

Scrutiny Panel

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

Tuesday, 9th October, 2018

7.00 pm

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

Contact:

Tracey Anderson

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Tim Shields

Chief Executive, London Borough of Hackney

Members: Cllr Ben Hayhurst, Cllr Mete Coban, Cllr Margaret Gordon (Chair),
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 Apologies for Absence (19.00)**
- 2 Urgent Items / Order of Business (19.00)**
- 3 Declaration of Interest (19.01)**
- 4 Minutes of the Previous Meeting (19.02)** (Pages 1 - 44)
- 5 Annual Report of Council's Complaint's and Members' Enquiries Service 2017/18 (19.05)** (Pages 45 - 58)
- 6 Quarterly Finance Update (19.25)** (Pages 59 - 96)
- 7 Budget Scrutiny Task Groups (19.50)** (Pages 97 - 104)
- 8 Council's Approach to Consultation (19.55)** (Pages 105 - 138)
- 9 Mayor's Question Time (20.25)** (Pages 139 - 140)
- 10 Work Programme 2018/19 (21.05)** (Pages 141 - 148)
- 11 Any Other Business (21.10)**

Access and Information

Getting to the Town Hall

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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

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

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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.

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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.



<p>Scrutiny Panel</p> <p>9th October 2018</p> <p>Item 4 - Minutes and matters arising</p>	<p>Item No</p> <p>4</p>
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OUTLINE

Attached are the draft minutes of the meeting of the Scrutiny Panel held on 16 July 2018.

MATTERS ARISING FROM JULY MEETING

Action at 5.3

Action 1: Group Director, Finance and Corporate Resources

To circulate paper summarising levels of flexibility for the Council around Council Tax charges and Bands.

The paper is attached.

Action at 5.15

Action 2: Group Director, Finance and Corporate Resources

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

The paper is attached.

Action at 6.2

Action 3: Group Director, Finance and Corporate Resources

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

This update will be provided under item 6.

Action at 6.15

Action 4: Group Director, Finance and Corporate Resources

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

The paper is attached.

Action at 7.12

Action 5: Scrutiny Officer

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

This will be covered under item 8.

Action at 7.13

Action 6: Scrutiny Officer

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

The Chief Executive will be in attendance.

ACTION

Members are asked to agree the minutes and note the matters arising.

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

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

Chair	Councillor Margaret Gordon
Councillors in Attendance	Cllr Ben Hayhurst, Cllr Mete Coban, Cllr Sade Etti, Cllr Richard Lufkin and Cllr Yvonne Maxwell
Apologies:	Cllr Sharon Patrick and Cllr Sophie Conway
Officers In Attendance	Stephen Haynes (Director – Strategy, Policy and Economic Development) and Ian Williams (Group Director of Finance and Resources)
Other People in Attendance	Councillor Rebecca Rennison (Cabinet Member for Finance and Housing Needs)
Members of the Public	
Officer Contact:	Tracey Anderson  0208 3563312  tracey.anderson@hackney.gov.uk

Councillor Margaret Gordon in the Chair

1 Election of Chair and Vice Chair

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

2 Apologies for Absence

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

3 Urgent Items / Order of Business

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

4 Declaration of Interest

4.1 There were no declarations of interest.

5 Minutes of the Previous Meeting

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

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

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

Action 1: Group Director, Finance and Corporate Resources

To circulate paper summarising levels of flexibility for the Council around Council Tax charges and Bands.

5.4 The Chair noted that one of actions arising from the last meeting had been for the latest available Overall Financial Position (OFP) and Capital Programme reports to be included in Scrutiny Panel agendas as a matter of course. She noted that these were both available under item 6, and thanked the Group Director Finance and Corporate Resources.

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

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

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

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

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

Action 2: Group Director, Finance and Corporate Resources

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

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

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

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

6 Quarterly Finance Update

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

Action 3: Group Director, Finance and Corporate Resources

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

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

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

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

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

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

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

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

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

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

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

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

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

7 Overview and Scrutiny Resources

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

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

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

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

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

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

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

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

Action 5: Scrutiny Officer

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

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

Action 6: Scrutiny Officer

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

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

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

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

8 Overview and Scrutiny Work Programmes

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

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

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

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

9 Proposals for Scrutiny Panel Work Programme 2018/19

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

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

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

10 Any Other Business

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

Duration of the meeting: 7.00 - 9.15 pm

ACTION 1: Levels of flexibility for the Council around Council Tax Charges and Bands

1.0 Legal Framework

- 1.1 Council Tax was introduced by the Local Government Finance Act 1992, with effect from 1 April 1993. The tax is based on property valuations, grouped into bands based on values as at 1 April 1991. Responsibility for valuation lies with the listing officer of the Valuation Office Agency of HMRC.
- 1.2 The valuation bands, and the relative proportions of the bands to which properties are allocated, are described in Section 5 of the Act.
- 1.3 Billing authorities are required to bill and collect on the basis of bands and have no power to vary these.
- 1.4 The Act provides for a number of exemptions, disregards and discounts which can reduce the amount payable
- 1.5 Billing authorities were given limited power to vary specified discounts and the Council chose to do this. At the Council Meeting on 30 January 2013 Council agreed that:
 - a. a premium of 50% in addition to the Council Tax be charged to owners of homes which have been unoccupied and substantially unfurnished for two years or more.
 - b. the exemption period of 6 months available to owners of vacant, habitable property be replaced with a discount of 100% for the first month with the full charge payable after that.
 - c. the exemption period of 12 months available to owners of vacant properties which are either uninhabitable or undergoing structural alteration be replaced with a discount of 25% for 12 months.
 - d. that the discount for owners of second home owners and for landlords of furnished properties without a tenant be reduced from 10% to zero.
- 1.6 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill is currently making its way through Parliament. This proposes to give Billing authorities further powers to increase the long-term empty premium to 100% from 1 April 2019, and outlines proposals for further increases in the following 2 years.
- 1.7 Billing authorities also have power under Section 13a of the Act to reduce an amount of Council Tax as it sees fit, including down to zero, in relation to particular cases or to a defined class of cases. At Cabinet on 18 September 2017 it was resolved to adopt the following classes under Section 13a

Exceptional cases, subject to meeting agreed criteria

- (a) Class 1:** A discretionary reduction may be awarded to a taxpayer where s/he is forced to leave their main home in Hackney unoccupied due to serious damage caused by external environmental factors beyond their control. It will be awarded for a maximum of 12 months. Examples include flooding and street subsidence. The reduction is payable up to a maximum 100% of the council tax liability

(b) Class 2: A discretionary reduction may be awarded to a taxpayer where s/he is forced to leave their main home in Hackney as a result of domestic violence (but are still the owner / tenant) and have moved to a second property, potentially leaving them liable for CT on two properties. Any award given to any case may finish at the end of the council tax year that the application relates to. A further application may be needed for future years. The reduction is payable up to a maximum 100% of the council tax liability

(c) Class 3: A discretionary reduction (Care Leavers reduction) will be awarded to any care leaver formerly in Hackney's care aged 18 to 25, who resides in the borough, and is liable to pay Council Tax to Hackney Council. The reduction will reduce the amount of council tax a care leaver will have to pay, after the deduction of any Council Tax Support and any other national reliefs such as the single person discount; to nil

2.0 Charges and Referendums

2.1 When considering any level of tax increase, we must be mindful of the referendum rules. For 2019/20, the Government is proposing the following rules: -

- a core principle of up to 3%. This would apply to shire county councils, unitary authorities, London borough councils, the Common Council of the City of London, the Council of the Isles of Scilly, the general precept of the Greater London Authority, and fire and rescue authorities.
- a continuation of the Adult Social Care (ASC) precept, with an additional 2% flexibility available for shire county councils, unitary authorities, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly. This is subject to total increases for the Adult Social Care precept not exceeding 6% between 2017-18 and 2019-20, and consideration of authorities' use of the Adult Social Care precept in the previous years.

2.2 Under these rules, we have the flexibility to levy a core increase of 3% and an ASC precept increase of 2%. So, the maximum increase we could levy in 2019/20 is 5%.

- 2.3 The table below shows the impact of different council tax increases on council tax income over the period 2019/20 to 2021/22. The tax base used throughout is set to the 2018/19 value (71,145) and the collection rate is assumed to be 95%.

