.

## NEIGHBOURHOODS AND HOUSING (NON-HOUSING):

The final outturn for the Neighbourhoods and Housing (Non-Housing) is £20.7m, £2.3m below the revised budget of £23.0m.

<b>N&amp;H – Non Housing Capital Forecast</b>	<b>Revised Budget</b>	<b>Final Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Museums and Libraries	211	90	-121
Parks and Open Spaces	6,140	5,982	-158
Highways/Infrastructure	10,703	9,813	-891
EHPC	1,323	1,185	-138
TFL	3,548	2,825	-724
Parking and Market Schemes	159	163	3
Regulatory Services	79	0	-79
Safer Communities	170	126	44
Regeneration	713	515	-198
<b>Total</b>	<b>23,049</b>	<b>20,699</b>	<b>-2,349</b>

## Museums & Libraries

The final outturn for the overall Museums & Libraries is £0.01m, £0.01m below the respective budget of £0.02m. At the last re-profiling exercise £1.3m was re-profiled to 2018/19 in line with the anticipated spend. Hackney Council's will be procuring a new Library Management System (LMS), upgrading the CCTV in libraries, new installation of visitor counters, new installation of door entry systems and essential works and maintenance. A request of the slippage of associated funding and approvals will be included in the June Capital Update report in order that the scheme concerned can progress.

## Parks and Open Spaces

The final outturn for the overall Parks and Open Spaces capital programme is £5.9m, £0.2m below the respective budget of £6.1m. At the last re-profiling exercise, £3.9m was re-profiled to 2018/19, in line with the anticipated spend. The main variance in this quarter relates to Commercial Vehicles for Parks Central which forms part of the Council's new fleet vehicles approved by Cabinet Procurement Committee on 21 February 2017. The provision is to replace light commercial vehicles up to 3500kg and heavier vehicles to 7500kg to service all the service departments, across the Council, that require these vehicles for their operations over the next four years. All of the vehicles to be purchased will be Euro 6 emissions compliant, with all diesel vehicles up to 3500kg to operate on a B30 blend of biodiesel, this producing a 24% CO2 savings alongside some NOx savings. In addition, some of the smaller vans will now be ordered as electric vehicles where the technology exists. The planned spend for these vehicles will be in 2018/19 and a request of the slippage of associated funding and approvals will be included in the June Capital Update report.

## HOUSING

The final outturn for Housing is £144.1m, £5.2m below the revised budget of £149.3m.

Housing Capital Forecast	Revised Budget	Forecast	Variance	Comments
	£'000	£'000	£'000	
AMP Capital Schemes HRA	94,241	87,617	-6,624	The majority of the packages (SCA) of work for 2017/18 have started on site. There is £3.5m of works packages that have not been issued to contractors and therefore reprofiled to 2018/19. Plus £3m of fire risk works due to commence shortly, reprofiled to 2018/19
Council Capital Schemes GF	1,697	1,469	-228	Historic underspend of budget to refurbish properties as vacant properties are all brought back into use. Underspend carried over for acquisition of new properties and conversion of existing stock.
Private Sector Housing	1,776	1,505	-271	Underspend due to small reduction in demand for all grant areas.
Estate Renewal	44,338	43,996	-342	Contract for Tower Court, St Leonards, Frampton Arms and Lyttelton House have now been awarded and construction and expenditure will commence in next financial year. Kings Crescent and Great Eastern Building has achieved Practical Completion and are now occupied. The completion of KER and Aikin Court have now slipped to the new financial year.
Housing Supply Programme	3,047	2,240	-807	Design development cost (architects and Employers Agents/Cost consultants) continue to be incurred. 2 schemes achieved planning permission and move to procurement stage. Majority of scheme not at tender stage.
Other Council Regeneration	4,227	7,280	3,053	Viability negotiations of Phase 3 continue so limited progress on leaseholder buybacks. However, progressing to CPO and continue to negotiate with remaining leaseholders and buy properties back. Overspend due to increase in buyback of properties in last qtr
<b>Total Housing</b>	<b>149,327</b>	<b>144,109</b>	<b>-5,219</b>	

## **5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

This report is primarily an update on the Council's financial position and there are no alternative options here. With regards to the Property disposals these are part of the overall Council regeneration strategy.

## **6.0 BACKGROUND**

### **6.1 Policy Context**

This report describes the Council's financial position as at the end of March 2018. Full Council agreed the 2017/18 budget on 1<sup>st</sup> March 2017.

### **6.2 Equality Impact Assessment**

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

### **6.3 Sustainability**

As above

### **6.4 Consultations**

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

### **6.5 Risk Assessment**

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

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

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

## **8. COMMENTS OF THE DIRECTOR OF LEGAL**

- 8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.

- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
  - (ii) Determine the accounting records to be kept by the Council.
  - (iii) Ensure there is an appropriate framework of budgetary management and control.
  - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 8.3 Under the Council's constitution although full Council set the overall budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 8.4 With regards to the property disposals, under section 123 of the Local Government Act 1972 a local authority shall not, except with the Secretary of State's consent, dispose of land for a consideration less than the best that can be reasonably be obtained. The Director for Strategic Property Services has confirmed that the Council will meet its obligations in this regard.
- 8.5 All other legal implications have been incorporated within the body of this report.

## 9. COMMENTS OF THE DIRECTOR FOR STRATEGIC PROPERTY SERVICES

- 9.1 Where the Council enters into a lease of more than 7 years this constitutes a disposal for the purpose of s.123 of the Local Government Act 1972 and the Council is required to demonstrate that it has achieved Best Consideration. Lettings of all of the units identified in this report will be by way of a full marketing process and I confirm that the Council will meet its obligations under s.123.
- 9.2 All lettings will be based on a robust evaluation process with the clear objective of securing uses which will enhance the new schemes at Clissold Quarter and Great Eastern Building

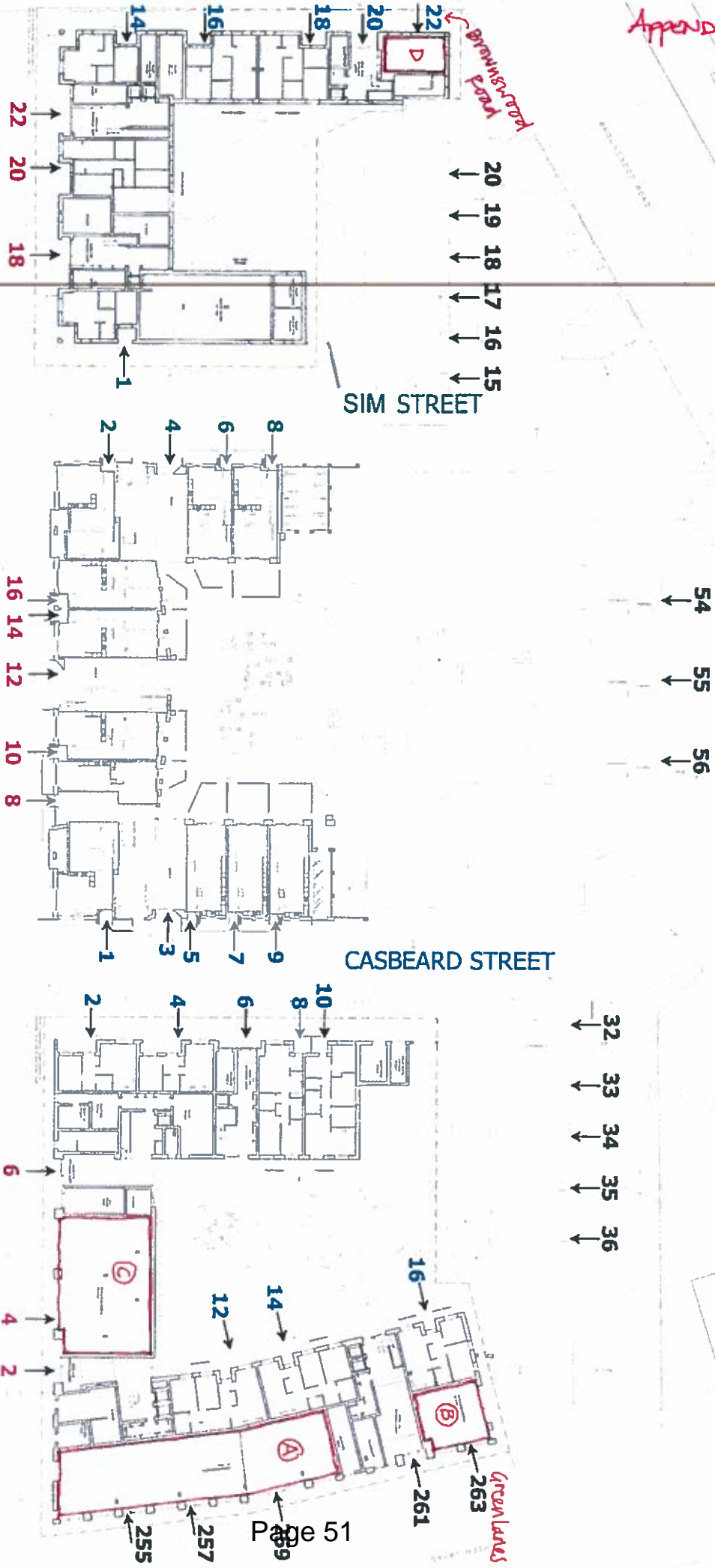
## Appendices

### Appendix 1: Property Location Drawings

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Appendix i



Commercial locations and addresses

LBH / BT 12 March 18



London Borough of Hackney

**Architectural Services**  
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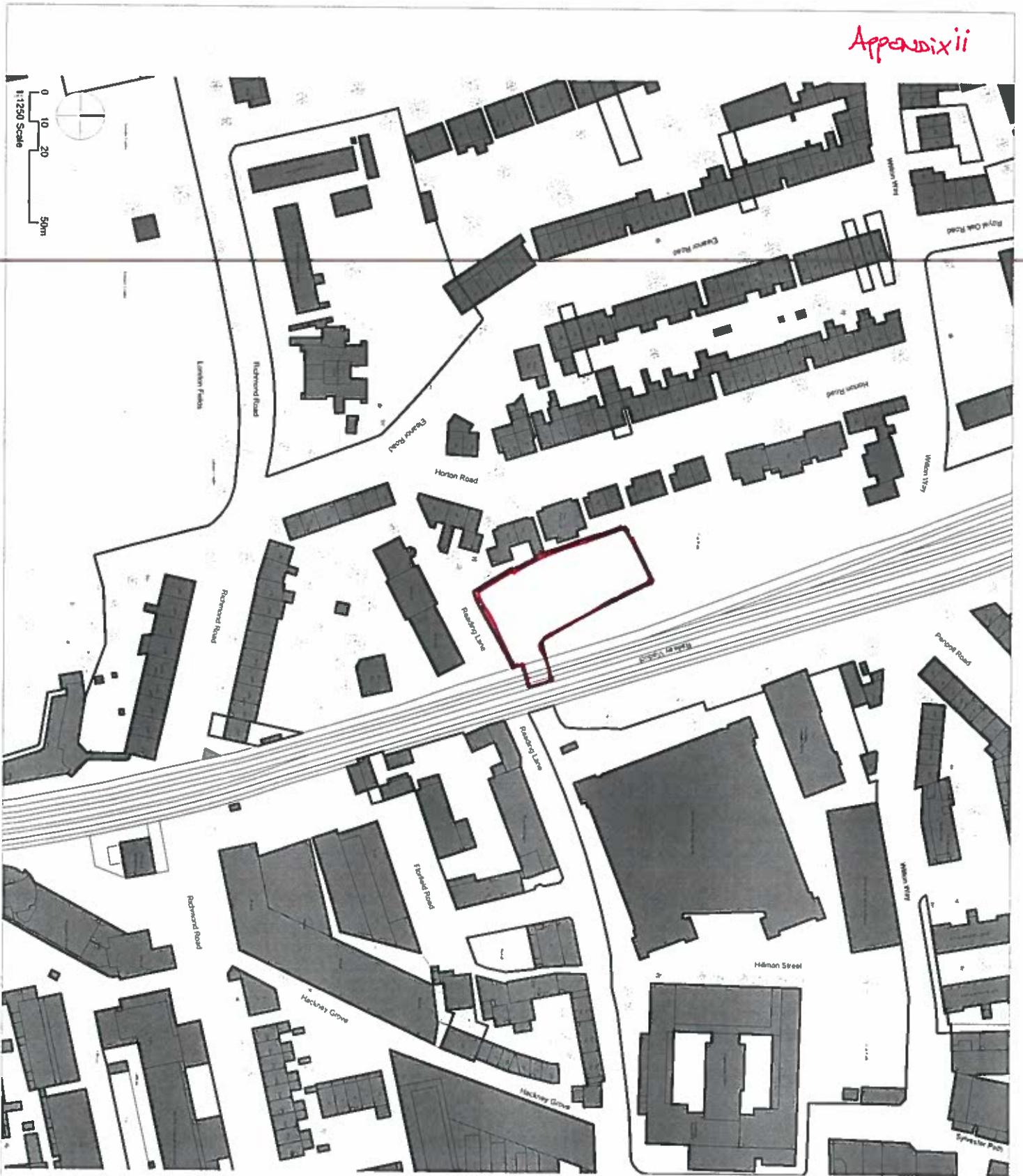
**Planning Services**  
 The Planning Department  
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**King's Cross Estate**  
 London Borough of Hackney  
 London

**Greenlands**  
 London Borough of Hackney  
 London

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LONDON BOROUGH OF HACKNEY

NOTES:  
 1. The site is shown in red on the map.  
 2. The site is shown in red on the map.  
 3. The site is shown in red on the map.  
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 9. The site is shown in red on the map.  
 10. The site is shown in red on the map.

**karakusovic carson architects**  
 The Corporation  
 56 Kingway Place, 5th Floor  
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**GREAT EASTERN BUILDINGS**  
 Site Location Plan

Project Number	215_A_P_000_01	Revision	02
Project Name	PLANNING APPLICATION	Project Number	215
Date	06/07/2014	Scale	1:1250 @ A3
Author	SMC	Project Manager	SMC
Check	SMC	Project Number	215



**Capital Update Report****KEY DECISION NO. FCR 08****CABINET MEMBER****Philip Glanville, Mayor of Hackney****GROUP DIRECTOR****Ian Williams Finance and Corporate Resources**

## 1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the first report on the capital programme for 2018/19 and includes capital project approvals for Children, Adults and Community Health Services, Finance and Corporate Resources and Neighbourhoods and Housing (Non- Housing).
- 1.2 The report recommends investment in schemes which will bring real benefits to local residents and other users of Council Services.

## 2. GROUP DIRECTOR'S INTRODUCTION

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

## 3. RECOMMENDATION(S)

- 3.1 **That the schemes for Children, Adults and Community Health Services as set out in section 9.2 be given approval as follows:**

**BSF Lifecycle/Early Failure 2018/19:** Virement and spend approval of £200k in 2018/19 is requested to fund the early failure and contingency allowance for emergency works across all the BSF school buildings that are not the liability of the LEP within the managed service contract.

**Clapton Girls Lifecycle Works 2018/19:** Virement and spend approval of £40k in 2018/19 is requested to fund the deferred maintenance and upgrade works at Clapton Girls School recommended as part of the LEP 2017 condition review of all school buildings.

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

**Britannia Site Master Plan Costs:** Spend approval of £10,032k in 2018/19 is requested to fund the master plan costs for the Britannia Site.

- 3.3 **That the scheme for Neighbourhoods and Housing (Non-Housing) as set out in section 9.4 be given approval as follows:**

**Local Implementation Plan (LiP) TfL Funded – Corridors and Neighbourhoods, Local Transport fund and Liveable Neighbourhoods:** Spend approval of £2,259k and resource approval of £201k in 2018/19 is requested in order to facilitate the delivery of the 2018/19 TfL funded schemes road safety programme generally focused on the principal road network where the highest concentrations of accidents occur.

- 3.4 **That the schemes outlined in section 9.5 to be noted.**

- 3.5 **That the expenditure plans and associated resources to be carried from 2017/18 to 2018/19 as set out in 9.6 and summarised below be approved:**

<b>Directorate</b>	<b>2017/18 Slippage</b>
	<b>£'000</b>
Chief Executive	87
Children, Adults & Community Health	3,748
Finance and Corporate Resources	(641)
Neighbourhoods	3,067
<b>Total Non-Housing</b>	<b>6,261</b>
Housing	5,219
<b>Total Capital Expenditure</b>	<b>11,480</b>

#### **4. REASONS FOR DECISION**

- 4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.
- 4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

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

None.

#### **6. BACKGROUND**

##### **6.1 Policy Context**

The report to recommend the Council Budget and Council Tax for 2018/19 considered by Council on 19 February 2018 sets out the original Capital Plan for 2018/19. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

##### **6.2 Equality Impact Assessment**

Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. Such details are not repeated in this report.

##### **6.3 Sustainability**

As above.

## 6.4 Consultations

Relevant consultations have been carried out in respect of the projects included within this report, as required. Once again, details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

## 6.5 Risk Assessment

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

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

7.1 The gross approved Capital Spending Programme for 2018/19 currently totals **£441.116m (£216.786m non-housing and £224.330m housing)**. This is funded by discretionary resources, borrowing, government grant support, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.

7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.

7.3 If the recommendations in this report are approved, the revised gross capital spending programme for 2018/19 will total **£452.797m (£223.248m non-housing and £229.549m housing)**.

Directorate	Revised Budget Position £'000	June 2018 Cabinet Update £'000	Slippage from 17/18 £'000	Updated Budget Position £'000
	£'000	£'000	£'000	£'000
Chief Executive's Services	0	0	87	87
Children, Adults and Community Health	52,158	0	3,748	55,906
Finance and Corporate Resources	119,465	0	-641	118,824
Neighbourhoods & Housing (Non)	45,163	201	3,067	48,431
<b>Total Non-Housing</b>	<b>216,786</b>	<b>201</b>	<b>6,261</b>	<b>223,248</b>
Housing	224,330	0	5,219	229,549
<b>Total</b>	<b>441,116</b>	<b>201</b>	<b>11,480</b>	<b>452,797</b>

## **8. COMMENTS OF THE DIRECTOR OF LEGAL**

- 8.1 The Group Director, Finance and Corporate Resources, is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
  - (ii) Determine the accounting records to be kept by the Council.
  - (iii) Ensure there is an appropriate framework of budgetary management and control.
  - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 8.3 Under the Councils Constitution although full Council set the overall Budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 8.4 The recommendation in relation to BSF Lifecycle/Early Failure 2018/19 includes a Children, Adults and Community Health proposed virement. The Council's Financial Procedure Rules (FPR) paragraphs 2.7 and 2.8 cover the capital programme with 2.8 dealing with monitoring and budgetary control arrangements.
- 8.5 Paragraph 2.8.1 provides that Cabinet shall exercise control over capital spending and resources and may authorise variations to the Council's Capital Programme provided such variations: a) are within available resources b) are consistent with Council policy.

## **9 CAPITAL PROGRAMME 2018/19 AND FUTURE YEARS**

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

### **9.2 Children, Adults and Community Health:**

- 9.2.1 **Building Schools for the Future (BSF) Lifecycle/Early Failure 2018/19:** Virement and spend approval of **£200k in 2018/19** is requested to provide early failure and contingency allowance for emergency works across all the BSF school buildings. These are reactive works which are liability of the Council because they cost over the value of £658, the amount covered by the LEP under the FM managed service contract. They are often reactive works on equipment that fail before they are due for replacement under lifecycle and therefore need immediate repair or replacement. This will ensure that all equipment in our schools is in good working condition and to the standard delivered by the BSF programme. The BSF Programme provided an environment that enhanced teaching and learning offering every student an

opportunity to improve their educational attainment. This capital project links in with the Council's 2008-2018 Sustainable Community Strategy Priority 2 'helping residents to become better qualified and raising educational aspirations. This approval will have no net impact on resources as they already forms part of the Capital Programme.

**9.2.2 Clapton Girls Lifecycle Works 2018/19:** Virement and spend approval of **£40k in 2018/19** is requested to fund the maintenance and upgrade works at Clapton Girls School set out as part of the LEP 2017 review. This capital works involves the upgrade of the plant room, TRV electrical and CCTV. This capital project links in with the Council's 2008-2018 Sustainable Community Strategy Priority 2 'helping residents to become better qualified and raising educational aspirations. This approval will have no net impact on resources as they already forms part of the Capital Programme.

### **9.3 Finance and Corporate Resources:**

**9.3.1 Britannia Site Master Plan Costs:** Spend approval of **£10,032k in 2018/19** is requested to fund the master plan costs for the Britannia Site. In April 2017, Cabinet approved that the Britannia site would be progressed to planning, to create 6 new Forms of Entry (900 pupils) and a 200 place sixth form new secondary school, a new Council leisure centre to replace the existing facility, 80 affordable homes (60% social rent and 40% shared ownership), and up to 400 private for sale homes. This builds on our commitment to invest in providing new homes, new Council leisure facilities and provide sufficient pupil places in the Borough through the opening of the City of London Academy Shoreditch Park (CoLASP).

Cabinet was further updated on the project on 18 December 2017 and approved the procuring of contractors in two phases. Phase 1 to deliver the new school, Council leisure centre and phase 2 to deliver the residential buildings. This approval builds on the existing budget approved at Capital Update report dated 17 June 2017. It will enable the project to continue to engage the design team to progress Phase I and Phase 2a. In line with Hackney's standard requirements, contractors will be required to adopt the London Living Wage across their supply chain and to deliver employment and training opportunities though the delivery of the project.

This capital project links in with the Council's 2008-2018 Sustainable Community Strategy Priority 1 'Reducing poverty by supporting residents into sustainable employment, and promoting employment opportunities'; Priority 2 'helping residents to become better qualified and raising educational aspirations; Priority 3 'Promoting health and wellbeing for all, supporting independent living and reducing health inequalities'; Priority 5 'Promoting mixed communities in well-designed neighbourhoods, where people can access high quality, affordable housing'; and Priority 6 'A sustainable community, where all citizens take pride in, and take care of Hackney and its environment, for future generations'. This approval will have no net impact on resources as they already forms part of the Capital Programme.

### **9.4 Neighbourhoods and Housing (Non):**

**9.4.1 Local Implementation Plan (LiP) TfL Funded – Corridors and Neighbourhoods, Local Transport fund and Liveable Neighbourhoods:** Spend approval of **£2,259k**

and resource approval of **£201k in 2018/19** is requested in order to facilitate the delivery of the 2018/19 TfL funded schemes road safety programme generally focused on the principal road network where the highest concentrations of accidents occur.

Making Hackney's road safer for all road user is one of the key priorities set out in the Council's Sustainable Community Strategy and a key priority within the Hackney's Transport Strategy 2015-2025. This outlines Hackney Council's commitment towards improving walking, cycling and public transport, access to jobs, reducing obesity, supporting the local economy, improving air quality and reducing carbon emissions. The aspirations for Hackney is set an exemplar for sustainable urban living in London to transform Hackney's places and streets into the most attractive and liveable neighbourhoods in London. This approval will have no net impact on resources as it is fully grant funded.

## 9.5 To be noted:

9.5.1 A business case dated 4 April 2018 gave approval to increase the existing budget of the **Christopher Addison House (CAH) Phase 2** capital scheme. This follows and builds upon the preceding Phase 1 works which comprised of feasibility studies for the entire building. As a result virement and spend approval of **£300k** was approved for the refurbishment, improvements and adaptations of the ground, first, second and third floors at CAH; to facilitate the relocation of Council Services from the Annexe ground floor into CAH; and to facilitate the decant of the Annexe. This building was built between 1993-94 with very little investment on maintenance and infrastructure being undertaken to date. Many of the original mechanical and electrical services are outside of their useful working life and are in a state of disrepair. This refurbishment will bring the building into closer alignment with the quality and functional standard already prevalent in key campus buildings. The refurbishment is also an integral part of the Council's Corporate Estate Rationalisation Programme to utilise space that is required and release additional space for income generation and redevelopment opportunities.

This capital project supports the Mayor's Priorities of having "An ambitious and well-run Council that delivers high quality services, financial stability and first class-local facilities". This approval will have no net impact on resources as they already forms part of the Capital Programme.

9.5.2 A business case dated 8 August 2016 gave approval for **refurbishment costs to convert 55 Albion Grove**, a Council owned property, into a hostel. As a result a virement and spend approval of **£715k** was approved for refurbishment. The Housing Needs Service has experienced a growing number of families into temporary accommodation with an acute shortage of affordable accommodation across London. This has resulted in the increased use of more expensive nightly paid annex accommodation. The property is able, in its current size, to accommodate 20 householders in a mixture of self-contained, bedrooms with kitchens and bedsits, housing a maximum of 61 people. This refurbishment will provide additional hostel units within the borough and enable customers to be assessed for additional support at an earlier stage. This capital project links in with the Council's 2008-2018 Sustainable Community Strategy Priority 5 'Promoting mixed communities in well-designed neighbourhoods, where people can access high quality, affordable housing'.

This approval will have no net impact on resources as they already form part of the Capital Programme.

## 9.6 Carry Forward of Schemes from 2017/18 to 2018/19

9.6.1 Further to the outturn position reported in the March OFP to June 2018 Cabinet, the table below summaries the proposed carry forward to 2018/19 of £11,480k in respect of overall slippage against the 2018/19 capital programme with a detailed scheme analysis provided in **Appendix 1**.

Directorate	2017/18 Slippage
	£'000
Chief Executive	87
Children, Adults & Community Health	3,748
Finance and Corporate Resources	(641)
Neighbourhoods	3,067
<b>Total Non-Housing</b>	<b>6,261</b>
Housing	5,219
<b>Total Capital Expenditure</b>	<b>11,480</b>

## APPENDICES

One.

## 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.

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<b>Comments of the Director of Legal</b>	



Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
<b>CHIEF EXECUTIVE</b>			
<b>Adult Services Capital</b>			
Opportunity Hub	0.00	87,000.00	87,000.00
<b>TOTAL</b>	<b>0.00</b>	<b>87,000.00</b>	<b>87,000.00</b>
<b>CHILDREN, ADULTS AND COMMUNITY HEALTH</b>			
<b>AMP Primary Programmes</b>			
Oswald Street Day Centre	200,000.00	466,015.10	666,015.10
Comm Vehicles Meals on Wheels	55,820.50	0.00	55,820.50
Comm Vehicles First Response	11,899.80	0.00	11,899.80
Median Road Refurbishment	2,500,000.00	0.00	2,500,000.00
Essential Maintenance to op Centres	300,000.00	0.00	300,000.00
ICT upgrade - SLS/SHwC Units	300,000.00	0.00	300,000.00
<b>Net Total</b>	<b>3,367,720.30</b>	<b>466,015.10</b>	<b>3,833,735.40</b>
<b>AMP Primary Programmes</b>			
Queensbridge Primary	31,111.94	0.00	31,111.94
Daubeney Primary	172,204.18	(23,447.00)	148,757.18
Betty Layward AMP	6,392.00	0.00	6,392.00
Woodberry Down AMP	241,399.93	(5,658.96)	235,740.97
Gainsborough AMP	2,544.38	0.01	2,544.39
London Fields AMP	445,081.50	(435,501.15)	9,580.35
Randal Cremer AMP	490.05	0.00	490.05
Improvements to Kitchens	123,274.00	0.00	123,274.00
Gainsborough Addiional Works	50,000.00	50,000.00	100,000.00
Shacklewell Boundary Wall	0.00	7,571.51	7,571.51
Princess May AMP	59,678.00	(59,678.00)	0.00
Sir Thomas Abney AMP	450.00	(450.00)	0.00
Millfields AMP	0.00	9,600.00	9,600.00
Betty Layward School Early Yrs	823,550.00	86,450.00	910,000.00
Comet Nursery School Early Yrs	536,795.00	89,205.00	626,000.00
Woodberry Down Sch Early Yrs	67,604.20	0.00	67,604.20
Education Asbestos Removal	105,677.84	6,987.50	112,665.34
C C AMP needs/maintenance	220,000.00	0.00	220,000.00
Primary School AMP Needs	3,500,000.10	0.00	3,500,000.10
<b>Net Total</b>	<b>6,386,254.25</b>	<b>(274,922.20)</b>	<b>6,111,332.05</b>
<b>Building Schools for the Future</b>			
Mossbourne Victoria Park Academy	0.00	100,301.35	100,301.35
Stormont College SEN Pre BSF	0.00	327,991.31	327,991.31
Ickburgh BSF	351,441.93	73,107.02	424,548.95
My Place Portfolio Contingency	652.00	0.00	652.00
<b>Net Total</b>	<b>352,093.93</b>	<b>501,399.68</b>	<b>853,493.61</b>
<b>Misc Education &amp; Children's Services</b>			
DFC Holding Code	0.00	108,944.39	108,944.39
Short Breaks	92,285.91	0.00	92,285.91
HLT - IT Service Desk CRM	0.00	13,000.00	13,000.00
The Edge Youth Spoke Flooring	70,681.16	2,500.00	73,181.16
Silver Trees Septic Tank	2,159.84	29,138.30	31,298.14
Asbestos works	560,065.00	0.00	560,065.00
Kench Hill Straw Bale EcoClass	32,000.00	0.00	32,000.00
<b>Net Total</b>	<b>757,191.91</b>	<b>153,582.69</b>	<b>910,774.60</b>
<b>Primary School Programmes</b>			
Woodberry Down	0.00	257,807.16	257,807.16
Orchard Refurb & Extension	0.00	51,000.00	51,000.00
Southwold Primary School	13,340.50	(13,340.50)	0.00
Queensbridge Expansion	0.00	15,556.18	15,556.18
Early Ed. for 2 Year Olds	0.00	68,599.19	68,599.19