Tax Increases and Income

Annual Council Tax Increase	Cumulative Income		
	2019/20 £m	2020/21 £m	2021/22 £m
3%	2.3	4.7	7.1
4%	3.1	6.3	9.6
5%	3.8	7.9	12.1

- 2.4 As can be seen, an annual increase of 5% will reduce the budget gap by £5m more than a 3% increase over the period. It also shows that a 5% increase generates £12.1m income over the period as compared to a tax level frozen at its 2018/19 level.
- 2.5 In addition, and as set out in **Appendix 1** we have undertaken further analysis on the impact upon individual households of any increase at the 4% level in receipt or otherwise of Council Tax Reduction Scheme (CTRS) support. An updated “league table” in respect of the level of Council Tax across the London Boroughs is attached along with other key statistics.
- 2.6 As well as consideration of the level of rise to be implemented across the period, we have also explored the possibility of offering a voluntary contribution scheme for residents living in high value properties, as has been implemented in Westminster and being considered by Islington. The additional income that could be raised by the introduction of such a scheme in Hackney though, is very limited due to the low numbers of properties in the highest Council Tax band (only 47 properties in Band H for example), and we must also take into account the additional costs of administration.
- 2.7 Specifically, in February, the Westminster council leader, Nickie Aiken, wrote to all residents in the most expensive band H properties to ask them to consider paying an extra £833-a-year “community contribution” to help fund youth clubs, homelessness services and visits to lonely people. It was reported in the Press that after 3 months, only 2% of the households (350 out of 15,600) had stepped forward to pay the additional contribution. This is against the background that residents in Westminster pay the lowest council tax in the country, with band H payments of £832 (which compares to £2,161 in LBH) a year plus another £588 to the Greater London Authority.

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ADDITIONAL INFORMATION

This note provides additional information on council tax. The first section looks at the impact on tax bills of a 4% increase in each of the years 2019/20 to 2021/22, at varying levels of council tax support.

The note also presents a league table of London Council Tax Band D's, the increase in each London borough's council tax in 2019/20, how much income each borough is budgeting to collect from council tax in 2018/19 and the distribution of the council taxbase across bands.

IMPACT ON TAXPAYERS OF A 4% INCREASE

1. Impact on Taxpayers with no Council Tax Support

1.1 The impact of a 4% increase in the tax rate, on taxpayers who do not qualify for any council tax support, over the period 2019/20 to 2021/22, is shown in the tables below. The first table shows the total tax bill by band

Band	A	B	C	D	E	F	G	H
2018/19	720.30	840.34	960.39	1080.44	1320.54	1560.62	1800.74	2160.88
2019/20	749.11	873.95	998.81	1123.66	1373.36	1623.04	1872.77	2247.32
2020/21	779.08	908.91	1038.76	1168.60	1428.30	1687.97	1947.68	2337.21
2021/22	810.24	945.27	1080.31	1215.35	1485.43	1755.49	2025.59	2430.70

1.2 The increases (annual and weekly) in the charge each year are shown below

Band	A	B	C	D	E	F	G	H
2019/20 - Annual	28.81	33.61	38.42	43.22	52.82	62.42	72.03	86.44
2019/20 - Weekly	0.55	0.65	0.74	0.83	1.02	1.20	1.39	1.66
2020/21 - Annual	29.96	34.96	39.95	44.95	54.93	64.92	74.91	89.89
2020/21 - Weekly	0.58	0.67	0.77	0.86	1.06	1.25	1.44	1.73
2021/22 - Annual	31.16	36.36	41.55	46.74	57.13	67.52	77.91	93.49
2021/22 - Weekly	0.60	0.70	0.80	0.90	1.10	1.30	1.50	1.80

1.3 The next table shows how much the charge increases from 2018/19 to 2021/22

Band	A	B	C	D	E	F	G	H
Annual Increase	89.94	104.93	119.92	134.91	164.89	194.87	224.85	269.82
Weekly Increase	1.73	2.02	2.31	2.59	3.17	3.75	4.32	5.19

2. Impact on Taxpayers with maximum Council Tax Support (83%)

2.1 Obviously many taxpayers will receive support through the Council Tax Support scheme. The next set of tables looks at the impact of a 4% increase on tax bills of council tax payers that qualify for maximum CTRS (83%). The first table shows the total tax bill by band

Band	A	B	C	D	E	F	G	H
2018/19	126.05	147.06	168.07	189.08	231.09	273.11	315.13	378.15
2019/20	131.09	152.94	174.79	196.64	240.34	284.03	327.73	393.28
2020/21	136.34	159.06	181.78	204.51	249.95	295.39	340.84	409.01

2021/22	141.79	165.42	189.05	212.69	259.95	307.21	354.48	425.37
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2.2 The increases (annual and weekly) in the charge in each year are shown below

Band	A	B	C	D	E	F	G	H
2019/20 - Annual	5.04	5.88	6.72	7.56	9.24	10.92	12.61	15.13
2019/20 - Weekly	0.10	0.11	0.13	0.15	0.18	0.21	0.24	0.29
2020/21 - Annual	5.24	6.12	6.99	7.87	9.61	11.36	13.11	15.73
2020/21 - Weekly	0.10	0.12	0.13	0.15	0.18	0.22	0.25	0.30
2021/22 - Annual	5.45	6.36	7.27	8.18	10.00	11.82	13.63	16.36
2021/22 - Weekly	0.10	0.12	0.14	0.16	0.19	0.23	0.26	0.31

2.3 The next table shows how much the charge increases from 2018/19 to 2021/22

Band	A	B	C	D	E	F	G	H
Annual	15.74	18.36	20.99	23.61	28.86	34.10	39.35	47.22
Weekly	0.30	0.35	0.40	0.45	0.55	0.66	0.76	0.91

And so if there is a 4% increase in council tax in each year, in 2021/22 the charge for a band A property will increase by 30p per week for a taxpayer on maximum CTRS compared to 2018/19, for a band B the charge will increase by 35p a week and for a band C, the charge will increase by 40p per week.

3. Impact on Taxpayers with 70% Council Tax Support

3.1 The next set of tables looks at the impact of a 4% increase on tax bills of council tax payers that qualify for 70% CTRS. The first table shows the total tax bill by band

Band	A	B	C	D	E	F	G	H
2018/19	216.09	252.10	288.12	324.13	396.16	468.19	540.22	648.26
2019/20	224.73	262.19	299.64	337.10	412.01	486.91	561.83	674.19
2020/21	233.72	272.67	311.63	350.58	428.49	506.39	584.30	701.16
2021/22	243.07	283.58	324.09	364.60	445.63	526.65	607.68	729.21

3.2 The increases (annual and weekly) in the charge in each year are shown below

Band	A	B	C	D	E	F	G	H
2019/20 - Annual	8.64	10.08	11.52	12.97	15.85	18.73	21.61	25.93
2019/20 - Weekly	0.17	0.19	0.22	0.25	0.30	0.36	0.42	0.50
2020/21 - Annual	8.99	10.49	11.99	13.48	16.48	19.48	22.47	26.97
2020/21 - Weekly	0.17	0.20	0.23	0.26	0.32	0.37	0.43	0.52
2021/22 - Annual	9.35	10.91	12.47	14.02	17.14	20.26	23.37	28.05
2021/22 - Weekly	0.18	0.21	0.24	0.27	0.33	0.39	0.45	0.54

3.3 The next table shows how much the charge increases from 2018/19 to 2021/22

Band	A	B	C	D	E	F	G	H
Annual	26.98	31.48	35.98	40.47	49.47	58.46	67.45	80.94
Weekly	0.52	0.61	0.69	0.78	0.95	1.12	1.30	1.56

And so if there is a 4% increase in council tax in each year, in 2021/22 the charge for a band A property will increase by 52p per week for a taxpayer on 70% CTRS support compared to 2018/19, for a band B the charge will increase by 61p a week and for a band C, the charge will increase by 69p per week.

4. Impact on Taxpayers with 40% Council Tax Support

4.1 The next set of tables looks at the impact of a 4% increase on tax bills of council tax payers that qualify for 40% CTRS. The first table shows the band charges after the application of maximum CTRS.

Band	A	B	C	D	E	F	G	H
2018/19	432.18	504.20	576.23	648.26	792.32	936.37	1080.44	1296.53
2019/20	449.47	524.37	599.28	674.19	824.02	973.83	1123.66	1348.39
2020/21	467.45	545.35	623.25	701.16	856.98	1012.78	1168.61	1402.32
2021/22	486.14	567.16	648.18	729.21	891.26	1053.29	1215.35	1458.42

4.2 The increases (annual and weekly) in the charge by band in each year are shown below

Band	A	B	C	D	E	F	G	H
2019/20 - Annual	17.29	20.17	23.05	25.93	31.69	37.45	43.22	51.86
2019/20 - Weekly	0.33	0.39	0.44	0.50	0.61	0.72	0.83	1.00
2020/21 - Annual	17.98	20.97	23.97	26.97	32.96	38.95	44.95	53.94
2020/21 - Weekly	0.35	0.40	0.46	0.52	0.63	0.75	0.86	1.04
2021/22 - Annual	18.70	21.81	24.93	28.05	34.28	40.51	46.74	56.09
2021/22 - Weekly	0.36	0.42	0.48	0.54	0.66	0.78	0.90	1.08

4.3 The next table shows how much the charge by band increases from 2018/19 to 2021/22

Band	A	B	C	D	E	F	G	H
Annual	53.96	62.96	71.95	80.94	98.93	116.92	134.91	161.89
Weekly	1.04	1.21	1.38	1.56	1.90	2.25	2.59	3.11

And so if there is a 4% increase in council tax in each year, in 2021/22 the charge for a band A property will increase by £1.04 per week for a taxpayer on 40% CTRS support compared to 2018/19, for a band B the charge will increase by £1.21 a week and for a band C, the charge will increase by £1.38 per week.