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
Sir Thomas Abney 14/15	88,000.00	18,142.00	106,142.00
Grazebrook Primary Expansion	0.00	28,076.63	28,076.63
Woodberry Down CC Relocation	546,736.37	22,422.90	569,159.27
Shacklewell School	1,068,341.96	482,000.67	1,550,342.63
Brook Caretakers House	0.00	56,974.59	56,974.59
Berger School Works	392,109.43	(131,555.57)	260,553.86
Façade Developmnt & Profes Cost	127,275.00	155,103.64	282,378.64
Gainsborough Façade Repair	1,074,622.00	333,210.52	1,407,832.52
Princess May Façade	0.00	35,000.00	35,000.00
Contingency Facade Repairs	150,000.00	0.00	150,000.00
Shoreditch Park School Façade	567,771.00	413,355.63	981,126.63
Primary Capital Prog	11,214,359.74	100,000.00	11,314,359.74
Major Schemes Contingency	90,058.62	0.00	90,058.62
<b>Net Total</b>	<b>15,332,614.62</b>	<b>1,892,353.04</b>	<b>17,224,967.66</b>
<b>Secondary School Programmes</b>			
BSF Whole Life Costing	400,000.00	21,934.47	421,934.47
Stoke Newington BSF Life Cycle	135,069.72	0.00	135,069.72
Clapton Girls BSF Life Cycle	143,281.47	(22,970.07)	120,311.40
SNS Compact Athletics Facility	0.00	1,944.11	1,944.11
Additional Secondary Sch provision	799,850.86	47,425.00	847,275.86
Haggeston BSF Life Cycle 14/15	0.00	6,147.89	6,147.89
Clapton Portico	95,000.00	(3,635.50)	91,364.50
BSF LC Early Failure Contingency	0.00	178,800.64	178,800.64
Temp Sec School Audrey St site	0.00	28,882.23	28,882.23
The Urswick School Expansion	3,825,000.00	(14,477.49)	3,810,522.51
AMP Works 2017/18	123,885.00	639,167.07	763,052.07
Haggeston School Lifecycle	203,236.45	126,487.28	329,723.73
Haggerston Science Lab	1,200,000.00	0.00	1,200,000.00
Additional Secondary Sch provision	19,036,375.06	0.00	19,036,375.06
<b>Net Total</b>	<b>25,961,698.56</b>	<b>1,009,705.63</b>	<b>26,971,404.19</b>
<b>TOTAL</b>	<b>52,157,573.57</b>	<b>3,748,133.94</b>	<b>55,905,707.51</b>
<b>FINANCE &amp; CORPORATE RESOURCES</b>			
<b>Strategic Property Capital</b>			
DDA	21,742.81	0.00	21,742.81
Intallation of AMR's	10,000.00	0.00	10,000.00
14 Andrews Rd Roof Renewal	287,500.00	0.00	287,500.00
148-154 SN Church Street	156,000.00	(12,720.78)	143,279.22
22 Dalston Lane	17,000.00	0.00	17,000.00
80a Eastway	82,747.26	181,523.55	264,270.81
Wally Foster Centre	200,000.00	0.00	200,000.00
Corporate Property Annual Surveys	85,000.00	(16,803.67)	68,196.33
Keltan House Windows & Refurb	0.00	137,684.95	137,684.95
80 Eastway	46,639.71	108,035.75	154,675.46
Acquisition Gd Flr Retail DWC	50,000.00	181,111.51	231,111.51
AcquisitionOfBuilding for FLIP	0.00	38,684.10	38,684.10
HSC Restack	0.00	45,532.39	45,532.39
Clapton Common Frm Toilet Refurb	60,000.00	140,792.57	200,792.57
Chats Palace R&M	44,765.95	45,054.16	89,820.11
FM Upgrade HSC Generator	0.00	59,816.26	59,816.26
234-238 Mare Street	100,000.00	60,468.00	160,468.00
Acquis Flat 16 Cranwood Crt	0.00	463,383.43	463,383.43
Asbestos Surveys	5,815.78	0.00	5,815.78
RM SN Town & Ass Halls Roof	0.00	4,449.40	4,449.40
VCS 186 Homerton High St	0.00	96,215.00	96,215.00
11 Dalston Lane	0.00	9,100.41	9,100.41

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
PV Solar Panel	35,000.00	15,431.30	50,431.30
61 Evering Road	95,000.00	5,006.87	100,006.87
Christopher Addison Phase 1	0.00	42,286.00	42,286.00
39-43 Andrews Road Works	172,000.00	25,443.58	197,443.58
HSC Flooring Replacement Works	679,000.00	0.00	679,000.00
Annex (Electrical Work)	0.00	26,931.74	26,931.74
Annex (Staff Moves)	134,350.00	(5,325.00)	129,025.00
Christopher Addison Phase 2	145,000.00	(9,800.00)	135,200.00
80 Eastway New Boiler & Plant	0.00	65,176.70	65,176.70
161 Northwold Rd New Boiler	0.00	28,000.00	28,000.00
HSC Lighting Upgrade	151,390.00	70,000.00	221,390.00
Dalston Lane Regen Outfit	0.00	77,380.15	77,380.15
HLT Maintenance Works	8,000.00	64,000.00	72,000.00
Landlord Wks Trowbridge Ctre	27,934.18	67,842.95	95,777.13
Landlord wks 37-39 Leswin Road	50,379.85	118,872.50	169,252.35
Dalston Lane Terrace	0.00	556,325.67	556,325.67
DDA	346,495.85	0.00	346,495.85
Voluntary Sector	480,385.15	21,644.96	502,030.11
Reactive Maintenance	0.00	72,058.01	72,058.01
Intallation of AMR's	40,000.00	0.00	40,000.00
Asbestos Surveys	100,000.00	0.00	100,000.00
FM Upgrade HSC generator	88,000.00	65,000.00	153,000.00
Property Overall	1,817,938.92	(122,155.96)	1,695,782.96
<b>Net Total</b>	<b>5,538,085.46</b>	<b>2,726,446.50</b>	<b>8,264,531.96</b>
<b>ICT Capital</b>			
ICT General	390,875.75	377,627.96	768,503.71
One Account	10,000.00	0.00	10,000.00
Web Improvement	0.00	28,497.13	28,497.13
Digital Programme	0.00	713,547.19	713,547.19
Corporate Booking System	22,000.00	29,110.43	51,110.43
Comino to eDOCS Migration	0.00	29,810.59	29,810.59
Planning Paper File Conversion	0.00	22,690.21	22,690.21
Social Care Microfiche	0.00	69,936.25	69,936.25
Record Management Optimisation	40,000.00	80,000.00	120,000.00
Productivity: Implementation	75,000.00	298,084.25	373,084.25
End-user Mtg Rm Device Refresh	2,369,124.25	418,080.75	2,787,205.00
Business Intelligence	217,875.00	0.00	217,875.00
Middleware Upgrade	4,000.00	0.00	4,000.00
Business Index	0.00	38,283.31	38,283.31
Business Intelligence	0.00	114,270.84	114,270.84
GDPR Readiness	0.00	120,891.76	120,891.76
Network refresh	1,000,000.00	108,833.02	1,108,833.02
Legal Case Management System	0.00	107,250.00	107,250.00
Qmatic Upgrade	0.00	5,753.00	5,753.00
New Payroll & Recruitment System	0.00	192,356.59	192,356.59
Digital Support Services	0.00	57,288.22	57,288.22
Comm Vehicles ICT	11,164.10	0.00	11,164.10
<b>Net Total</b>	<b>4,140,039.10</b>	<b>2,812,311.50</b>	<b>6,952,350.60</b>
<b>Financial Management CAP</b>			
Financial Management System	1,175,335.92	(90,855.52)	1,084,480.40
<b>Net Total</b>	<b>1,175,335.92</b>	<b>(90,855.52)</b>	<b>1,084,480.40</b>
<b>Other Scheme</b>			
Self Pay Kiosks	0.00	221.59	221.59
ID Upgrade	0.00	552.90	552.90
HSC Digital AV Installation	0.00	6,000.00	6,000.00

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
Comm Vehicles Courier	44,656.40	0.00	44,656.40
HTH Kitchen Catering	0.00	17,387.77	17,387.77
E-Tendering System	57,000.00	79,124.64	136,124.64
<b>Net Total</b>	<b>101,656.40</b>	<b>103,286.90</b>	<b>204,943.30</b>
<b>Mixed Use Development</b>			
Tiger Way Development	31,622,069.24	(221,233.68)	31,400,835.56
BSF Pupil Referral Units	6,452,149.63	0.00	6,452,149.63
Pupil Referral Unit Nile Street	59,650,034.00	(7,069,481.86)	52,580,552.14
Britannia Site	10,785,668.00	1,098,364.55	11,884,032.55
<b>Net Total</b>	<b>108,509,920.87</b>	<b>(6,192,350.99)</b>	<b>102,317,569.88</b>
<b>TOTAL</b>	<b>119,465,037.75</b>	<b>(641,161.61)</b>	<b>118,823,876.14</b>
<b>NEIGHBOURHOODS &amp; HOUSING (NON)</b>			
<b>Museums &amp; Libraries</b>			
Essential maintenance to libraries	100,000.00	0.00	100,000.00
Parks Trees	200,000.00	0.00	200,000.00
Library Management System	50,000.00	0.00	50,000.00
Library Security	200,000.00	0.00	200,000.00
Library Capital Works	1,020,439.85	88,730.00	1,109,169.85
Library Self-Issue Machines	8,830.00	32,000.00	40,830.00
Comm Vehicles Library	22,328.20	0.00	22,328.20
<b>Net Total</b>	<b>1,601,598.05</b>	<b>120,730.00</b>	<b>1,722,328.05</b>
<b>Parks and Open Spaces</b>			
Essential maint to Leisure Facilities	1,650,000.00	0.00	1,650,000.00
Leisure Development in Borough	100,000.00	0.00	100,000.00
Parks Strategy: Parks Infrastructure	750,000.00	0.00	750,000.00
Clissold Lodge	300,000.00	0.00	300,000.00
Mabley Green All Weather Pitch	0.00	129,791.42	129,791.42
Abney Park	80,000.00	(3,266.24)	76,733.76
Springfield Park Restoration	2,594,942.74	(24,553.47)	2,570,389.27
Hackney Marshes	1,029,220.04	169,663.10	1,198,883.14
3 Queen Elizabeth Wk Tennis B	0.00	22,731.99	22,731.99
Parks Strategy - Infrastructure+B426	756,639.45	99,207.37	855,846.82
De Beauvoir Square Play Area	12,202.14	(2,715.04)	9,487.10
Hackney Rd Recreation Ground	118,522.37	0.00	118,522.37
Parks Equipment and Machinery	0.00	14,984.00	14,984.00
Stonebridge Gardens Refurb	0.00	7,083.50	7,083.50
Daubeney Fields Play Area	15,391.98	0.00	15,391.98
Comm Vehicles Parks Central	154,534.10	274,000.00	428,534.10
<b>Net Total</b>	<b>7,561,452.82</b>	<b>686,926.63</b>	<b>8,248,379.45</b>
<b>Infrastructure Programmes</b>			
Wick Road Two Way	1,400,000.00	0.00	1,400,000.00
Zero Emissions Network	37,000.00	0.00	37,000.00
Highways Planned Maintenance	4,000,000.00	283,620.09	4,283,620.09
Street Lighting	100,000.00	0.00	100,000.00
Dalston Town Public Realm Improvements	103,536.66	50,000.00	153,536.66
Develop Borough Infrastructure	503,657.72	(42,384.13)	461,273.59
Highways Planned Water Drainage	280,000.00	0.00	280,000.00
1-14 Spurstowe Works	25,839.59	0.00	25,839.59
1 Dunn Street	10,000.00	0.00	10,000.00
H/ways Oakwharf (0040-08) S106	81,000.00	0.00	81,000.00
S106 Dalston Ln Sth H/way Wks	60,937.97	12,300.00	73,237.97
Hoxton Market	0.00	12,191.08	12,191.08
Bridge Height Sign Programme	50,000.00	0.00	50,000.00
Denne Terrace Retaining Wall	290,000.00	0.00	290,000.00
Central London Grid (Phase 1)	1,118,213.00	(500,000.00)	618,213.00