COUNCIL TAX BAND D LONDON 2018/19

2018/19 COUNCIL TAX BAND D	Council Tax for the authority (Band D)	Rank
Westminster	416.64	1
Wandsworth	428.42	2
Hammersmith & Fulham	727.81	3
Kensington & Chelsea	845.16	4
City of London	857.31	5
Newham	964.54	6
Tower Hamlets	986.14	7
Southwark	1035.31	8
Hackney	1080.44	9
Lambeth	1092.04	10
Hillingdon	1112.93	11
Islington	1135.22	12
Greenwich	1135.24	13
Ealing	1145.89	14
Bromley	1158.48	15
Hounslow	1167.76	16
Merton	1173.83	17
Barnet	1189.34	18
Camden	1194.48	19
Barking & Dagenham	1199.63	20
Brent	1202.31	21
Lewisham	1203.87	22
Redbridge	1255.75	23
Enfield	1261.17	24
Haringey	1281.57	25
Bexley	1293.81	26
Sutton	1308.52	27
Waltham Forest	1320.74	28
Croydon	1342.73	29
Havering	1363.83	30
Harrow	1394.69	31
Richmond-upon-Thames	1412.71	32
Kingston-upon-Thames	1477.46	33

INCREASES IN COUNCIL TAX IN LONDON 2018/19

Hackney's increase of 3% is in the lowest third amongst boroughs.

Increases in Council Tax in London 2018/19

	% increase in main Council tax %	% increase - Social Care Precept %	Change in Council Tax %
Barking & Dagenham	2.99%	3.00%	5.99%
Islington	2.99%	3.00%	5.99%
Lambeth	2.99%	3.00%	5.99%
Southwark	2.99%	3.00%	5.99%
Ealing	2.99%	3.00%	5.99%
Greenwich	2.99%	3.00%	5.99%
Kensington & Chelsea	2.92%	3.00%	5.92%
Redbridge	2.99%	2.00%	4.99%
Waltham Forest	2.99%	2.00%	4.99%
Enfield	2.99%	2.00%	4.99%
Brent	2.99%	2.00%	4.99%
Croydon	2.99%	2.00%	4.99%
Camden	2.99%	2.00%	4.99%
Hounslow	2.00%	2.00%	4.00%
Bromley	1.99%	2.00%	3.99%
Sutton	1.99%	2.00%	3.99%
Bexley	1.99%	2.00%	3.99%
Lewisham	2.99%	1.00%	3.99%
Richmond-upon-Thames	1.99%	2.00%	3.99%
Havering	1.50%	2.00%	3.50%
Harrow	2.99%	0.50%	3.49%
Hackney	1.00%	2.00%	3.00%
Merton	2.00%	1.00%	3.00%
Barnet	0.00%	3.00%	3.00%
Haringey	0.00%	3.00%	3.00%
Westminster	0.00%	2.00%	2.00%
Tower Hamlets	0.00%	2.00%	2.00%
Wandsworth	0.00%	2.00%	2.00%
City of London	0.00%	0.00%	0.00%
Hammersmith & Fulham	0.00%	0.00%	0.00%
Hillingdon	0.00%	0.00%	0.00%
Newham	0.00%	0.00%	0.00%
Kingston-upon-Thames	0.00%	0.00%	0.00%

LONDON COUNCIL TAX INCOME 2018/19

	CT income Excluding GLA income £m
Barnet	168.8
Croydon	167.4
Bromley	150.6
Ealing	129.6
Richmond-upon-Thames	125.4
Enfield	121.1
Havering	119.1
Harrow	117.8
Lambeth	117.6
Brent	115.0
Hillingdon	110.3
Redbridge	109.9
Camden	106.3
Bexley	105.2
Southwark	104.4
Lewisham	104.1
Waltham Forest	98.8
Haringey	98.8
Hounslow	96.7
Sutton	95.2
Tower Hamlets	93.8
Kingston-upon-Thames	92.1
Greenwich	91.0
Islington	88.7
Merton	87.0
Kensington & Chelsea	81.4
Hackney	76.9
Newham	72.8
Barking & Dagenham	58.5
Hammersmith & Fulham	56.7
Wandsworth	56.0
Westminster	53.7
City of London	6.2

Despite recent taxbase and tax rate increases, our council tax income is still in the bottom quartile in London.

NUMBER OF PROPERTIES IN EACH TAX BAND

Hackney's relatively low council tax income is partly explained by the relatively small number of properties in higher tax bands in the borough (E to H) and by a relatively high number in lower tax bands (A to C). The table below shows the number of properties in each band and the %s.

Tax Band	Number of Properties by Band	% of Properties in each Band
Band A	3,539	4.5%
Band B	18,491	23.5%
Band C	24,780	31.5%
Band D	18,333	23.3%
Band E	9,105	11.6%
Band F	3,385	4.3%
Band G	1,011	1.3%
Band H	43	0.1%
Total	78,687	100.0%

The distribution of properties across bands also results in an average tax payment (total income divided by total number of properties after exemptions, discounts and losses) in Hackney of £1,028 which is £52 lower than the Band D rate of £1,080 in 2018/19.

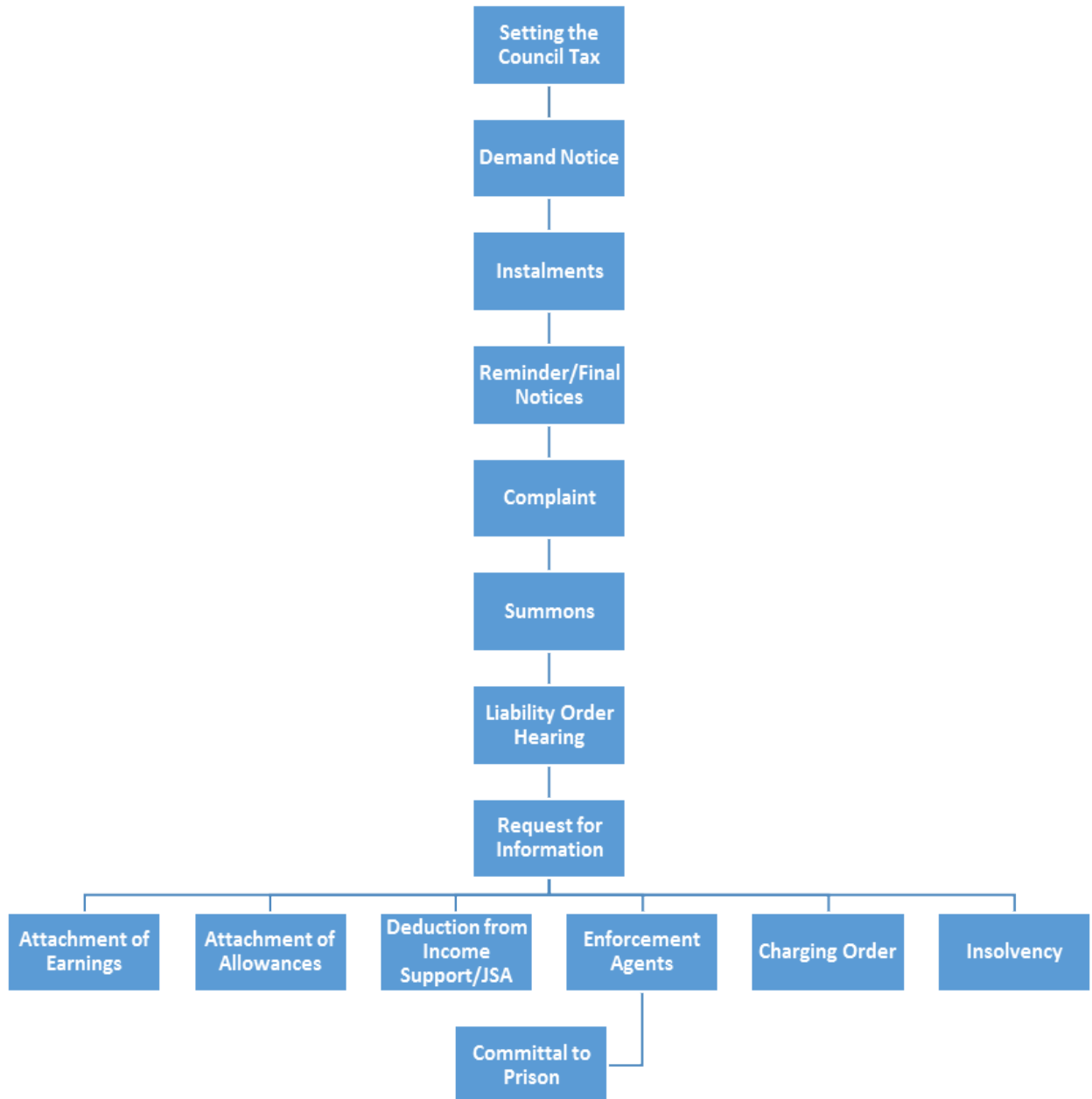
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Action 2: To provide benchmarking data on referrals of Council Tax accounts (of households in receipt of Council Tax Support) to enforcement agents by Hackney and other comparable authorities (Southwark, Lambeth, Camden and Croydon).

It is becoming increasingly difficult to compare Council Tax collection activity across different local authorities, especially with regard to cases in receipt of Council Tax Reduction (CTR). It is necessary to have regard to the maximum CTR awards in each scheme, as this directly impacts on the amount of Council Tax due, and the caseload of the authority.

Hackney does refer CTR cases to enforcement agents, but does not take this action lightly. The strategy to do so was agreed with previous lead members.

The chart below sets out the legal process that the Revenues Service must follow when collecting council tax. There are a number of options available once a Liability Order has been granted by the Courts and the customers' circumstances will determine the most appropriate course of action.



The chart sets out the minimum steps. However, the Revenues Service adds a number of steps over and above the statutory steps to allow Council Tax payers extra opportunities to retain their instalments, make arrangements, seek independent debt advice or have an attachment to benefits or earnings set up, thereby avoiding the need to engage Enforcement Agents.

Prior to issuing recovery notices for late or unpaid instalments, the Revenues Service sends text messages to customers who have provided a mobile telephone number in advance of the notices being issued. This is an additional courtesy to prompt payment, prevent the customer's account from progressing through the recovery cycle and to reduce the number of recovery documents that need to be sent. This method was introduced to reduce the need to move these accounts onto the more formal stages of recovery.

In May 2018, the service commenced sending emails (in addition to text messages) where a customer has provided an email address, in advance of the Final Notice, as a courtesy to encourage customers to bring their instalments up to date and avoid having to pay the full outstanding balance for the year.

In the event of non-payment, a summons will be issued to debtors to appear before the Magistrates Court. Shortly prior to the issue of the summons, in addition to sending text messages to try to prevent the production of the summons by encouraging payment, the Revenues Service sends emails to customers who have previously provided an email address. This reminds them of the costs that they will incur upon issue of the summons and the awarding of any subsequent Liability Order. It also offers the opportunity of making a payment arrangement if they cannot pay in full.

The summons contains information relating to the Tax charged, costs incurred upon its issue and costs added should a Liability Order be awarded by the Court. These must be paid in addition to the council tax. The service also includes an information leaflet with the summons advising the tax payer to contact the service before the Hearing date to arrange payment and apply for reductions such as discounts and benefits. It also explains the powers available to the Authority should the debt remain unpaid and a Liability Order is awarded. The leaflet also gives the opportunity for customers to visit Hackney Service Centre outside of normal office hours to discuss the summons with Council Officers.

The Revenues Service also sends a follow-up letter to debtors to advertise this service further and offer the opportunity to contact and or pay in advance of the Hearing.

Once a liability order has been obtained a 14 Day notice or “Notice of impending enforcement action” is sent. There is no longer any statutory requirement to issue such a notice before passing cases for enforcement action. However, the service does so in all circumstances, although the “14 days” relates to the supply of financial information, not to when enforcement may start. The notice confirms the fact that a liability order has been awarded along with details of the powers the Authority has to obtain payment. The notice is accompanied by a schedule of Enforcement Agent fees should that course of action be taken.

There is also a “request for further information” form which must be completed with the debtor’s employment and financial details and returned within 14 days under Regulation 36 of the Local Government Finance Act.

This is a further opportunity to make an arrangement or have debtor’s circumstances taken into account, before enforcement action is taken. The service will normally only make an arrangement if this information is supplied.

As well as sending the case to the Enforcement Agents, the debt may be collected via attachment to earnings or benefits and where the service has the necessary details this will be set up.

Prior to issuing cases to Enforcement Agents, and where a mobile telephone number is held, the Revenues Service sends text messages to try to promote contact and avoid this method of recovery. It also sends emails to customers who have previously provided an email address. The email reminds them of the costs that they would incur upon issue of the case to Enforcement Agents. It also offers the opportunity of making a payment arrangement if they cannot pay in full.

The service also worked with the Money Advice Trust (MAT) to review the wording and content of all recovery notices and inserts. Where suggestions were made by MAT these have been incorporated.

Other initiatives underway

The service has recently carried out a pilot project with an external company. The project concentrated on CTR cases. The aim of the project was for the company to contact cases where a liability order had been obtained and to set up arrangements and attachments so that it was not necessary to pass cases to Enforcement Agents. The project had limited success and the supplier is no longer offering the service. However, it has been agreed to set up a similar in house team to continue the pilot, but with the aim of contacting payers who have had a final notice issued, but not yet received a summons (and incurred costs).

The Council has also signed up to the CAB Council Tax Protocol and has made arrangements to refer Council Tax payers who agree to receive debt advice to the CAB.

The Council has also adopted the Money Advice Service Standard Financial Statement (SFS). The SFS is a tool used to summarise a person's income and outgoings, along with any debt they owe. Primarily it is used by debt advice providers and other relevant organisations for people seeking debt advice. It provides a single format for financial statements based on a single set of spending guidelines. Where a Council Tax payer has engaged with an advice agency and where an SFS has been completed, the service will usually accept any payment offer, acknowledging that a rigorous assessment has been carried out.

Enforcement Agents

The Revenues Service will write to all customers where a Liability Order has been obtained but where payment has not been made or an arrangement agreed prior to referring cases to EAs.

The service currently uses three Enforcement Agent (EA) companies. A fourth, reserve company may be used to replace an underperforming company or to deal with cases returned as unsuccessful. As soon as a liability order is referred to an EA company, a £75.00 fee is incurred under the regulations brought in on 6 April 2014.

At the first stage known as “Compliance” the EAs will write to the debtor explaining the debt and fees payable and will try to get the debtor to pay or make an arrangement. They will follow this up with telephone calls, SMS text messaging, emails or further letters if required to prompt contact and payment. The service requires the companies to have a longer compliance period than the minimum in the regulations, to give payers more time to pay without incurring additional costs.

If the above activity is not successful, the case will move to the Enforcement Stage which will involve a visit to the debtor’s premises with the intention of Taking Control of Goods. This will incur a further fee of £235.00 plus an additional 7.5% of any amount over £1500.00.

The service makes every effort to refer the “won’t pays” rather than “can’t pays”. If the service finds out later that a debtor is vulnerable, or the case would be better dealt with via an alternative collection method, it has the power to recall or alternatively instruct the agents to accept a certain arrangement due to the customer’s circumstances. The companies have their own Welfare teams set up to deal with any vulnerable cases, of which they become aware. Any vulnerable case identified at the Enforcement stage must be wound back to Compliance Stage and the fees reduced to the maximum £75.00 Compliance fee, per Liability Order, in accordance with the Regulations.

Any cases where the debtor is on Job Seekers Allowance (JSA), or similar benefit from which deductions can be made, will usually be recalled and that method of collection commenced.

EAs work to a code of conduct and good practice guide issued by their governing body, the Civil Enforcement Association (CIVEA). They also work to the National Standards for Enforcement Agents issued by the Ministry for Justice. Where complaints are made these will be investigated fully by the Council and, if necessary, sanctions taken.

Use of Enforcement Agents by other Authorities

The table below shows a summary of information relating to the authorities that Scrutiny Panel named.

Each authority will follow the legislative process and will have its own additional steps in place to reduce the need for Enforcement Agent referrals.

Table 1

Authority	EAs used	Cases referred 17/18	Max CTR award WA 17/18	CTR caseload WA 17/18	Comments
Camden	Yes	224	100%	15,288	Only refer as a last resort when no contact made. Good relationship with EAs to identify vulnerable people.
Croydon	Yes	1,239	85% up to band D		Both in house and external EAs used. Not referred if attachment to benefit can be applied. Pilot scheme in place with in house Welfare team to provide debt advice
Lambeth	Yes				Previously stopped using EAs but reinstated this method when collection rates started to fall
Southwark	Not yet		85%	18,276	Will use enforcement once debt reaches a level where action is considered proportionate
Hackney	Yes	861	85%	22,599	Only refer once attempts to collect by other methods are not successful

Introduction

In February 2017 Cabinet approved proposals for the Council to enter into integrated commissioning arrangements for health, social care and public health with the NHS City and Hackney Clinical Commissioning Group. This decision reflected a shared ambition to improve health outcomes for local people by commissioning and delivering services across organisations in a more joined up/ integrated way that also makes the most of our shared investment at a time when public sector funding has experienced significant reductions and increasing budgetary pressures.

The arrangement has been in place since 1 April 2017 and the Integrated Commissioning Board has met monthly since their first meeting in May 2017. Within the remit of the ICB, the workload is managed across four workstreams: Planned Care; Unplanned Care; Prevention and, Children’s, Young People and Maternity Services. Workstream proposals are taken to the Transformation Board (TB) with the TB taking recommendations to the ICB.

This papers summarises what budgets are actually pooled and aligned across LBH and the CCG following the ‘pause’ brought about by NHS England last Spring and also reflects on how agreed savings to meet funding reductions and budgetary pressures are factored into financial planning arrangements.