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
Cycle Super Highway	721,968.26	0.00	721,968.26
Kingsland Rd & 50 Acton Mews	0.00	4,512.17	4,512.17
Lea Interchange Acc Scheme	0.00	6,754.41	6,754.41
SS Road Safety	514,582.87	9,221.16	523,804.03
Leaside & Middx Whvs Transport	0.00	20,000.00	20,000.00
Regents Canal Denne Terr Wall	31,000.00	0.00	31,000.00
Theydon Rd Safety Imp	0.00	8,800.00	8,800.00
Legible London Wayfinding	0.00	5,318.59	5,318.59
Tyssen Street	13,000.00	0.00	13,000.00
East Rd Car Club Bays	18,000.00	0.00	18,000.00
Pembury Circus Land	0.00	17,406.81	17,406.81
Bridge Maintenance Schemes	250,000.00	63,288.87	313,288.87
Updating Traffic Calming Measures	100,000.00	0.00	100,000.00
City Road 151-157	21,000.00	0.00	21,000.00
Ada Street 6	4,000.00	0.00	4,000.00
100 Shepherdess Walk	0.00	14,490.00	14,490.00
Borough Wide 20mph	0.00	162,560.75	162,560.75
11-23 Westgate Street	0.00	3,098.73	3,098.73
197-199 Mare Street	0.00	5,286.95	5,286.95
6-8 New North %Rd	12,952.00	0.00	12,952.00
68-82 Digby Rd	0.00	27,197.10	27,197.10
83-105 Corsham Street	0.00	22,215.65	22,215.65
25a Willberforce Road	0.00	5,000.00	5,000.00
Highway Works 8-10 Paul Street	32,441.36	0.00	32,441.36
Highways Works 217 Q'bridg Rd	17,721.70	0.00	17,721.70
184-186 Well Street	19,397.14	0.00	19,397.14
2-8 Anton Street	0.00	1,500.00	1,500.00
Hackney Car Club	26,990.08	0.00	26,990.08
Shoreditch Village	2,067.60	13,391.72	15,459.32
Clifton Street	22,016.21	0.00	22,016.21
Willow Street 10-50	0.00	22,805.11	22,805.11
52 well Street & 1 Shore Plac	38,400.00	0.00	38,400.00
218 Green Lanes	22,186.69	0.00	22,186.69
Gascoyne Road	0.00	24,005.89	24,005.89
42 Lower Clapton Road	18,587.36	0.00	18,587.36
Wenlock Rd/Sturt St/Shepherde	0.00	14,987.80	14,987.80
Clapton Common Pedestrian Imps	0.00	5,717.24	5,717.24
Nightingale Estate	0.00	3,842.93	3,842.93
Dalston Western Curve	0.00	27,047.43	27,047.43
35-41 Westland Place	12,782.00	0.00	12,782.00
Highways works Denman House	0.00	75,011.00	75,011.00
Highways works Parr St 17-20	0.00	7,936.56	7,936.56
51-57 Kingsland High St	0.00	975.67	975.67
Highways works Morning Lane	33,860.00	0.00	33,860.00
Highways 94-96 Lordship Lane	11,622.00	0.00	11,622.00
Homerton Est Permability Imps	22,700.00	0.00	22,700.00
Highways works 3-11 Stean St	0.00	26,061.54	26,061.54
42-48 Whitmore Rd & 56 Orsman	7,969.00	0.00	7,969.00
Shepherdess Walk Play Area	36,925.35	0.00	36,925.35
Highway Works 1-13 Long St	127,750.75	0.00	127,750.75
Hgway Works 48-76 Dalston Lane	51,000.00	0.00	51,000.00
Hgway Works Kings Crescent Est	102,433.62	0.00	102,433.62
Highway Works at 10 Andre St	3,345.00	0.00	3,345.00
Highway Wk 112-118 Kingsland	6,477.59	0.00	6,477.59
Highway Wk 22-44 London Lane	75,145.00	0.00	75,145.00

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
Highway Wk 357-359 KingsInd Rd	68,625.68	0.00	68,625.68
Highway Wk 42 Barretts Grove	4,179.73	0.00	4,179.73
Highway Wk at 9 Shepherds Lane	28,000.00	0.00	28,000.00
Hackney Car club	9,524.13	0.00	9,524.13
Highways Wk Haggerston West	368,664.00	0.00	368,664.00
Highway works 130 Cazenove	0.00	23,539.17	23,539.17
Highway works 139-141 Mare St	0.00	620.24	620.24
Highway wks 17-19 Shacklewell	0.00	8,050.00	8,050.00
Highway work 18 Ellingfort Rd	0.00	1,940.45	1,940.45
Highway wks adj 47 Lea Bridge	18,391.13	0.00	18,391.13
Highway wks Bayton Crt	27,748.12	0.00	27,748.12
Highway works Spurstowe Works	44,355.48	0.00	44,355.48
Highway wks 70 Wilson Street	49,261.61	0.00	49,261.61
Highway wks at Woodmill Road	22,500.00	0.00	22,500.00
The Shoreditch Public Realm	1,139,742.91	204,296.91	1,344,039.82
Highway work Principal Place	681,148.02	32,180.09	713,328.11
Highway works Alpha House	0.00	9,811.61	9,811.61
Highway works Phipp St	86,009.47	0.00	86,009.47
Highway works Gransden Ave	48,054.06	0.00	48,054.06
Highway works 258 Kingsland Rd	27,149.15	0.00	27,149.15
Highway works 1 Mentmore Ter	39,061.44	0.00	39,061.44
Highway works 130-134 Richmond	0.00	5,344.02	5,344.02
Highway Wks 61-67 Great Easter	0.00	101,381.20	101,381.20
Highway Wks 99 East Road	8,022.12	31,000.00	39,022.12
Highway Wks Reading Lane	0.00	1,170.30	1,170.30
Highway works 125C Dunlace Rd	4,880.13	0.00	4,880.13
Highway works 11-15 Tudor Road	21,472.29	0.00	21,472.29
Highway Wks 92-94 Stamford	0.00	37,140.00	37,140.00
Highway Works 25 Penhurst Rd	28,528.86	0.00	28,528.86
Highway Works at 62 Paul St	0.00	49,767.39	49,767.39
Highway Works 2-26 Bentley Rd	30,796.58	0.00	30,796.58
Highway Wk 10,14 &16 Crossway	0.00	75,954.30	75,954.30
Highway Wks Aikin Crt	33,962.85	0.00	33,962.85
<b>Net Total</b>	<b>13,228,584.28</b>	<b>996,356.80</b>	<b>14,224,941.08</b>
<b>EHPC Schemes</b>			
Recycling Weighing Equipment	246,020.00	0.00	246,020.00
Waste & Fleet Replacement	2,635,000.00	0.00	2,635,000.00
Comm Vehicles Environ Enfrcmnt	11,164.10	0.00	11,164.10
Comm Vehicles Hygiene	120,033.90	236.06	120,269.96
Comm Vehicles Vehicle Maintenance	128,767.89	139,261.47	268,029.36
Comm Vehicles Recycling O/Head	11,164.10	0.00	11,164.10
Comm Vehicles Co-mingle Recycling	16,166.90	0.00	16,166.90
<b>Net Total</b>	<b>3,168,316.89</b>	<b>139,497.53</b>	<b>3,307,814.42</b>
<b>Public Realms TfL Funded Schemes</b>			
Maintenance (TFL)	0.00	96,077.46	96,077.46
Local Transport Fund (TFL)	100,000.00	85,000.00	185,000.00
Quietways Cycle Route	605,000.00	(537,316.56)	67,683.44
Corridors (TFL)	2,057,776.00	823,884.01	2,881,660.01
Mayors Air Quality Fund	87,367.00	44,603.34	131,970.34
Low Emission Neighbourhood	325,000.00	238,991.36	563,991.36
Neighbourhoods of the Future	182,000.00	51,492.50	233,492.50
<b>Net Total</b>	<b>3,357,143.00</b>	<b>802,732.11</b>	<b>4,159,875.11</b>

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
<b>Safer Communities Capital</b>			
Hackney Street Markets Strategy	203,321.35	50.69	203,372.04
Comm Vehicles Parking Operations	89,312.80	0.00	89,312.80
Comm Vehicles Parking Abandoned Vehs	11,899.80	0.00	11,899.80
<b>Net Total</b>	<b>304,533.95</b>	<b>50.69</b>	<b>304,584.64</b>
<b>Enforcement</b>			
Enforcement Strategy database	450,000.00	0.00	450,000.00
<b>Net Total</b>	<b>450,000.00</b>	<b>0.00</b>	<b>450,000.00</b>
<b>Regulatory Services</b>			
Hackney Central AAP Town Centre	0.00	64,000.00	64,000.00
Planning/Building Control	0.00	15,000.00	15,000.00
<b>Net Total</b>	<b>0.00</b>	<b>79,000.00</b>	<b>79,000.00</b>
<b>Safer Communities Capital</b>			
Comm Vehicles CCTV	27,331.00	0.00	27,331.00
HTH Square CCTV Cameras	0.00	11,699.11	11,699.11
Ashwin St & St Johns CCTV	6,000.00	32,543.79	38,543.79
Shoreditch CCTV Cameras	1,000,000.00	0.00	1,000,000.00
<b>Net Total</b>	<b>1,033,331.00</b>	<b>44,242.90</b>	<b>1,077,573.90</b>
<b>Regeneration</b>			
Dalston Regeneration	3,870,000.00	0.00	3,870,000.00
Dalston TC Mngmt Projects S106	22,728.70	20,000.00	42,728.70
Dalston Square Open Space	0.00	8,075.11	8,075.11
Afford Workspace Space Studio	86,000.00	20,000.00	106,000.00
Hackney Central TC Mang.Project	31,351.70	2,726.80	34,078.50
Dalston 2011/12 (CE)	33,425.00	10,000.00	43,425.00
Tralawney Pocket Park	4,039.37	0.00	4,039.37
Hackney Wick Regeneration	10,410,000.00	61,993.29	10,471,993.29
Dalston Public Toilets	0.00	74,999.00	74,999.00
Fashion Work	868.00	0.00	868.00
<b>Net Total</b>	<b>14,458,412.77</b>	<b>197,794.20</b>	<b>14,656,206.97</b>
<b>Total</b>	<b>45,163,372.76</b>	<b>3,067,330.86</b>	<b>48,230,703.62</b>
<b>HOUSING</b>			
<b>AMP Capital Schemes HRA</b>			
Decent Homes	74,188,000.00	0.00	74,188,000.00
HiPs North West	0.00	3,395,437.97	3,395,437.97
Fire Risk Works	0.00	3,228,501.32	3,228,501.32
Comm Vehicles Estate Cleaning	283,377.50	0.00	283,377.50
Comm Vehicles Building Maintenance	683,273.78	0.00	683,273.78
Comm Vehicles HN HRA	7,245.97	0.00	7,245.97
<b>Net Total</b>	<b>75,161,897.25</b>	<b>6,623,939.29</b>	<b>81,785,836.54</b>
<b>Council Capital Schemes GF</b>			
Housing Needs Alloc Non HRA	1,500,000.00	0.00	1,500,000.00
Hostels - Major Repairs	0.00	185,511.40	185,511.40
Special Needs Adaptation Programme	0.00	35,067.97	35,067.97
Comm Vehicles Hsg Needs HGF	0.00	7,245.97	7,245.97
<b>Net Total</b>	<b>1,500,000.00</b>	<b>227,825.34</b>	<b>1,727,825.34</b>
<b>Safer Neighbourhoods - Private Sector Housing schemes</b>			
Disabled Facilities Grant	0.00	54,648.33	54,648.33
External works grant (EWG)	0.00	15,000.00	15,000.00
General repairs grant (GRG)	0.00	54,555.12	54,555.12
Landlords grant (LLG)	0.00	40,600.00	40,600.00
Warmth & security grant (WSG)	0.00	106,068.36	106,068.36
Private Sector Housing Schemes	2,230,000.00	0.00	2,230,000.00
<b>Net Total</b>	<b>2,230,000.00</b>	<b>270,871.81</b>	<b>2,500,871.81</b>

Programme Description	Revised Budget	Slippage 17/18	Revised 18/19 Budget
<b>Estate Renewal Programme</b>			
Estate Regeneration Programme	99,527,000.00	0.00	99,527,000.00
Marian Court Phase 3	0.00	342,386.37	342,386.37
<b>Net Total</b>	<b>99,527,000.00</b>	<b>342,386.37</b>	<b>99,869,386.37</b>
<b>Housing Supply Programme</b>			
Housing Supply Programme	30,543,802.70	492,193.40	31,035,996.10
Gooch House	156,172.34	47,310.59	203,482.93
Whiston Road	10,358.02	1,874.91	12,232.93
Wimbourne Street	240,359.00	0.00	240,359.00
Buckland Street	348,354.88	43,145.52	391,500.40
Murray Grove	19,814.00	0.00	19,814.00
Downham Road 1	17,150.80	15,307.51	32,458.31
Downham Road 2	26,881.80	44,641.65	71,523.45
Balmes Road	44,819.80	35,130.05	79,949.85
Pedro Street	20,333.85	0.00	20,333.85
Mandeville Street	33,721.80	0.00	33,721.80
Woolridge Way	12,661.80	0.00	12,661.80
Lincoln Court	15,641.00	51,934.00	67,575.00
Rose Lipman Project	0.00	6,129.42	6,129.42
81 Downham Road	27,852.80	39,485.07	67,337.87
Daubeney Road	72,582.00	30,025.20	102,607.20
<b>Net Total</b>	<b>31,590,506.59</b>	<b>807,177.32</b>	<b>32,397,683.91</b>
<b>Other Regeneration Schemes</b>			
Woodberry Down Bid	14,321,000.00	(3,053,472.27)	11,267,527.73
<b>Net Total</b>	<b>14,321,000.00</b>	<b>(3,053,472.27)</b>	<b>11,267,527.73</b>
<b>TOTAL</b>	<b>224,330,403.84</b>	<b>5,218,727.86</b>	<b>229,549,131.70</b>
<b>OVERALL TOTAL</b>	<b>441,116,387.92</b>	<b>11,480,031.05</b>	<b>452,596,418.97</b>





<b>Scrutiny Panel</b>  16 <sup>th</sup> July 2018  <b>Review of the Overview and Scrutiny Work Programmes</b>	Item No  <b>8</b>
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## OUTLINE

Attached is the draft work programmes for the 4 thematic overview and scrutiny commissions in London Borough of Hackney. Please note these are working documents, regularly revised and updated.

- Health in Hackney Scrutiny Commission
- Children and Young People Scrutiny Commission
- Living in Hackney Scrutiny Commission
- Working in Hackney Scrutiny Commission

The Chair for each commission will provide a verbal update on the proposed review and work programme discussion items.

## ACTION

The Scrutiny Panel is requested to review the work programme and discuss any suggestions for amendments or consideration.

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# Overview & Scrutiny

## Health in Hackney Scrutiny Commission

**Future Work Programme: June 2018 – April 2019** (as at 3 July 2018)

All meetings will take place in Hackney Town Hall, unless stated otherwise on the agenda. **This is a working document and subject to change.**

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
<b>Tue 12 June 2017</b> Papers deadline: 1 June		Jarlath O'Connell	<b>Election of Chair and Vice Chair for 2018/19</b>	
	Legal & Democratic Services	Dawn Carter McDonald	<b>Appointment of reps to INEL JHOSC</b>	To appoint 3 reps for the year.
	HUHFT	Tracey Fletcher	<b>Response to Quality Account for HUHFT</b>	Discussion with Chief Exec of Homerton University Hospital on issues raised in the Commission's annual Quality Account letter to the Trust.
	LBH/CoL/CCG Planned Care Workstream	Simon Cribbens SRO  Siobhan Harper, Workstream Director  Anne Canning Dr Mark Rickets	<b>Integrated commissioning – PLANNED CARE Workstream</b>	4 <sup>th</sup> in a series of updates from each of the Integrated Commissioning Workstreams
	LBH/CoL/CCG UnPlanned Care Workstreams	Nina Griffith Dr Mark Rickets	<b>Delayed Transfers of Care including the outcome of the 'Discharge to Assess' pilot.</b>	Update requested at 14 Feb meeting.