The budgets and pooling

The original intention was to pool all CCG budgets that could legally be pooled with the Council’ Adult Social Care and Public Health budgets. However, following the Cabinet decision in February 2017, CCG engagement with NHS England regarding the integrated commissioning arrangements restricted pooling to funds which were already pooled, namely the Better Care Fund and Learning Disabilities. As a result a greater proportion of LBH budgets than were originally anticipated within the scope of these arrangements are within ‘aligned’ funds. The table below sets out the budgets currently pooled and aligned.

Table one: Integrated Commissioning Budgets

Fund type: Pooled Vs Aligned	CCG £'000	CCG %	LBH £'000	LBH %	TOTAL £'000	TOTAL %
A. S75 'Pooled' Budgets						
1. Unplanned Care						
-IBCF			1,139		1,139	
	19,094	5%	1,139	1%	20,233	4%
2. Planned Care						
-BCF (LA figs is funding from DGF Capital)			1,414	1%	1,414	0%
-Learning Disabilities			15,402	15%	15,402	3%
-iBCF Local Authority allocation*			10,599	10%	10,599	2%
	6,476	2%	27,415	27%	33,891	7%
3. Prevention						
	50	0%	-		50	0%
Total Contribution into 'Pooled' budgets	25,621	6%	28,554	28%	54,175	11%
B. 'Aligned' Budgets						
Aligned - Planned Care**	193,376	48%	36,080	35%	229,456	45%
Aligned - Unplanned Care	109,820	27%	4,390	4%	114,210	22%
Aligned - Children/Young people	46,531	11%	8,986	9%	55,517	11%
Aligned - Prevention	3,790	1%	24,491	24%	28,281	6%
Aligned - Corporate***	26,068	6%	0		26,068	5%
Total Contribution into 'Aligned' budgets	379,585	94%	73,948	72%	453,533	89%
Total Contrib into 'Integrated Comm Fund (ICF)'	405,206	100%	102,502	100%	507,708	100%

Since last year council and health colleagues have been working closely together on a number of key initiatives to improve outcomes and maximise the use of resources. Examples include:

- the discharge to assess model which went live in the summer and is aimed at minimising delayed transfers of care back to the community; and
- the developing neighbourhood model which encompasses a multi-disciplinary approach centred around GP practices aimed at enabling people to stay well at home, reduce hospital admissions and provide additional safeguards for vulnerable people.

To date no further funds have been pooled, although in February 2018 the ICB agreed in principle to the pooling of CCG Continuing Health Care budgets (around £13m) with the Council's Adult Social Care package budgets (around £38m net budget). The ICB endorsed extending pooling arrangements and delegated authority to the respective chief finance officers to finalise and agree the detailed financial arrangements for 2018/19 as part of the agreement of 2018/19 budgets, subject to normal governance approvals for each partner.

Senior officers of both organisations are in discussions to determine what needs to be in place before this additional pooling is actioned (ICB already endorsed the proposal, CFO sign off is on financial/budgetary detail). The pooling of budgets on a piecemeal basis is a difference scenario to what was envisaged when all budgets (excluding legal exceptions) were to be pooled. It is important to ensure that there is a clear rationale understood by all parties for each element of pooling and that there are appropriate procedures in place for joint funded arrangements to ensure the balance of contributions to the pool are reasonable.

It should be noted that significant progress on developing joint funding arrangements for Learning Disability (LD) packages, an area which is already pooled, has been made. This involves using a new tool to assess service users who are likely to have both health and social care needs but are not eligible for Continuing Health Care packages. The tool creates a score that is then used to propose a way of apportioning funding between the Council and the CCG where appropriate. This process is overseen by a joint panel, led by the Strategic Commissioner for LD. The tool is being piloted on a sample of 50 cases (around 10 per cent of all cases) and is due to report back in early October 2018 to inform funding baselines for LD.

Additionally, council and health colleagues are currently working on a 'placement without prejudice' model' which should, in line with best practice, see more people CHC assessed at home and will be similarly supported by a practical joint funding arrangement.

These developments are seen as a precursor to implementing such arrangements more widely across the system.

Integrated Commissioning and Savings

The Council and City & Hackney CCG are committed to aligning financial planning processes. This needs to be achieved in the context of shrinking resource and increasing demand. There is an added complication that the budgets the Council has pooled or aligned make up some 34% of the Council's net budget. Therefore any changes in budgets within the scope of integrated commissioning has an impact on the resources available to deliver the rest of the Council services.

There are also some legacy savings programmes due to be implemented in the next few years which have been agreed by the Council's elected members, the City of London Corporation and QIPP plans agreed by the CCG Governing Body. Budgets pooled and aligned are reported to the ICB net of these

agreed proposals and a report was taken to ICB in February 2017, *Indicative Workstream budgets 2018/19 and agreed QIPP and Savings Proposals*, setting these out.

Going forward the Council's Medium Term Financial Plan identifies a budget gap across the planning period 2019/20 - 2021/212 of an estimated £25m. This estimate is built on a series of assumptions that may change, including:

- Impact of business rates retention over the period 2019/20 to 2021/22 and related assumptions about the growth in business rates and impact of appeals;
- Reductions in 'core' funding from Government;
- Council tax and business rates collection rates;
- Public Health grant reductions;
- iBCF funding levels; and
- Annual pay award and impact of potential move to new pay scales.

The Council is also mindful of significant cost pressures, notably:

- Looked after children budgets and the high needs block of the dedicated schools grant remain under pressure as a result of the number of young people in high cost placements/provision;
- Underlying cost pressures in Adults Social Care, arising from Learning Disability packages and an increase in the cost of Home Care packages for older people;
- Increase in levy costs, particularly the North London Waste Levy; and
- The increase in Temporary Accommodation which will be exacerbated by the introduction of the Homelessness Reduction Bill.

Although, some growth has been built in to our budgets in respect of these areas this may need to increase if expenditure is not contained thereby increasing the £25m gap.

The Council have commenced a number of initiatives to identify proposals to meet this gap including pilot work streams along themed lines. Those themes being demand management and cost avoidance; municipal entrepreneurialism and productivity and efficiency. ASC have focused on a pilot in demand management looking primarily at the front door of the service. The work has been developed in the context of working in partnership with health colleagues. Additionally, the Children's, Adults and Community Health Directorate, where the pooled and aligned budgets sit within the Council are in the initial stages of identifying specific savings proposals. Work will be undertaken alongside health colleagues where there are clear touch points and interdependencies.

In previous years, as part of the Council's budget setting process task and finish groups have considered specific areas of the budget/council operations to assist in the development and scrutiny of budget proposals. These working groups have contributed successfully to the overall budget setting process. The Mayor and Cabinet have identified four particular areas for future work over the next 12 months in such groups, one of which is Integrated Commissioning as it is important that officers and members alike fully understand the potential impact of this ongoing work, not least due to the scale of the budgets covered but also understanding the revenue and capital impacts as well as that on the use of assets across the organisations involved. The details of what this process will look like is for further development.

Although organisations are clearly mindful of the need to consider savings proposals in the context of integrated commissioning more thinking needs to be done on how this might play out in practice. We still need to, for example, fully consider and decide on how we incentivise the integrated commissioning workstreams to deliver cashable savings through transformational change. An obvious solution would be for the workstream to retain the savings to invest further in services. However, this is difficult in the context of the requirement of the CACH directorate to contribute to the Council-wide savings gap and

some kind of hybrid model may need to be developed. Proposals will be developed and brought forward by the respective Chief Financial Officers in due course.

Conclusion

The Council and health colleagues continue to build on existing strong integrated working arrangements in the ambition to improve services against a background of shrinking resource and increasing demand. In terms of the respective organisation's finances, the CFOs are working together to better align financial planning. This will take time to achieve as each has to have prime regard to ensuring that their respective statutory responsibilities are met and that financial risk is adequately managed in doing so.

Jackie Moylan, September 2018



Scrutiny Panel 9th October 2018 Item 5 - Annual Report of the Council's Complaints and Members' Enquiries service	Item No 5
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OUTLINE

This report is in accordance with the Scrutiny Panel's remit to monitor the Council's Complaints and Members Enquiries process.

Attached is the Annual Report of the service for 2017/18. It provides an analysis of the volume of complaints received, the performance of the service, and progress being made with improvement work and quality assessment from the complaints and enquiries received in order to ensure that there is learning from the service and that the learning is being adequately shared.

Attending for this item will be:

Bruce Devile, Head of Governance and Business Intelligence

ACTION

Members are asked to give consideration to the report.

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INTRODUCTION

- 1.1 This report provides headline data related to complaints and enquiries to the Council during 2017/18.

2. RECOMMENDATION(S)

- 2.1 The Scrutiny Panel is recommended to: -
1. note the trends and related commentary with regards to complaints and enquiries managed during 2017/18
 2. note additional information requested by Members at the Scrutiny Panel on 11 December 2017, namely;
 - i. benchmarking data from neighbouring boroughs on reports from the Local Government Ombudsman's Service to see how Hackney compares to neighbouring boroughs (see 3.14)
 - ii. illustrative examples of how complaints data has been used as a diagnostic tool by services (see 4.1-4.5)

3. BACKGROUND

- 3.1 This report is in accordance with the Scrutiny Panel's remit in monitoring the Complaints and Enquiries process.

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

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

5. COMMENTS OF THE DIRECTOR OF LEGAL SERVICES

- 5.1 This report informs Members of progress with the complaints process. Whilst there are no direct legal implications, some significant and unresolved complaints could result in legal action. An example is disrepair if a tenant complains of failure to carry out landlord's obligations to do essential repairs.
- 5.2 The report also refers to the role of the Ombudsman in managing complaints. By law if the Ombudsman intervenes and produces a formal report setting out significant failings by the Council, this would need to be reported to Full Council and the Ombudsman's report made available to the public. The Council and the complainant also have recourse to judicial review proceedings if they disagree with the Ombudsman's findings.

5.3 The report has not identified any issues of major concern to the Council with a risk of legal intervention.

APPENDICES

1 – Complaints and Enquiries Annual Report 2017/18

BACKGROUND PAPERS

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

Description of document	Location	Date

Report Author	Simon Gray Tel: 020 8356 8218 Email: Simon.Gray@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	James Newman Tel: 020 8356 5154 Email: James.Newman@hackney.gov.uk
Comments of the Director of Legal Services	Dawn Carter-McDonald Tel: 020 8356 4817 Email: dawn.carter-mcdonald@hackney.gov.uk

Appendix 1

Complaints and Enquiries Annual Report 2017-18

1. Introduction

- 1.1 This report provides an overview of the Complaints & Enquiries process and a focus on volume received and performance in managing and learning from them.

2. Volumes and Performance

- 2.1 Further detail on volumes of complaints and enquiries received in 2017/18, the way they are managed and the intelligence they provide are set out in this report. In summary, 2017/18 saw the number of complaints remain broadly at last year's levels.
- 2.2 Although the top level number of complaints has remained relatively static, there are some variances within services that have seen some having a significant increase in numbers whilst others a significant fall - para 3.7 below sets out which services. The volume of Reviews (second stage) has risen by 15% this year, which may reflect a growing inability to resolve complainant's issues at the first stage or a growing determination to take complaints all the way. There has been a 12% increase in the number of Members Enquiries compared to 2016/17 levels. In the two areas with statutory complaints procedures, volumes of complaints have fallen by 12% in Adult Social Care but increased by 37% in Children's Social Care. There has been a 7% increase in Mayor & Cabinet Enquiries.
- 2.3 Escalation rates from the Resolution stage to Review have increased to 5.2% (up from 3.9% in 2016/17). The number of Reviews escalating to become formal investigations by either the Local Government Ombudsman or the Housing Ombudsman, at 38, is lower than the 45 in the previous year and equates to around 25% (35% in 2016/17) of cases exhausting the Council's complaints process.
- 2.4 Of the 38 formal Ombudsman investigations, 28 (74%) were upheld, up from 58% last year. It should also be noted that findings against the Council (upheld) can and often does also mean agreement with what was determined by the Council at earlier stages of the complaints process and does not necessarily mean finding new or different fault.

3. Complaints and Enquiries Data Analysis (2017/2018)

- 3.1 The number of complaints received by the Council in 2017/18 is in line with the previous year with the 13% increase in the number of complaints received by the Council in 2016/17 reflecting that the volume in 2015/16 was out of the norm with a much lower level than the other years reported below. The number of Members Enquiries increased by 12% in 2017/18 and Mayor & Cabinet Enquiry volumes rose by 7%.
- 3.2 Whilst any complaint received means the Council have, in the opinion of our residents, failed to provide an acceptable service, the numbers of complaints and those which are escalated should be viewed in the context of the size of the borough, the number of transactions and the complexity/nature of those transactions. Hackney has a population of 275,929 living in 113,952 households. Relevant to the areas with the highest volume of complaints we are the landlord for 21,778 homes and have an additional 9,437 leaseholders/freeholders, have more than 41,000 residents claiming in excess of £304m of benefits, with 176,000 changes in circumstances assessed per annum, have more than 133,115 visitors to the Hackney Service Centre asking for assistance on a wide range of services and issue more than 118,000 parking penalty charge notices.

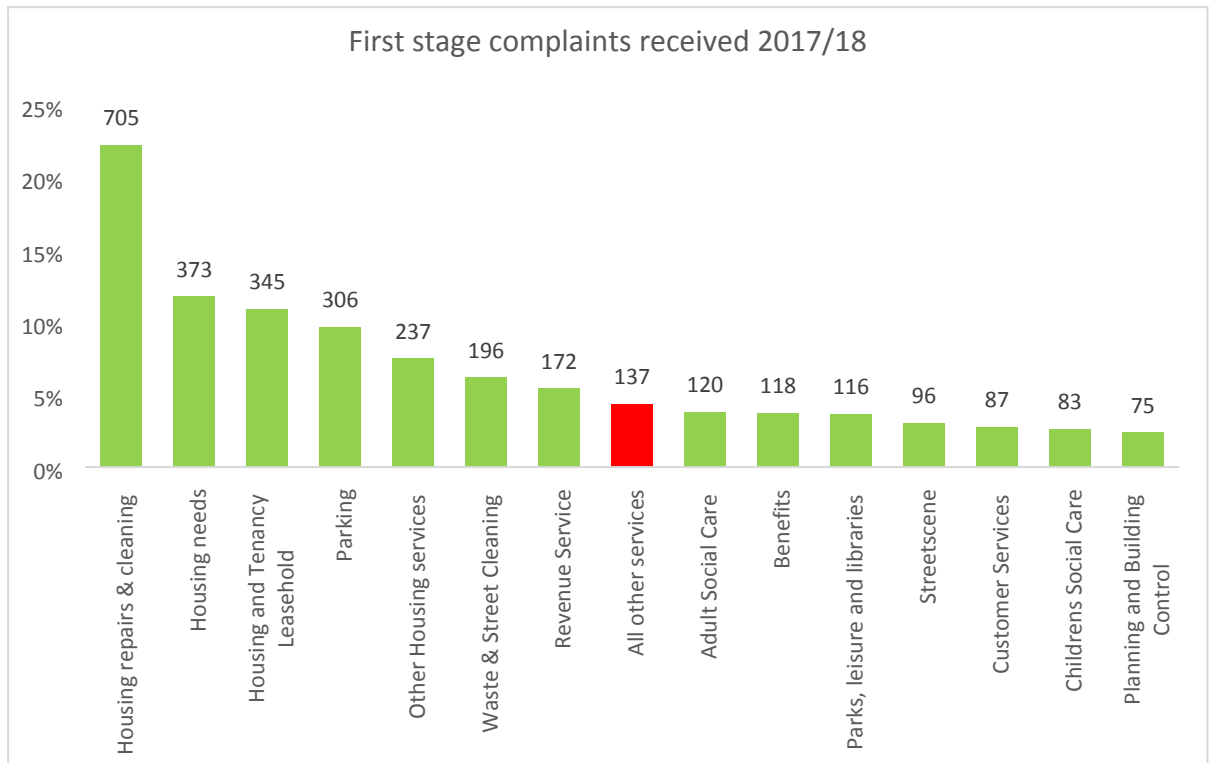
Type	2013/14	2014/15	2015/16	2016/17	2017/18
Resolution Stage	2,951	2,964	2,649	3,005	2,967
Review Stage	202	196	132	130	153
Members Enquiries	1,828	1,993	1,632	1,676	1,908
Mayor & Cabinet Enquiries	2,076	1,597	1,614	1,775	1,900

Average Response Times	2013/14	2014/15	2015/16	2016/17	2017/18
Resolution Stage Complaints	14.1 working days	20.3 working days	21.2 working days	20.6 working days	17.7 working days
Review Stage Complaints	17.9 working days	19.2 working days	20 working days	19.5 working days	18.9 working days

- 3.3 Whilst volumes of Resolution (stage 1) complaints are at a comparable level to 2016/17, there was a reduction of 2.9 days (reducing times to their lowest since 2013/14) in the average time taken to respond. We do not set a rigid response standard, but do aim to respond on average within 15 working days, recognising some cases are more complex and will take longer to resolve.
- 3.4 There were 153 Reviews in 2017/18, an 18% increase compared to the year before with the majority distributed across the following services – Housing Building Maintenance 35 (23%), Benefits/Housing Needs 28 (18%), Housing Tenancy & Leasehold 23 (15%) and Parking 22 (14%).

3.5 Types of Complaints

3.6 The chart below sets out the service areas in the Council that receive the highest volumes of first stage complaints and is based on 3166 complaints.



3.7 Although the volume of complaints in 2017/18 is broadly similar to that in 2016/17 there have been some notable changes in some services;

Less complaints:

- Customer & Corporate Services – down 36% (137 to 87)
- Revenues – down 33% (258 to 172)
- Benefits – down 31% (172 to 118)
- Housing Tenancy & Leasehold – down 17% (414 to 345)

More complaints:

- Streetscene - up 28% (69 to 96)
- Other Housing Services – up 27% (172 to 237)
- Housing Needs - up 22% (292 to 373)

3.8 There has been a reversal in the upward trend in volumes of complaints relating to Benefits and Revenues although the volume relating to complaints against Housing Needs continues to increase reflecting the pressures on housing in the borough. The volume of complaints, particularly across Public Realm services, are however being inflated due to the allowance of what should be considered 'service requests' into the complaints process. Action to address this issue will be taken during the year to ensure only genuine complaints are being recorded.