# Overview & Scrutiny

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
	LBH/CoL/CCG UnPlanned Care Workstream	Nina Griffith Dr Mark Rickets	<b>Update on new arrangements for Integrated Urgent Care</b>	Presentation on the ongoing Hackney element to the new Integrated Urgent Care service which will replace CHUHSE from August and work alongside London Ambulance Service (the new pan NEL NHS 111 provider).
	MEMBERS		<b>WORK PROGRAMME FOR 2018/19</b>	To agree the outline Work Programme for 2018/19
<i>FOR NOTING ONLY</i>	ELHCP	Jane Milligan  (for noting only)	<b>NHS North East London Commissioning Alliance</b>	To note letter from Jane Milligan (AO for the NEL LCA and Exec Lead for ELHCP) to the Chair of INEL JHOSC in response to questions regarding the new NHS structures and commissioning arrangements in north east London.
<b>Wed 11 July 2018</b> Papers deadline: 29 June	CCG, GP Confed, HUH, Adult Services	Nina Griffith Dr Stephanie Coughlin  Laura Sharpe	<b>Neighbourhood Model for Health and Social Care</b>	Suggested by CCG, GP Confed, Public Health.
	LBH/CoL/Prevention Workstream	Anne Canning SRO  Jayne Taylor Workstream Director	<b>Integrated commissioning – PREVENTION Workstream</b>	Series of updates from each of the Integrated Commissioning Workstreams
	Healthwatch	Tara Barker Jon Williams	<b>Healthwatch Hackney Annual Report</b>	To consider the annual report of Healthwatch Hackney
<i>FOR NOTING ONLY</i>			<b>Responses to Quality Account requests</b>	To note responses by the Commission to requests for comments on draft Quality Accounts. Responses to:

# Overview & Scrutiny

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
				<ul style="list-style-type: none"> <li>- St Joseph's Hospice</li> <li>- Arriva Transport Solutions</li> </ul>
<b>INEL JHOSC</b> <b>July tbc</b>			<b>East London Health and Care Partnership and the North East London Commissioning Alliance</b>	<i>The work of the NHS North East London Joint Commissioning Committee??</i>
<b>Wed 26 Sept 2018</b> Papers deadline: 17 Sept	Integrated Commissioning CCG/LBH/HUHFT/ELFT	David Maher Anne Canning Simon Cribbens Tracey Fletcher Dr Navina Evans	<b>Estates Strategy for North East London</b>	Update on emerging Estates Strategy at NEL level and impact on Hackney.
	CCG, Finance & Resources, Adult Services	Sunil Thakker Ian Williams David Maher Anne Canning	<b>Update on pooled vs aligned budgets in Integrated Commissioning and implications for cost savings programmes</b>	Requested at March meeting.
	Adult Services Planned Care Workstream	Simon Galczynski Siobhan Harper	<b>Integrated Learning Disabilities Service</b>	Update on development of the new model
<b>INEL JHOSC</b> <b>Oct/Nov tbc</b>				

# Overview & Scrutiny

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
<b>Mon 19 Nov 2018</b> Papers deadline: 8 Nov  <b>Single meeting item</b>	NHSE London GP Confed Public Health CCG Rep of an Anti Vac campaign	Kenny Gibson Laura Sharpe Dr Penny Bevan Tbc Tbc	<b>Vaccine preventable disease and childhood immunisations</b>	Long item on Childhood Immunisations to address concerns about the borough's performance and key issues for the stakeholders engaged in trying to increase the uptake of immunisations.
?	LBH/CoL/CCG Unplanned Care Workstream	Tracey Fletcher SRO  Nina Griffith, Workstream Director	<b>Integrated commissioning – UNPLANNED CARE Workstream</b>	Series of updates from each of the Integrated Commissioning Workstreams
<b>Mon 7 Jan 2019</b> Papers deadline: 20 Dec	Tbc	tbc	<b>REVIEW on Digital Primary Care – Agree Terms of Reference Evidence gathering 1</b>	Agree ToR and commence evidence gathering.
	Cabinet Member	Cllr Demirci	<b><i>Cabinet Member Question Time with Cllr Demirci</i></b>	Annual CQT Sessions
	Chair of CHSAB Adult Services	Dr Adi Cooper Simon Galczynski	<b>Annual Report of City and Hackney Safeguarding Adults Board</b>	Annual review of SAB work.
	Adult Services Planned Care Workstream	Simon Galczynski Siobhan Harper	<b>Integrated Learning Disabilities Service</b>	2 <sup>nd</sup> update on development of the new model

# Overview & Scrutiny

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
			Space for urgent item	
<b>Mon 4 Feb 2019</b> Papers deadline: 24 Jan	Various	Various	<b>REVIEW on Digital Primary Care – Evidence gathering 2</b>	TBC
	LBH/CoL/CCG CYP and Maternity Care Workstream	Angela Scattergood SRO  Amy Wilkinson Workstream Director	<b>Integrated commissioning – CYP AND MATERNITY Workstream</b>	Series of updates from each of the Integrated Commissioning Workstreams
	Adult Services Carers Centre Alzheimer's Society	Simon Galczynski	<b>6 month update on 'Supporting Adult Carers' review</b>	Update on implementation of recommendations from the Commission's review on 'Supporting Adult Carers'
<b>Tue 12 Mar 2018</b> Papers deadline: 1 Mar	Various	Tbc	<b>REVIEW on Digital Primary Care – Evidence gathering 3</b>	Various
	Adult Services	Simon Galczynski	<b>Adult Services Local Account</b>	Annual item on publication of the Local Account of Adult Services
	Adult Services Oxford Brookes University researcher Camden Council rep (best practice)	Gareth Wall and Simon Galczynski Names tbc Names tbc	<b>Market Making in Adult Social Care</b>	Report on Adult Services Market Position Statement and benchmarking on how to develop the local market for social care providers.

# Overview & Scrutiny

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
<b>Mon 8 April 2019</b> Papers deadline: 28 Mar	Varous	Various	<b>REVIEW – Evidence gathering 4 and draft recommendations</b>	
	LBH/CoL/CCG Planned Care Workstream	Simon Cribbens SRO Siobhan Harper, Workstream Director  Anne Canning Dr Mark Ricketts	<b>Integrated commissioning – PLANNED CARE Workstream</b>	4 <sup>th</sup> in a series of updates from each of the Integrated Commissioning Workstreams
	Adult Services Planned Care Workstream	Simon Galczynski Siobhan Harper	<b>Integrated Learning Disabilities Service</b>	3 <sup>rd</sup> update on development of the new model
			<b>Discussion on Work Programme items for 2019/20</b>	

**20-18/19 REVIEW report will be agreed at June 2019 meeting.**

## Items to be scheduled

	Partnership Members; Public Health, Hackney Learning Trust, Children's Services, Young Hackney, Community Services, NHS partners etc	Tim Shields Dr Penny Bevan	<b>Obesity Strategic Partnership briefing</b>	Report from Chief Exec and Public Health on 'Obesity Strategic Partnership' a whole system approach to tackling obesity
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# Overview & Scrutiny

	HCVS Connect Hackney Cabinet Member Age Concern East London? GP Confed or CCG?	Jake Ferguson Lola Akindoyin Shirley Murgraff Cllr Demirci	<b>Connect Hackney - Reducing social isolation in older people</b>	Report on work of Connect Hackney (a Big Lottery Funded project)
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## **Items to be re-scheduled from last year – decision for incoming Commission**

<i>Discussion</i>	LPC CCG	Kirit Shah Raj Radia Hitesh Patel Dr Haren Patel	<i>Future of Community Pharmacy Services</i>	<i>Update on the outcome of the recent consultation as part of the Pharmacy Services Needs Assessment.</i>
<i>Discussion</i>	IAPT (HUHFT) CCG Public Health HW Network Mind ELFT	Jon Wheatley Greg Condon Jayne Taylor Jessica Millwood Dean Henderson	<i>Effectiveness of interventions for people with long term, moderate, mental health problems</i>	<i>Follow up on items from last year.</i>
<i>Rescheduled item Discussion</i>	Healthwatch Hackney Public Health Community Safety	Jon Williams Dr Penny Bevan Cllr Selman	<i>Health and wellbeing of street sex workers</i>	<i>Briefing report from Healthwatch. Item to be rescheduled</i>

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# Overview & Scrutiny

## Children & Young People Scrutiny Commission Work Programme June 2018 – April 2019

*Please note: this is a working document subject to change.*

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
<b>18<sup>th</sup> June 2018</b>  Papers deadline: 7 <sup>th</sup> June 2018  Agenda dispatch: 8 <sup>th</sup> June 2018	Election of Chair and Vice Chair	Sanna Melling, Scrutiny Team/ Chair CYP	
	Update on School Admissions and the Childcare sufficiency Assessment	Marian Lavelle, Head of Admissions and Pupil Benefits, HLT Angela Scattergood, Head of Early Years, HLT Tim Wooldridge, Early Years Strategy Manager, HLT	
	Review update – Childcare: the introduction of extended (30-hour) free childcare in Hackney.	Angela Scattergood, Head of Early Years, HLT Tim Wooldridge, Early Years Strategy Manager, HLT	
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To discuss and agree the work programme.
<b>20<sup>th</sup> September 2018</b>  Papers	Children and Families Service Bi-Annual Report to Members <b>TBC</b>	Sarah Wright, Director of Children & Family Services Lisa Aldridge, Head of Service, Safeguarding and Learning Deborah Ennis, Service Manager	

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
deadline: 11 <sup>th</sup> September 2018		- Safeguarding and Learning Children and Families Service	
Agenda dispatch: 12 <sup>th</sup> September 2018	Executive Response - Recruitment and Support to Foster Careers review.	Sarah Wright, Director of Children & Family Services	
	Executive Response - Unregistered Educational Settings in Hackney	Anne Canning, Group Director, Children, Adults and Community Health, LBH Andrew Lee, Assistant Director Education Services, Hackney Learning Trust Paul Kelly, Head of Wellbeing and Education Safeguarding Education Services, Hackney Learning Trust	
	Outcomes of Exclusions – Terms of Reference	Sanna Melling, Scrutiny Team	
	Evidence session – Review: Outcomes of Exclusions	Sanna Melling, Scrutiny Team	1st evidence session with key stakeholders
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
<b>10th October 2018</b>  Papers deadline: 1 <sup>st</sup> October 2018  Agenda dispatch: 2 <sup>nd</sup> October 2018	Evidence session – Review:	Sanna Melling, Scrutiny Team	2nd evidence session with key stakeholders
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress
<b>15<sup>th</sup> November 2018</b>  Papers deadline: 6 <sup>th</sup> November 2018	Annual Question Time with Cabinet Member for Children’s Services (SEND)	Cllr Christopher Kennedy, Cabinet Member for Families, Early Years and Play	Update from SEND working group

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
Agenda dispatch: 7 <sup>th</sup> November 2018	Evidence session – Review:		
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress
<b>14<sup>th</sup> January 2019</b>  Papers deadline: 3 <sup>th</sup> January 2019  Agenda dispatch: 4 <sup>th</sup> January 2019	Integrated Commissioning – CYP and Maternity Workstream	Amy Wilkinson, Workstream Director Children, Young People and Maternity Services Integrated Commissioning Workstream	
	Annual Question Time with Cabinet Member for Children’s Services	Cllr Anntoinette Bramble, Deputy Mayor and Cabinet Member for Children’s Services	The Commission to identify 3 areas for depth questioning in advance. To include budget and performance monitoring of service area - to look ‘beyond’ data set to gain a better understanding of complex issues. In order to promote ‘investigative rather than for information’.
	Draft report: Outcomes of Exclusions		

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
	Substantive discussion item – as suggested by the commission and key stakeholders		
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress
<b>25th February 2019</b>  Papers deadline: 14 <sup>th</sup> February 2019  Agenda dispatch: 15 <sup>th</sup> February 2019	Substantive discussion item – as suggested by the commission and key stakeholders		
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress
<b>25th March 2019</b>  Papers deadline: 14 <sup>th</sup> March 2019  Agenda dispatch: 15 <sup>th</sup> March 2019	Substantive discussion item – as suggested by the commission and key stakeholders		
	Children and Families Service Bi-Annual Report to Members	Sarah Wright, Director of Children & Family Services Lisa Aldridge, Head of Service, Safeguarding and Learning Deborah Ennis, Service Manager - Safeguarding and Learning Children and Families Service	
	Annual Update on Achievement of Students at Early Years Foundation Stage, Key Stage 2	Sara Morgan, Principal Adviser Primary, Hackney Learning Trust; Anton Francic, Principal	HLT to provide a narrative outlining in more detail the progress in regards to the SEN and Education Health and Care

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
	and Key Stage 4.	Secondary Adviser, Hackney Learning Trust	plan cohorts as a part of the annual update as well as provide a document showing each cohort's progress from Early Years through to Key Stage. (actions for HLT that came out of the CYP Commission meeting in March 2018)
	Work Programme 2018/19	Sanna Melling, Scrutiny Team	To review and monitor progress
<b>30<sup>th</sup> April 2019</b>  Papers deadline: 19 <sup>th</sup> April 2019  Agenda dispatch: 22 <sup>nd</sup> April 2019	<b>Substantive discussion item – as suggested by the commission and key stakeholders</b>		
	Annual Report City and Hackney Safeguarding Board	Jim Gamble, Chair of the City and Hackney Safeguarding Children Board Rory McCallum, Senior Processional Adviser	
	6 months recommendation update – Unregistered Educational Settings review	Anne Canning, Group Director, Children, Adults and Community Health, LBH Andrew Lee, Assistant Director	



Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
		Education Services, Hackney Learning Trust Paul Kelly, Head of Wellbeing and Education Safeguarding Education Services, Hackney Learning Trust	
	Discussion of 2019/20 work programme	Sanna Melling, Scrutiny Team	Commission to identify, suggest and agree possible topics for inclusion within the Children and Young People Scrutiny Commission work programme for 2019/20.