3.9 Complaints driven by service failure have also increased this year with issues in relation to other housing services up 27% and Streetscene complaints increasing significantly in percentage terms for the second year running.

3.10 A breakdown of all Resolution stage complaints by 'complaint type', where identified, shows that people are complaining about service failure (31%), delays/missed appointments (15%), disagreement with policy/decision (13%), staff behaviour (12%) and case management (9%).

Ombudsman Complaints

3.11 Following conclusion of the Council's process a complainant can approach one of two Ombudsman to ask for their case to be reviewed, either the Local Government & Social Care Ombudsman (LG&SCO) or the Housing Ombudsman Service (HOS). In addition, those making a landlord related complaint can ask a Designated Person, Cllr McKenzie in our case, to decide whether he can help in reaching resolution of the issue without the need for the Housing Ombudsman to be involved.

3.12 The LG&SCO has published their Annual Report for 2017/18 and report that they undertook 27 formal investigations in Hackney last year of which 20 (74%) were upheld. The rate of upheld cases has risen from 52% in 2015/16 and 61% in 2016/17. The number of investigations has fallen from 28 last year and of the 20 upheld cases Adult Social Care (2, down from 5), Housing (8, up from 4), Education & Children (6, up from 3), Highways & Transport (2, same), Benefits & Tax (1, down from 2) and Planning & Development (1, same).

3.13 In addition it should be noted that the Council have been advised that two 'Reports' relating to investigations in 2017/18 will be issued against the Council by the LG&SCO although final documentation is awaited. Both 'Reports' relate to Education, Health & Care Plan (EHCP) provision in Hackney Learning Trust. This follows one report regarding Adult Social Care in 2016/17 and one regarding Planning Enforcement in 2015/16, which was the first the Council had received since 2007.

3.14 At the Scrutiny Panel held on 11 December 2017 Members requested additional benchmarking data from neighbouring boroughs on reports from the Local Government & Social Care Ombudsman's Service to see how Hackney compares. The table below sets out data for 2017/18.

	Decision Reports received	Not Upheld	Upheld	Upheld rate	Public Reports Published
Hackney	27	7	20	74%	1
Haringey	43	19	24	56%	1
Islington	16	5	11	69%	0
Newham	51	16	35	69%	0
Tower Hamlets	29	12	17	59%	0
Waltham Forest	38	14	24	63%	0

3.15 There were 15 housing related cases where the complainant formally asked for Designated Person assistance in resolving matters following the conclusion of the Council's formal complaints process. This is an increase on the 9 cases in 2016/17. The Designated Person determined that there was no more he could add to resolution already offered on 13 cases therefor allowing the complainant to approach the Housing Ombudsman if they wished to, although not all did. He intervened in the remaining 2 cases resulting in increased compensation being offered in one and a fresh offer of compensation in the other.

3.16 The Housing Ombudsman do not publish an annual letter or report but records show that we had 11 formal investigations by them in 2017/18 which is a reduction on the 17 in both the previous years. 10 of the 11 cases investigated have been determined. Of the 10 complaints decisions, 2 found maladministration, 6 found service failure and 3 found no maladministration (there are 11 decisions as one complaint had two elements). The 2 cases finding maladministration is a reduction on the 6 cases in 2016/17. The 2 maladministration cases relate to i) delays in decision making regarding succession and discretionary offer; ii) failure of the voids process.

It should be noted that findings against the Council can (and often does) also mean agreement with what was determined at earlier stages of the complaints process and does not necessarily mean finding new or different fault. Maladministration is not the same as a formal 'Report' and indicates for example a failure to comply with legislation, codes of practice or our own procedures or for unreasonable delay, behaving unfairly or treating the complainant inappropriately.

Members' Enquiries

3.17 Members' Enquiries consist of a mixture of complaints, requests for service for residents and requests for information.

3.18 Time taken to respond to Members Enquiries was 15.5 days in 2017/18, the same as the previous year.

3.19 A breakdown of Members Enquiries by type where identified shows that they are used to raise service requests (70%), information requests (15%), complaints (7%) and other requests (8%).

Members Enquiries	2013/14	2014/15	2015/16	2016/17	2017/18
Members Enquiries Received	1,828	1,993	1,632	1,676	1,908
Average time taken to respond	10 working days	13 working days	15 working days	15.5 working days	15.5 working days

There has been a 12% increase in Members Enquiries compared to 2016/17 which could be explained by an increase in activity during the lead up to local elections in May 2018 mirroring a similar increase in the lead up to those in May 2014.

Mayor and Cabinet Member Enquiries

3.20 Each Mayor and Cabinet Member's Enquiry represents a comprehensive, personal response sent from the Mayor or Cabinet member to what are often wide ranging and complex enquiries.

Mayor's & Cabinet Members Enquiries	2013/14	2014/15	2015/16	2016/17	2017/18
Enquiries received (inc referrals)	2,076	1,597	1,614	1,775	1,900
Average time taken to respond	11.2 working days	18.6 working days	13.9 working days	19.9 working days	26.8 working days

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

3.21 Responses from the Mayor and Cabinet are subject to extensive quality assurance by the Mayor's Office and the Mayor or relevant Cabinet member before the response is sent, and drafts are returned to departments in cases where the resident's query has not been fully answered. Until a full response is obtained, the case will not be concluded, and therefore this process puts significant pressure on response times.

3.22 As shown in the table above, the volume of Mayor and Cabinet enquiries has increased by 7% in 2017/18 to 1,900 cases. The average response time has increased to 26.8 days.

3.23 Further to the changes that took place in 2016/17, including a new Mayor and Cabinet, the year 2017/18 saw a mild increase in volumes which have had a further impact on the Mayor and Cabinet enquiry process and timelines. While there has been a growing focus on referring residents directly to service areas negating a larger increase in overall volumes, and measures put in place to manage telephone calls, this has not successfully deflected a significant increase in response times. This is clearly unfortunate and due in part to capacity restrictions within the Mayor's Office team, the increasing complexity of cases that are being raised with the Mayor and Cabinet, and demands on the Mayor and cabinet members' availability to sign-off responses. More than ever, the priority for Mayor and Cabinet cases is on resolving issues before response and ensuring a comprehensive and personal reply, and whilst this has meant that the quality of responses sent by the Mayor and Cabinet are consistently high, this has had an impact on response times.

3.24 While this is clearly disappointing, it is envisaged that a review of the Mayor's Office currently underway will provide additional resource to the casework function and, in providing overall a support structure better suited to the needs of the current Mayor and Cabinet, help to streamline and formalise processes and reduce response times.

Adult Social Care Statutory Complaints

3.25 The table below shows the figures related to complaints covered by the statutory Adult Social Care (ASC) process. The number of complaints reported on page 5 include all ASC complaints made about the service whereas the figures below exclude those responded to through other processes e.g. safeguarding.

Complaints	2013/14	2014/15	2015/16	2016/17	2017/18
Numbers Received	93	118	96	127	95
Average time taken to respond	17 working days	20 working days	33 working days	21 working days	28 working days

3.26 There has been a 25% decrease in the volume of ASC cases compared to 2016/17. ASC have increased their focus on resolving issues immediately where possible which may have had some contribution to this decrease. The average time taken to respond to complaints has increased. In addition, there are five complaints from 2017/18 which remain open to ASC and are being progressed. There is no time limit for responding to ASC complaints with timeframes for responding negotiated with the individual making the complaint.

3.27 The complaints received in 2017/18 were raised in relation to:

- The outcome of an assessment or the care package implemented (26%)
- Communication (20%)
- The standard of care delivered (18%)
- A request for services (15%)
- Delays (7%)
- Concerns about ASC processes (7%)
- The standard of service delivered (non-care provision) (6%)

3.28 All 90 closed cases were concluded at Local Resolution and in the same period, 2017/18, 4 cases were escalated to the LG&SCO although one was not pursued.

Children's Social Care Complaints

3.29 Complaints related to Children's Social Care are handled separately under a statutory process. The number of complaints reported on page 5 include all Children's Act complaints made about the service whereas the figures below exclude pre-stage complaints. The number of Stage 1 Children's Social Care complaints has decreased by 35% in 2017/18.

Children's Social Care Complaints	2013/14	2014/15	2015/16	2016/17	2017/18
Stage 1 – Local Resolution	43	41	37	49	32
Stage 2 – Investigation	7	5	8	9	10
Stage 3 – Review Panel	6	2	2	1	4

3.30 In relation to the nature of complaints, 91% relate to 'difficulties *with communication*' which remains the principal area of complaint, up from 61% in 2016/17. This continues to be addressed by the service through work to support practitioners in their use of language in assessments and reports. A service-user booklet is being developed in 2018 explaining the process related to Child and Family Assessments. Guidance will also highlight that outcomes of assessments ought to be discussed with parents/carers where possible. Staff have also been reminded of the need to provide all necessary information to families in good time, particularly to allow for correction of factual inaccuracies where present and to give service users sufficient time to prepare for meetings and conferences.