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# Overview & Scrutiny

## Living in Hackney Scrutiny Commission: Work Plan June 2018 – April 2019

*Each agenda will include an updated version of this Scrutiny Commission work programme*

Meeting	Item	Directorate / lead	Comment / purpose of item
<b>14<sup>th</sup> June 2018</b> Room 102, Hackney Town Hall  Agenda dispatch: 6 <sup>th</sup> June 2018	Introduction to Director of Housing Services, and priorities for the next year	Neighbourhoods and Housing / Ajman Ali, Director of Housing Services	
	Discussion about work programme for 2017/18	Tom Thorn, Overview and Scrutiny Team	For the Commission to agree review topic and one off items for this year.
<b>9<sup>th</sup> July 2018</b> Room 103, Hackney Town Hall  Agenda dispatch: 28 <sup>th</sup> June 2018	Cabinet Question Time – Cllr Sem Moema, mayoral Advisor for Private renting and housing affordability		<b>Topic areas for questioning:</b> <ul style="list-style-type: none"> <li> <b>Private rented sector licensing.</b> Progress made towards the planned launch of the wider private rented sector licensing schemes in October 2018. Work to address research finding significant conditions issues with properties already falling within mandatory licensing criteria. Member roles in reporting unlicensed properties.                     </li> <li> <b>Housing Association liaison.</b> Engagement with Registered Housing Providers on maintenance and repairs performance. Any work to                     </li> </ul>

Meeting	Item	Directorate / lead	Comment / purpose of item
			<p>monitor / influence the lettings policies of Registered Housing Providers operating in Hackney, including any replacement of social rent tenancies with other tenancy types.</p>
	<p>Cabinet Question Time – Cllr Jon Burke, Cabinet Member for Energy, sustainability and community services</p>	<p>Tom Thorn, Overview and Scrutiny Team</p>	<p><b>Topic areas for questioning:</b></p> <ul style="list-style-type: none"> <li>• <b>Exploring the Mayor's manifesto commitment to the delivery of a municipal energy company.</b> Any emerging strategy and programme for delivery, including around renewable energy installations on Housing assets.</li> <li>• <b>Profiles of leisure centre usage and work to engage underrepresented groups</b></li> <li>• <b>Current waste and recycling collection models and any scope for change.</b></li> </ul>
<p>August Recess – no meetings</p>			
<p><b>13<sup>th</sup> September 2018</b> Room 102, Hackney Town Hall  Agenda dispatch:</p>	<p>Single homelessness and mental health in Hackney - Healthwatch Hackney report</p>	<p>Tom Thorn, Overview and Scrutiny Team</p>	<p>Healthwatch Hackney have been invited to present and answer questions on their <a href="#">report on the experiences of single homeless people</a> with mental health needs living in temporary accommodation.</p>

Meeting	Item	Directorate / lead	Comment / purpose of item
5 <sup>th</sup> September 2018			
<b>13th November 2018</b> Room 102, Hackney Town Hall  Agenda dispatch: 5 <sup>th</sup> October 2018			
<b>5<sup>th</sup> December 2018</b> Room 102, Hackney Town Hall  Agenda dispatch: 27 <sup>th</sup> November 2018	Housing Services' development of an Asset Management Strategy	Housing Services	<p>In the meeting of 14<sup>th</sup> June 2018 the Commission heard that the Council was developing an Asset Management Strategy setting out the investment requirements over the next five years.</p> <p>The strategy would be informed by the undertaking of detailed stock condition surveys, and would help shape the revision of the 30 year HRA Business Plan. Ensuring strong governance was in place and that the service best utilised opportunities offered by the coming to an end of a number of major contracts, would enable investment to be delivered effectively.</p> <p>Fire Safety would be likely to be a key element of planned work.</p> <p>This item has been scheduled for the Commission to receive an update and give input into the development of the strategy.</p>

Meeting	Item	Directorate / lead	Comment / purpose of item
<b>31<sup>st</sup> January 2019</b> Room 102 Hackney Town Hall Agenda dispatch: 23 <sup>rd</sup> January 2019			
<b>4<sup>th</sup> March 2019</b> Room 102 Hackney Town Hall Agenda dispatch: 1 <sup>st</sup> February 2019	Joint Cabinet Member Question Time focused on Housing	Tom Thorn	
<b>11<sup>th</sup> April 2019</b> Room 102 Hackney Town Hall Agenda dispatch:			

<b>Meeting</b>	<b>Item</b>	<b>Directorate / lead</b>	<b>Comment / purpose of item</b>
3 <sup>rd</sup> April 2019			

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# Overview & Scrutiny

## Working in Hackney Scrutiny Commission

### Rolling Work Programme June 2018 – April 2019

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

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
<b>Tue 26<sup>th</sup> June 2018</b>  Papers deadline: Fri 15 <sup>th</sup> June	Economic and Community Development Board	Corporate Strategy Chief Executive Directorate Stephen Haynes	Presentation about work strands and Council's current work
	Employment and Skills	Corporate Strategy Chief Executive Directorate Andrew Munk	Presentation about Employment and Skills Service
	Economic Regeneration	Economic Regeneration Chief Executive Directorate Suzanne Johnson	Presentation about Economic Regeneration Service
	Work Programme Discussion	Overview and Scrutiny Chief Executive Directorate Tracey Anderson	To agree a review topic and discussion items for the work programme.
<b>Thurs 12 July 2018</b>  Papers deadline: Mon 2 <sup>nd</sup> July	Business Forum Engagement Event	Economic Regeneration Chief Executive Directorate Suzanne Johnson	Hackney House in Shoreditch  In relation to the current business forums this is a look at the barriers to engagement by BME business owners and how they support SMEs in a way that suits their needs.

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
	Economic regeneration support to local businesses	Overview and Scrutiny Chief Executive Directorate Tracey Anderson	An engagement event with business owners from BME communities in July 2018
<b>Mon 3 Sept 2018</b> Papers deadline: Wed 24 <sup>th</sup> Aug	Transport infrastructure – stations like Clapton, Hackney Downs modernisation to take increased flow of commuters through the borough and stations		<p>Transport themed session that includes looking at connectivity and affordability to get on the train.</p> <p>Following investment to improve the railway connectivity in the borough. The Council was expecting further investment by TfL as soon as the stations became connected. The Council expected 2 things:</p> <ul style="list-style-type: none"> <li>a) That the station infrastructure would grow and expand and increase its capacity</li> <li>b) That developments would start to happen around the stations.</li> </ul> <p>Last year the Commission raised concern about the significant growth in terms of the interchanges at stations like Clapton and Hackney Downs and the negative impact this could have on employment growth in the borough if further investment to improve the infrastructure is not forthcoming.</p>
	TFL changes to bus routes in Hackney		Transport for London does not consult rigorously on the reductions in frequency of bus routes and it anticipated there will be further cuts introduced this year. Scheduled for implementation is the route change to the number 277 bus. This is scheduled

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
			for implementation on 29/06/2018
	Stoke Newington Gyratory - Stage Two		Consultation on removal of Stoke Newington one-way system and the shaft by Morrison's. This will be led by TfL with the Council's input. TfL are undertaking further modelling work and will be consulting on one proposed option.
	Crossrail 2		Update on the progress of Crossrail 2
	Draft Report – Future World of Work and Skills in Hackney		Draft Report for agreement at the Commission
<b>Mon 22 Oct 2018</b>	Terms of Reference for Review		Draft Terms of Reference for the new in-depth review
Papers deadline: Wed 10 <sup>th</sup> Oct	Hackney Council Voluntary and Community Sector strategy	Chief Executive Directorate Policy and Partnerships Team Community Investment and Partnerships Manager	Consultation on the new Advice Strategy
	Gambling Policy 2019-2022 Consultation	Neighbourhoods and Housing Public Realm – licensing Aled Richards	Awaiting update from Officers

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
<b>Mon 10 Dec 2018</b>  Papers deadline: Wed 28 <sup>th</sup> Nov	Cabinet Member Question Time sessions - Cabinet Member for Employment, skills and human resources	Mayor's Office – Head of Mayors Office and Support Officer Cllr Williams	
	Cabinet Member Question Time sessions - Cabinet Member for Planning, business and investment	Mayor's Office – Head of Mayors Office and Support Officer Cllr Nicholson	
	Cabinet Member Question Time sessions - Deputy Mayor and Cabinet Member for health, social care, transport and parks	Mayor's Office – Head of Mayors Office and Support Officer Cllr Demirci	
	Economic and Community Development Board Update	Chief Executive Directorate Corporate Strategy Team	Update on the Board's current work and strategy development.
<b>Tue 12 Feb 2019</b>  Papers deadline: Thurs 31 <sup>st</sup> Jan	Evidence session for Review		
	Executive response and update on recommendations from Future World of Work and Skills Review		
	Brexit and the Council's engagement with businesses - risks and mitigating impact	Chief Executive Directorate	Work force shortages and work place rights  How can the uncertainty of Brexit be used to encourage businesses to invest more in local adult training and education for Hackney's young residents, to overcome the concerned about the loss

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
			<p>of European workforce.</p> <p>This potentially can be an opportunity to encourage the larger businesses to do more, in terms of training and development with underrepresented communities.</p> <p>How are people going to be protected in the work place? Looking at employment rights and how we help people.</p> <p>Workers rights and engagement with evidence from employers and trade unions</p>
	Cost of living and ability to fill key roles in public sector.	Finance and Corporate Resources Directorate	<i>The growing disparity between cost of living and public sector salaries is a real challenge for recruitment strategies and talent management.</i>
<b>Wed 13 Mar 2019</b>  Papers deadline: Fri 1 Mar	Evidence session for Review		
<b>Mon 29 April 2019</b>  Papers deadline: Tue 16 Apr	Recommendations discussion for review		
	Economic and Community Development Board Update	Chief Executive Directorate Corporate Strategy Team	Update on the Board's current work and strategy development.

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action

WiH request that the SP considers in this topic discussion looking at sustainable community wealth and ethical procurement and ask SP to follow up on Preston Model and what that looks like. Looking at the Preston Procurement Model and inequalities.

**Please Note:**

Items from suggestions list not included in the draft work programme above

<b>Working in Hackney Scrutiny areas</b>			
<b>Suggestion</b>	<b>Suggestion from</b>	<b>Description of item</b>	<b>Remit</b>
Inequalities in work	Topic from previous work programme not covered in 2017/18.	<p>Precarious work and employment rights and how we can empower people who are self-employed. Self-employed union</p> <p>Employment rights and how we help people</p> <p>Looking at the Preston Procurement Model and inequalities.</p> <p><i>(The focus of the topic needs to be defined).</i></p>	Employment and skills

<b>Working in Hackney Scrutiny areas</b>			
<b>Suggestion</b>	<b>Suggestion from</b>	<b>Description of item</b>	<b>Remit</b>
Council leasing and LLW / local labour.	Group Director Finance and Corporate Resources	<i>This relates to our commercial property lettings and the extent to which we can insist on clauses within the lease and what we are developing around a menu of opportunities</i>	Employment and skills
Britannia leisure centre development – provisions, impact on local community	Chair/ Commission / Consultation log	<i>This is a large scale mixed development encompassing: a leisure centre, school, affordable housing and private housing for sale</i>	Large scale scheme
Hackney Council Advice Services Review	Cabinet Member Finance and Housing Needs Cllr Rennison  Chair of Living in Hackney, Cllr Patrick	<i>Update to Scrutiny about its aims, principles and work to date.</i>  <i>Timeline for update is anticipated to be October 2018</i>	Voluntary sector
An analysis of which specific groups are most underrepresented in the Tech City workforce.	Cllr Williams / Stephen Haynes / Sonia Khan / Suzanne Johnson / Paul Horobin/ Andrew Munk	<i>This could include a particular focus on underrepresentation in STEM sectors – a key area of ongoing growth in Tech City, as well as the London and UK economy more widely</i>	Employment and skills
An analysis of the particular concerns and interests of	Cllr Williams / Stephen Haynes / Sonia Khan /	<i>The objective is aimed at understanding how the business community could be better connected</i>	Employment and skills

<b>Working in Hackney Scrutiny areas</b>			
<b>Suggestion</b>	<b>Suggestion from</b>	<b>Description of item</b>	<b>Remit</b>
businesses in Tech City – with a focus on STEM businesses	Suzanne Johnson / Paul Horobin/ Andrew Munk	<i>with the local community</i>	
A look into practical solutions and methods specifically relevant to Shoreditch and its local economy - including securing local jobs via s106 obligations and development agreements	Cllr Williams / Stephen Haynes / Sonia Khan / Suzanne Johnson / Paul Horobin/ Andrew Munk		Economic regeneration and employment and skills





<p><b>Scrutiny Panel</b></p> <p>16<sup>th</sup> July 2018</p> <p><b>Scrutiny Panel Work Programme for 2018/19</b></p>	<p>Item No</p> <p><b>9</b></p>
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## Outline

### **New Work Programme 2018/19**

The Scrutiny Panel is asked to consider and make suggestions for the SP work programme for 2018/19.

Attached is the draft Scrutiny Panel work programme with suggestions for items to include in the work programme for 2018/19. Please note this is a working document that is regularly revised and updated.

Attached is a letter of reference to the Scrutiny Panel from the Living in Hackney Scrutiny Commission. The Living in Hackney Scrutiny Commission has held a number of discussion related to procurement, contract management, and divisions between insourced and outsourced services. These discussions have looked at the contracts managed by the Council's Housing Services. They involved the Commission receiving regular updates on one specific contract, and holding a single discussion item focusing on the benefits, risks and issues with some of our larger housing contracts.

In its meeting in June 2018, the LiH Commission agreed it would write to the Scrutiny Panel to relay its findings from the investigations. The Living in Hackney Commission is handing over its evidence and hopes that it will be of assistance to the Scrutiny Panel should it agree to look at the Council's planned development of a Sustainable Procurement Strategy.

The LiH Scrutiny Commission is asking the Scrutiny Panel to consider reviewing the Council's approach to procurement, in-sourcing and outsourcing and the criteria used by the organisation to make these decisions.

## Action

The Scrutiny Panel is asked to consider the reference from LiH Scrutiny Commission and agree its work programme for 2018/19.

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# Overview & Scrutiny

## Scrutiny Panel Scrutiny Commission

### *Rolling Work Programme June 2018 – April 2019*

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

Dates	Proposed Item	Directorate and officer contact	Comment and Action
<b>Mon 16<sup>th</sup> Jul 2018</b>  Papers deadline: Wed 4 <sup>th</sup> July	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance update to cover: <ol style="list-style-type: none"> <li>1. A forward look at the outlook for local government finance with the main variables and headlines as well as risks?</li> <li>2. Information about how well placed the Council is to adjust to the new business rates regime?</li> </ol>
	Overview and Scrutiny Work Programme Review	Chief Executive's Directorate Overview and Scrutiny Team Tracey Anderson	Discussion and review of the Overview and Scrutiny function work programme for 2018/19. Update from each scrutiny commission Chair on their work programme for 2018/19.
	Scrutiny Panel Work Programme 2018/19	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Discuss and agree the Scrutiny Panel work Programme for 2018/19

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	Overview and Scrutiny Resources	Chief Executive's Directorate Overview and Scrutiny Team Tracey Anderson	Discussion about Overview and Scrutiny Team Resources
<b>Tue 9 Oct 2018</b>  Papers deadline: Wed 27 <sup>th</sup> Sept	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance update to cover: <ul style="list-style-type: none"> <li>•</li> </ul>
	Cabinet Question Time Mayor Glanville	Chief Executive's Directorate Mayor's Office Ben Bradley / Tessa Mitchell	CQT session covering: <ul style="list-style-type: none"> <li>•</li> </ul>
	Annual report on Complaints and Members Enquires	Chief Executive's Directorate Business Analysis and Complaints Team Bruce Devile	Annual report of the Council's Complaints and Members Enquires for 2016/17.
	The Council's approach to consultation	Chief Executive's Directorate	Presentation to cover <ol style="list-style-type: none"> <li>1. How the council consults and when is there a legal obligation for a formal consultation?</li> <li>2. What is the average response rate for consultations, who responds and what are the equality issues?</li> <li>3. What is the cost for consultations and what</li> </ol>

Dates	Proposed Item	Directorate and officer contact	Comment and Action
			<p>tools do we use?</p> <ol style="list-style-type: none"> <li>4. How does the E-panel fit in? How does it influence decisions and how transparent is it?</li> <li>5. Please provide examples of recent big consultations that has gone well and ones that haven't. Please can you advise why for each example?</li> <li>6. How does Scrutiny and ward forums fit into the picture?</li> <li>7. How does the Council's consultation process marry up with public expectations and can we close the gap? Will we ever be able to?</li> </ol>
<p><b>Mon 21<sup>st</sup> Jan 2019</b></p> <p>Papers deadline: Wed 9<sup>th</sup> Jan</p>	<p>Quarterly Finance Update</p>	<p>Finance and Corporate Resources Directorate Ian Williams</p>	<p>Finance Update to cover:</p> <ul style="list-style-type: none"> <li>•</li> </ul>
	<p>Chief Executive Question Time</p>	<p>Chief Executive's Office Tim Shields / John Robinson</p>	<p>TBC</p>

Dates	Proposed Item	Directorate and officer contact	Comment and Action
<b>Mon 1<sup>st</sup> Apr 2019</b>  Papers deadline: Wed 20 <sup>th</sup> Mar	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance Update to cover: <ul style="list-style-type: none"> <li>•</li> </ul>

**Standard work items not scheduled in the work programme**

- Mayor Question Time – second session

**Suggested Work Programme Items**

Suggestion	Suggestion from	Description of item
The council's approach to consultation  Officer advised report can be provided for October meeting date	SP Chair	<ol style="list-style-type: none"> <li>1. How the council consults and when is there a legal obligation for a formal consultation?</li> <li>2. What is the average response rate for consultations, who responds and what are the equality issues?</li> <li>3. What is the cost for consultations and what tools do we use?</li> <li>4. How does the E-</li> </ol>

		<p>panel fit in? How does it influence decisions and how transparent is it?</p> <p>5. Please provide examples of recent big consultations that has gone well and ones that haven't. Please can you advise why for each example?</p> <p>6. How does Scrutiny and ward forums fit into the picture?</p> <p>7. How does the Council's consultation process marry up with public expectations and can we close the gap? Will we ever be able to?</p>
ICT and Digital - local labour / different ways of working.	Group Director Finance and Corporate Resources	<i>Understanding how utilising digital solutions can improve outcomes.</i>
Sustainable procurement policy - Council is developing	Group Director Finance and Corporate Resources and	<i>The Council is launching a new Sustainable Procurement</i>

	SP Chair	<i>Strategy after Summer for consultation and a major aspect of this will be the approaches to insource vs outsource. It is an area that needs proper consideration and understanding and one that members will have a clear interest in.</i>
How the council carries out reviews of contracted services.	Cabinet Member Finance and Housing Needs Cllr Rennison	Delivering the manifesto commitment to review contracted services as these come up with a view to bringing these in house where possible.



**Living in Hackney Scrutiny Commission**  
Hackney Council  
Hackney Town Hall  
London, E8 1EA

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05 July 2018

**Cllr Margaret Gordon**  
Chair of Scrutiny Panel

Dear Cllr Gordon,

### **1. Context**

The Mayor's manifesto commits the Council to *"reviewing all its external contracts, looking to expand in house services and increase collaboration with other Councils to improve standards and skills in the construction industry."*

I understand this commitment is partly reflected in the planned development of a Sustainable Procurement Strategy led by the Cabinet Member for Finance and Housing Needs, which will include a defined approach to outsourcing and insourcing of services.

I also note from discussions that there is some appetite among Scrutiny Members that the Scrutiny Panel feeds into this work.

With this in mind I am writing to set out the findings which the Living in Hackney Scrutiny Commission drew from recent work relevant to the above. This is in regards to items exploring the performance and management of some of the larger contracts the Council has with its housing services providers.

We should be clear that our findings relate to updates received on the performance of one specific partnering contract, and a single discussion item focusing the benefits and risks and issues with our on our housing partnering contracts generally.

However, we are handing this evidence over in the hope it can be of assistance in any investigations along the lines of those mentioned above. For our part, this Commission will use it to inform follow up items on a number of issues specific to Housing Services.

### **2. Points of learning from the evidence gathered:**

- Large, long term partnering contracts have helped facilitate very significant levels of investment in the Council's housing stock.
- Some partnering contracts work very well.

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- However, the evidence we have gathered points to the vision of large and long term partnering contracts achieving true partnership working having been misguided.
- Quite stark examples of poor behaviour by partnering contractors have been shared with us.
- It is clear that large long term partnering contracts rely on close and intensive management to ensure value for money for residents. Quality assurance and resident feedback mechanisms should be fully separated from the contractor.
- We support Housing Services' efforts to ensure that this is in place. This includes their termination of an external Clerks of Works contract and it now delivering this function in house.
- Clerks of Works perform a vital role in ensuring quality and value for money for the Council through inspection of materials and workmanship. A restructure resulting in a reduction in capacity of the internal Clerks of Works function appeared to put it under considerable strain. We are concerned that reducing service capacity before seeking to expand it may have compounded known difficulties around recruitment and retention to these positions. 5 of the 9 Clerks of Works in place in March 2018 were filled by agency staff.
- Along with Clerks of Works Quantity Surveyors are crucial to effective quality and cost assurance, helping to ensure the Council pays a fair price for work and improving capacity for quality assurance. We support the work of Housing Services to expand its numbers of Quantity Surveyors.
- Future investigations by the Commission will ask for further detail around the stability of the Clerks of Works and Quantity Surveying functions, and around work to better achieve recruitment and retention of permanent staff.
- We note the very challenging labour market. We make the explicit recommendation that the Council's Housing Services puts in all steps necessary to achieve stable and sustainable in-house Clerks of Works and Quantity Surveying functions. Given the range of issues identified in this report we feel this approach would deliver savings, increased quality and better value for money in the longer term. Future scrutiny items should test this hypothesis further.
- We feel there should be further separation of resident feedback channels (via Resident Liaison Officers) from the contractors delivering works. We feel that Housing Services should seek to incorporate the Resident Liaison function internally, resourced via amendments to contract specifications and values. This will better ensure that Resident

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Liaison Officers are working fully on behalf of and advocating for residents, and that residents have more confidence in the function.

- We support the efforts of Housing Services to tackle aggressive pricing by contractors in the form of under-pricing at tendering stage followed up by over-pricing during the contract's lifecycle. We support work to ensure internal capacity is in place for rigorous checks and scrutiny. Alongside this, we also support work by the Council to adapt procurement processes associated with construction contracts. We heard this was in order to better ensure that information being put forward by contractors at tendering stage was fully and expertly assessed.<sup>1</sup>
- We feel the issues identified in our evidence gathering give a strong rationale for the manifesto commitment to review external contracts to look to expand in house services, and to work with other Councils to help deliver improvement to the standards and skills in the construction industry.

### **3. Summary of findings**

The focus of the work has been on Housing Services' partnering contracts (partnering contracts 1 – 9). We understand that these account for large shares of the approximately £246 million in housing contracts which the Council has in place<sup>2</sup>.

**The first set of evidence comes from the Commission keeping a specific partnering contract under review over the course of one year – that for Specialist Electrical Services with Morgan Sindall.** This was in order to sample test contract management and contractor performance improvement generally.

Updates received on this contract have been very disappointing. There have been significant quantitative performance issues around the completion of repairs and planned works. More widely, there have been deficiencies in the quality of some works, the behaviours of the contractor regarding claims for works and in the level of intensive support Housing Services has needed to provide; up to and including the completion of aspects falling very much in the contractor's remit.

We have heard how Housing Services has sought to drive improvement in the contract. This has been through providing advice and support, but also by

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<sup>1</sup> A fuller review might explore this in more detail. We were advised that external consultants would be tasked with carrying out checks on the information put forward by potential contractors. We support work to better ensure accurate submissions of information in order to help tackle aggressive pricing. However, the evidence we have gathered has left us with a view that quality and cost assurance functions around construction contracts should be internalised wherever possible. A fuller review might ask questions around whether this function could be internal to the Council.

<sup>2</sup> Refers to value of Housing Services contracts on the Hackney Contract Register as stated in paper to Commission

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very close monitoring of works and the issuing of warning notices which will better allow for termination if needed.

Our exploration of the contract has also highlighted the balance Housing Services has needed to achieve in terms of setting down high standards and holding contractors to account against them, whilst also recognising that there is not always the capacity in the market to easily replace them. There had been very few expressions of interest from other potential suppliers for the contract when this was tendered. With Morgan Sindall being responsive to the Council's concerns it was felt that termination was not the appropriate measure at the points of us receiving updates.

We feel that our monitoring of this contract lends weight to the rationale for the manifesto commitment around reviews of all contracts and seeking to expand in house capacity. We appreciate the need for a phased approach, and Housing Services needing to achieve stability for residents by ensuring that adequate internal capacity is in place. This is a challenge in the current market climate.

Our monitoring of this contract suggests that Housing Services is already on a journey towards more direct delivery of works; we heard that it was now able to deliver the majority of emergency lighting works itself rather than to pass this to the contractor. Pre the manifesto commitment mentioned above, we heard that the Cabinet Member for Housing Services had a vision for greater internal delivery. However, there was also caution sounded around the need for a sustainable and incremental approach. We support this.

It is likely that the Commission will receive a further update around the latest position of this contract at a later point.

**The second set of evidence was gathered from a one off discussion item on housing contractor performance and management more broadly.** This was mainly focused on the partnering contracts 1-9.

Partnering approaches to construction contracts can be broadly defined as an approach which encourages openness and trust between parties to a contract. They are common in the industry. The approach was devised (not by this Council) as a response to previous approaches being criticised as adversarial.

Partnering arrangements can include long term contracts covering multiple projects. It has been said they can better lead to effective working relationships being achieved, and learning from one project or project element being transferred to the next one.

The Council has delivered very significant levels of investment in the Council's housing stock through partnering contracts. Large shares of the Decent Homes Programme was facilitated by them. They are currently being used to deliver further transformative improvements to our estates. The case was

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made that in the vast majority of cases this very high volume of work was being delivered successfully and without incident.

We also heard how the behaviour of some partnering contractors has been excellent.

However, the item highlighted a range of issues. An overarching one – which Housing Officers acknowledged – was that the vision of the partnering approach achieving fully trusting and collaborative relationships between contract providers and their clients, has been found to have been misguided.

We heard stark examples of poor behaviours in partnering contracts. These included instances where contractors had overcharged for works, proposed to deliver (and charge for) work which was not required, incorrectly claimed work to be complete, and delivered substandard jobs. These mirrored but also exceeded the issues encountered within our more regular monitoring of the Morgan Sindall contract.

The item left us with a view that rather than working truly in partnership with their clients, some providers appear to be seeking to take advantage of the collegiate ethos and – in the words of a paper submitted to us – ‘relying on client representatives not looking too closely at the pricing or invoicing’.

On pricing by contractors, we heard that overpricing of works (and other forms of aggressive pricing) was a common issue in the industry, and that there were risks of providers under-pricing in order to win contracts before seeking to re-coup shortfalls through aggressive pricing.

Our short investigations have suggested Housing Services’ recent responses to these issues to have been reasonable.

We support their work to bring greater separation between contractors and quality assurance functions. This has included terminating a contract for external delivery of the Clerks of Works function and a move to an in house model. We also support work to improve internal processes so that Clerks of Works are fully involved in quality assuring work prior to payment.

We do have concerns around Housing Services having reduced Clerks of Works resources to a level which put it under pressure, and from which expansion and greater support was required. We are likely to ask questions around progress towards delivery of a stable and sustainable Clerks of Works function at later points.

Along with Clerks of Works, Quantity Surveyors play a crucial role in quality and cost assurance in contract management. We heard that Housing Services was expanding its numbers of Quantity Surveyors and we support this. We also appreciate the challenges around recruitment and retention in these positions. The Commission will request updates on the work of the service to best achieve sustainable and stable functions.

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We make the explicit recommendation that the Council's Housing Services puts in all steps necessary to achieve stable and sustainable in-house Clerks of Works and Quantity Surveying functions. Given the range of issues identified in our investigations, we feel this approach would deliver savings, increased quality and better value for money in the longer term. Future scrutiny items by this Commission or the Scrutiny Panel should test this hypothesis further.

With resident feedback offering a crucial source through which improvements can be achieved, we have concerns around what we see as an inadequate division of feedback channels from the contractors delivering the work. This is in the form of Resident Liaison Officers often being employed by partnering contractors delivering works, rather than the Council. Housing Services appears to share our concerns around this and has put in steps enabling it to play a greater intermediary role between Resident Liaison Officers and our residents. Officers stated that they would prefer for these functions to be delivered internally. We support this and push Housing Services to seek to do so wherever possible.

We also support the Council's work to tackle aggressive pricing by contractors in the form of under-pricing at tendering stage followed up by over-pricing during the contract's lifecycle. We support their work to ensure internal capacity is in place for rigorous checks and scrutiny. Alongside this, we also support work to adapt procurement processes associated with construction contracts. We heard this was in order to better ensure that information being put forward by contractors at tendering stage was fully and expertly assessed.<sup>3</sup>

## **4. Detailed findings - monitoring of Specialist Electrical Services Contract**

### **4.1 Background**

At its meeting on the 14<sup>th</sup> June 2018 the Commission reviewed the latest correspondence relating to its exploration of the performance and management of a specific contract.

That contract – with Morgan Sindall - had replaced a contract with a different supplier of Specialist Electrical Services which had been disbanded due to performance issues. The new contract went live in October 2016.

Given the issues with the previous contract the Commission asked to receive an update on the performance of the new one 6 months into its lifecycle. This was to gain assurance around this specific contract and also to sample test

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<sup>3</sup> A fuller review might explore this in more detail. We were advised that external consultants would be tasked with carrying out checks on the information put forward by potential contractors. We support work to better ensure accurate submissions of information in order to help tackle aggressive pricing. However, the evidence we have gathered has left us with a view that quality and cost assurance functions around construction contracts should be internalised wherever possible. A fuller review might ask questions around whether this function could be internal to the Council.

improvement in contractor selection and contract performance management generally.

The first update on the new contract (received in April 2017) showed that the contract had not launched well. Further updates received – in November 2017, February 2018 and most recently June 2018 – have continued to be disappointing albeit with some fluctuations.

This is in relation to quantitative data around the completion of repairs and planned works.

However, the paper submissions and the discussions on them have shown concerns to extend beyond this; to the quality of works, the behaviours of the contractor in its liaison with the Housing Services in some cases, and the extent to which Housing Services has needed to both expend its own resources on activities it was the contractor's responsibility to do, and to micromanage the contract in order to cajole improvement. These are detailed under sections 4.2 – 4.5.

## **4.2 Quantitative performance**

Morgan Sindall are Housing Services' back up contractor for electrical repairs. This means they perform the reactive repairs which the internal Council repairs function (the DLO) does not have the capacity to deliver directly.

Morgan Sindall was asked to deliver 1452 reactive repairs between October 2016 and April 2018.

In the worst performing monitoring period only 24% of repairs jobs allocated to Morgan Sindall were completed. Performance did recover after that point. However, the most recent three reporting periods have still seen between 35% and 44% of jobs raised with Morgan Sindall not being completed.

Morgan Sindall were also contracted to deliver planned works. A number of these have been downsized, delayed, and or transferred to another contractor to deliver due to poor progress by Morgan Sindall.

At the time of the first update in April 2017, none of the £810,000 worth of works which should have been delivered by that point had been. At a later point the Estate Lighting, Lateral Mains and Internal Rewiring programmes which had been planned had been downscaled. At a further point the (already downscaled) Internal Rewires programme was transferred over to another contractor due to the lack of progress by Morgan Sindall.

We do note that the June 2018 showed Morgan Sindall to have improved its capacity to take on greater numbers of reactive repairs jobs without significant impact on performance, to have made good progress towards the delivery of the latest estate lighting programme, and to appear to be on track for starting the lateral mains programme in July.

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However, this did not discount from planned works on estates previously committed to not being delivered and backlogs in repairs cases building. The Council's Director of Housing Services who was in attendance at the June meeting acknowledged that issues remained.

## **4.3 Quality**

There have also been quality issues with some of the work delivered. We heard that poor site supervision by Morgan Sindall had left them needing to redo works due to its standard and quality falling below the required standards. We were advised that these quality issues had been associated with sub-contractors and a lack of oversight and supervision by Morgan Sindall.

We understand that only through close inspection activity by Housing Services were these issues identified and rectified.

## **4.4 Need for very close management by the Council, and the Council having to fulfil role of contractor**

Significant Council resources have been deployed on the management of the Morgan Sindall contract. As mentioned above, the Council has found itself needing to carry out quality assurance of works delivered by subcontractors which Morgan Sindall should have been doing directly.

Housing Services themselves also gave a damning assessment of Morgan Sindall's ability to design and manage programmes, which had led to it effectively needing to do so on its behalf. The paper received in November stated that:

*Overall MS had demonstrated a lack of project management and electrical design skill. The client officers are constantly having to inform MS officers what they should be considering and how a program should be put together. MS should have the capability to organise, design and deliver electrical programs, however they have not been able to demonstrate this to the degree we were led to believe during the tender and mobilisation stage.*

In the November meeting Officers reported having found there to have been a need to manage and supervise the contract more closely than should have been the case. In February we heard that client-side arrangements had needed to be strengthened, with progress meetings now held every two weeks.

This added to the additional resources which had already expended on managing the contract and seeking to help facilitate improvement. For example, further to Morgan Sindall changing their entire project management team (in December 2016) in response to the Council's close management and raising of concerns with the calibre of the previous team, the Council then provided training and spent considerable time working with the new project management team. Despite this, continued poor performance led to four Early



Warning Notices (EWN) having been issued by March 2017. A third restructure was delivered in late 2017, meaning the Council needed to work with another new client-group.

## **4.5 Aggressive pricing**

The November paper to the Commission advised of issues which the service defined as aggressive pricing. The paper suggested that this took the forms of Morgan Sindall seeking to claim for works or elements of works which were already incorporated into other payment arrangements, and also claiming for greater amounts of work than appropriate.<sup>4</sup>

The update received in February 2018 reported that these issues appeared to no longer be in evidence further to detailed discussions with Morgan Sindall, although that the service would continue close monitoring.

When giving evidence to the Commission officers reported that aggressive pricing was a common issue, and that there were risks that providers would under-price in order to win contracts before seeking to recoup this at later points. It was felt in hindsight that some of the prices put forward by Morgan Sindall were unrealistically low.

## **5. Detailed findings - general item on contracts managed by Housing Services**

### **5.1 Background**

Following the disappointing performance of the new Specialist Electrical Services contract and historical issues with another former contract emerging during last year, the Commission asked for a broader item in relation to housing contractor performance and management. We hoped to gain an insight into the details of our larger contracts and the benefits and risks of these arrangements.

This was presented to the Commission in its November meeting.

The item was mainly focused on the partnering contracts which Housing Services has in place. We understand that these Partnering Contracts (1-9) account for large shares of the approximately £246 million in housing contracts. For example, we were advised that £89 million of works was being delivered within Partnering Contract 1.

### **5.2 Partnering Contracts - definition**

We understand that partnering in relation to construction contracts can be broadly described as an approach which encourages openness and trust between parties to a contract.

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<sup>4</sup> This is our interpretation of the following extract of the paper submitted to the Commission in November 2017: *“Although all works are priced using Schedule of Rates (SOR), there have been occasions where MS have added items, which formed part of the original SOR, and where therefore included as part of the pricing framework. In additional quantities were also inflated.”*

This approach was devised in response to criticism of previous approaches to construction contracts for being adversarial. In partnering, there is a focus on parties being dependent on one another for success. Longer term partnering contracts can - it is felt - bring greater opportunity for establishing effective working relationships which benefit all parties, and customers. Partnering contracts can cover multiple projects; this is referred to as strategic partnering<sup>5</sup>.

### **5.3 Current and previous use of Partnering Contracts by Housing Services**

The Council's current Partnering Contracts include agreements for the delivery of the Housing Investment Programme (a programme delivering improved kitchens, bathrooms, roofs and windows), Major Works (the improvement or repair communal and structural parts buildings), and a range of other services including the maintenance of lifts and door entry systems.

Some of the individual contracts within the Council's Partnering Contract are for five year terms.

The Council previously took a Partnering Contract approach to the delivery of its Decent Homes Programme.

A paper provided to us included extracts of reports to Cabinet during 2002 which set out the benefits of taking a strategic partnering approach in the delivery of Decent Homes. These included the putting of the Council in a better position to deliver large programmes of work, the gaining of input from experts at early points, faster works completion and the ability to transfer points of learning from one project to another.

### **5.4 Benefits and successes of partnering contracts**

It should be noted that the use of partnering contracts has coincided with the delivery of significant improvement to the conditions of the Council's housing stock. Large shares of the Decent Homes and more recent improvement programmes were facilitated by these contracts. In the March 2018 meeting we heard how the last two years alone had seen the delivery of new windows to 195 blocks and new roofs to 117 buildings and that 2,800 and 2,673 homes had received new kitchens bathrooms respectively.

Whilst acknowledging issues which we detail further below, Officers and the Cabinet Member also pointed out that the majority of works within these large programmes had been delivered effectively and successfully.

In addition, some of the Partnering Contracts are working very well. We heard that the providers fulfilling Contracts 6 and 7 have been exemplary in their behaviours.

This said, there are a range of issues with other partnering contracts which the Council has acknowledged, and is seeking to address.

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<sup>5</sup> Drawn from designingbuildings.co.uk article ['Partnering in construction'](#)

## **5.5 Issues with Partnering Contracts - aggressive pricing and dishonourable culture**

The partnering approach was designed to foster trusting and collaborative relationships between contract providers and their clients.

Evidence shows this vision to have been idealistic.

We mentioned earlier aggressive pricing by Morgan Sindall – a provider of one of our Partner Contracts - in the form of excessive claims for works.

However, the paper submitted to us highlighted that these behaviours and others were common in other partnering contracts, and across the industry generally. Stark examples were given to us where contractors had overcharged for works, proposed to deliver (and to charge for) work which was not required, incorrectly claimed work to be complete, and delivered substandard jobs.

Rather than working truly in partnership with their clients, some partnering contract providers appear to be seeking to take advantage of this approach whilst relying – in the words of the paper submitted to us – ‘on client representatives not looking too closely at the pricing or invoicing’, and on clients not having internal resources to carry out full checks of works.

## **5.6 Response by the Council to these issues**

It was Housing Services themselves who confirmed to us the range of issues with the partnerships contracts. We are grateful for their candour in this regard.

They also detailed their recent responses to them, which appear from this short investigation to be reasonable.

A key one has seen greater separation of quality assurance from external contractors, and Housing Services building up and best aligning its internal resources so that it can perform this function more effectively itself.

Clerks of Works are crucial to the quality assurance process. Their role is to ensure value for money for the client rather than the contractor, through detailed inspection of the materials and workmanship throughout the building process.

The Council previously contracted out the Clerks of Works function to an international consultancy and construction company (MACE). As part of work to reduce the service's reliance on external providers, this contract was terminated and replaced with an internal function. We support this. We also support the Council's work alluded to in the November paper around ensuring effective systems are in place to better ensure full sign off of works before payments are made and Clerks of Work involvement in this<sup>1</sup>.

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Quantity Surveyors are another important resource in ensuring effective delivery by contractors. Quantity Surveyors are construction industry professionals with expertise on costs and contracts. Effectively deployed, they can help ensure the Council and its residents pay a fair and reasonable price for works, and improve the capacity for quality assurance. In meetings Officers have confirmed that the Council has increased its numbers of Quantitative Surveyors. We support this<sup>6</sup>.

In questions to Officers Commission Members have often queried the mechanisms through which feedback is received by residents, and how this is used to help drive improvement. We see resident feedback as another important element of quality assurance.

Perhaps reflecting the over optimism around the capacity of partnering contracts to engender trusting and reliable relationships, there has been what we feel to have been an inadequate division of feedback channels from the contractors delivering the work.

This has been manifested in Resident Liaison Officers being employed by the contractors rather than by the Council. Resident Liaison Officers are generally responsible for helping ensure a customer focus in work. They will be a contact point for customers and perform duties such as door to door visits and survey drops.

From papers to the Commission and in accounts given to us, Housing Services appear to share our concerns around this, and to be working to play a greater intermediary role between Resident Liaison Officer and our residents.

In November's meeting itself and in response to questions, the previous Director of Housing confirmed that he shared the Commission's desire for these resident liaison functions to be delivered in house wherever possible. He confirmed that partnering approaches had led to environments in which significant amounts of oversight work were contracted out to major providers, but that learning had later shown closer management and monitoring of these contracts to be required.

He asked that the Commission report any specific concerns to him directly around the effectiveness of Resident Liaison Officer services delivered by contractors, as this could better enable the council to cease the elements of contracts which gave this role to contractors.

We would support the Council's building of an evidence base to better enable more independent Resident Liaison functions to be delivered within existing partnering contracts. In addition - given the issues highlighted around the limited extent to which partnering has translated into trustful relationships - we see there being room for the Council in any future major contracting to seek to

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<sup>6</sup> Any more substantial future visit to this topic by the Commission might seek to explore the effectiveness of the Quantitative Surveying function in the Council.

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take on itself greater elements of the Resident Liaison work by default, and for this to be reflected in future contract specifications and values.

## 6. Concluding remarks

I hope the findings documented here are of some assistance in any work by the Scrutiny Panel around approaches to procurement, reviews of contracts, and the scope for greater in house delivery.

Yours sincerely,

**Cllr Sharon Patrick**



**Chair, Living in Hackney Scrutiny Commission**

### Evidence referred to in this paper.

This paper refers to evidence submitted to and gathered by the Commission in 4 of its meetings. The records of each item referred to are available via the links below:

#### Meeting of 5<sup>th</sup> April 2017

- *Update on the performance of the Specialist Electrical Services Contract –*

[mginternet.hackney.gov.uk/mgAi.aspx?ID=28378](http://mginternet.hackney.gov.uk/mgAi.aspx?ID=28378)

#### Meeting of 20<sup>th</sup> November 2017

- *Update on the performance of the Specialist Electrical Services Contract*

[mginternet.hackney.gov.uk/mgAi.aspx?ID=30281](http://mginternet.hackney.gov.uk/mgAi.aspx?ID=30281)

- *Wider context on contracts managed by Housing Services item:*

[mginternet.hackney.gov.uk/mgAi.aspx?ID=30282](http://mginternet.hackney.gov.uk/mgAi.aspx?ID=30282)

#### Meeting of 21<sup>st</sup> march 2018

- *Cabinet Question Time - Cllr Clayeon McKenzie, Cabinet Member for Housing Services*

<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=31145>

#### Meeting of 14<sup>th</sup> June 2018

- *Item 9 - Response to Commission letter on Housing Services' Specialist Electrical Works Contract*

[mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=119&MIId=4428&Ver=4](http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=119&MIId=4428&Ver=4)

# Overview & Scrutiny

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<sup>1</sup> Whilst we support the work to internalise the Clerks Of Works function, we should be clear that we maintain concerns around ensuring that adequate numbers are in place, and the Council having reduced the resource in a restructure before soon after seeking its expansion. In November 2017 we were advised numbers had reduced from 12 to 6 following a restructure and that staff remaining were now under pressure. We were advised that the service was seeking to alleviate this by exploring the possibility of recruiting a dedicated post to fulfil record keeping tasks, and by developing a business case to expand the Clerks of Works numbers. This appeared to have been successful as in March 2018 we were advised that the numbers had increased to 9.