3.31 In 2017/18, 8 cases escalated to the LG&SCO although 3 were not pursued.

4. Improvement work

4.1 At the Scrutiny Panel held on 11 December 2017 Members asked for some illustrative examples of how complaints data has actually been used as a diagnostic tool by services. Set out below are examples from four of our key frontline services;

4.2 **Hackney Learning Trust** - Senior Leadership Team (SLT) monitor service performance on a quarterly basis through a continuous improvement plan monitoring report. Each quarter, this report includes information on the number of complaints received by HLT service areas and how many were upheld. Where performance does not meet expected standards in the reporting period (in line with historic data and other service area performance), a performance exception is recorded. In this instance, service managers are required to provide a context to the performance and actions to be taken to reduce the number of complaints received. SLT will also provide a comment which is added to the report demonstrating senior management oversight.

Through this process, it was identified that the level of complaints made against the Education, Health & Care Planning (EHCP) Team (a service area managing 1,800 live cases) had been increasing over time. To respond to the perceived drop in complaints performance for this service, it was agreed that a regular and more detailed complaint data report should be presented to the SEND Trust Action Group (a meeting of senior managers supporting improvement in the service area). As part of this process, the SEND Trust Action Group considers progress against a complaint action plan. The action plan contains various activities and actions identified to prevent further complaints, e.g., training for EHCP coordinators and communications workshop with parents. The plan also outlines the timescale for completion of identified actions, responsible officer, progress and comments from the EHCP team manager. An update of the action plan is also reported monthly through the SEND Improvement Plan.

4.3 **Parking Services** – Regularly review the volume and nature of complaints as part of their wider service improvement work and keep a service improvement spreadsheet that is regularly updated if when an improvement is identified following investigation of a complaint. Monthly Service Improvement Group (SIG) meetings are held where a manager from each service area is present to

discuss the improvements identified and develop solutions and ways to improve.

Examples of improvements falling from this intelligence include the eradication of complaints relating to erroneous permit sales to residents in s106 car free developments and refinements to improve public access to the service to request enforcement action which was the source of a high volume of complaints.

4.4 Building Maintenance - The total numbers of complaints are reported to the Head of Service on a weekly basis and discussed at his weekly one to one with the Director of Housing. The service Complaints Manager attends Management Team and reports on the current figures and trends of complaints and if agenda time allows, will bring specific cases to the meeting to highlight failures and determine improvements and changes to system/process that lead to complaints. A 'Complaints Top Ten' (the top 10 complaints issues for the service) is reviewed by senior management on a weekly basis to identify common issues/causes and ways to improve. A 'Top Ten' spreadsheet is also produced weekly and distributed. Some examples of improvements made are; i) a common complaint about the repairs contact centre and 'miscommunication' between the resident and call agents means some residents do not like using the call centre to report their repairs. Following consideration of related complaints it was agreed to trial outreach working whereby a surgery is held on the estate at which residents can report/discuss their repairs face to face with a senior team leader from the RCC who will provide advice and ensure that issues are dealt with in the correct manner. This has proved successful and has now been rolled out; ii) There are increasing instances of a surveyor specifying works that differ from the resident's opinion of what action should be taken. This can lead to delays in getting works done and resolving the complaint as communication goes back and forth. To address this, the contact centre's visiting officer attends the property and reports back their findings. This gives the Complaints Officer clarity and acts as an independent source to solve the dispute and progress the works.

4.5 Benefits & Housing Needs – The service use complaints data to provide briefings to staff and management on timeliness, volumes and service failure drilled down to team level. A weekly management report is produced each Friday for team managers focusing on all open cases (complaints, enquiries and service requests). Most recently the need to identify issues customers are taking to the Ombudsman has been identified due to volume so summaries are now being prepared for circulation.

Data on timeliness and volume has helped focus in on areas for improvement within the service most recently concentrated; on the need for more managers to be involved in sign off to clear bottle necks; the need to reduce the number of families in temporary accommodation and residents in B&B so that compensation pay outs are reduced; the need for improved communication with Social Services regarding the placement of over stayers; and the need for better communication for customers aimed at managing their expectations given the current housing situation in the borough .

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Scrutiny Panel 9th October 2018 Item 6 - Finance Update	Item No 6
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OUTLINE

The attached finance update comprises reports on:

- a) Overall Financial Position
- b) Capital Update
- c) Creation of Budget Scrutiny Task Groups (verbal update)

Attending for this item will be:

Ian Williams, Group Director Finance and Corporate Resources

ACTION

Members are asked to give consideration to the reports.

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TITLE OF REPORT: 2018/19 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT (JULY 2018)
KEY DECISION NO. FCR P10

CABINET MEETING DATE 2018/19

17 September 2018

CLASSIFICATION:

Open

WARD(S) AFFECTED

All

CABINET MEMBER

Cllr Rennison

Finance and Housing Needs

KEY DECISION

Yes

REASON

Spending or Saving

GROUP DIRECTOR

Ian Williams Group Director Finance and resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the second Overall Financial Position (OFP) report for 2018/19 and is based on detailed July monitoring data from directorates. We are forecasting an overspend of £5,507k at year end – an increase of £107k from the previous month
- 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 several 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. 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 It is essential that reported overspends in any service area are addressed and mitigated and I look forward to progress being made in the remainder of the year. This of considerable importance given the uncertainties regarding future external funding allocations and the cost pressures we face.
- 1.5 The report also proposes an increase in the value of the Section 75 Agreement with the Homerton University Hospital Trust (HUHT) by £336k for the IT Enabler Programme Phase 3 to further deliver the programme of integration of information relating to users of health. Funding for the £336k, was provided to the Council by the Clinical Commissioning Group (CCG) through a partnership agreement under Section 256 of the National Health Service Act 2006.
- 1.6 Finally, this report also provides an update on the North London Heat and Power Project and the replacement of the existing Energy from Waste plant at Edmonton that is being undertaken by the North London Waste Authority. It is intended to bring further updates to Cabinet as the project progresses.
- 1.7 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 £5,507k overspend which is equivalent to 0.5% of the total gross budget.
- 2.2 Where there are service overspends of a recurrent nature, we have dealt with this in our medium-term financial plan and will manage down the overspends by a phased application of additional

resources to the relevant services. It is necessary to do this in a phased way to smooth out the impact on the rest of the budget.

2.3 Partnership Agreement for Integration of Health and Social Care Records. The health partnership across Hackney has embarked on a programme to integrate health and social care information for users of health and social care. The vision of the programme is to bring together local care provider organisations and provide a holistic view of the service user record. The partners to the programme include, the Council, City & Hackney Clinical Commissioning Group (CCG), Homerton University Hospital Trust (HUHT), The East London Foundation Trust (ELFT), St Joseph's Hospice, GP Practices and City & Hackney Urgent Healthcare Social Enterprise (CHUHSE). The Lead organisation for this programme is HUHT as it is the major provider of acute health care services in Hackney. HUHT has established an IT enabler board to deliver the programme and this board will report to the Integrated Commissioning Board through the Transformation Board. The programme aims to deliver the following outcomes for Hackney residents:

- Service user health and social care information is collected once and made available throughout the whole journey of care
- Service user preferences are met first time more often through visibility of information.
- Service users access their own care record information on-line, including hospital information, from their own personal devices.
- Real-time access to shared care record information at the touch of a button, releasing resources that can focus on providing care, and reducing delays for service users.
- Unique and common identifier (NHS number) for each service user in health and social care
- Rich and standardised care record information that can be aggregated to inform population health management.
- Third sector organisations (providing contracted care services) are on par with statutory organisations with respect to care record sharing capabilities.
- Shared care record information is centred around the service user.

2.4 This programme builds upon on the health integration strategy for Hackney complementing and supporting the services delivered through the Better Care Fund and the aspirations of health partners through the Health Integration devolution pilot.

2.5 Funding for this programme, £336k, was provided to the Council by the CCG through a partnership agreement under Section 256 of the National Health Service Act 2006. Under this agreement the Council will commission HUHT to lead the delivery of the

programme through a Section 75 Partnership Agreement which will be delivered over the next 2 years. The Trust will deliver the programme through contractual arrangements with various health and social care providers in accordance with its own governance arrangements.

- 2.6 Cabinet is asked in this report to increase in the value of the Section 75 Agreement with the HUHT by £336k for the IT Enabler Programme Phase 3 to further deliver the programme of integration of information relating to users of health and social care services.
- 2.7 To date £5m has been provided to the Council by the CCG through a partnership agreement under Section 256 of the National Health Service Act 2006 to fund this programme led by the HUHT under the current Section 75 Agreement which was approved by Cabinet in April 2016 (£2.5m) and November 2016 (A further £2.5m taking the total to £5m).
- 2.8 **North London Heat and Power Project.** The North London Waste Authority (NLWA) is made up of seven north London boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest). Over two million residents live in the NLWA area. NLWA is responsible for helping the seven north London boroughs dispose of the 850,000 tonnes of waste they collect every year. After recycling, around 600,000 tonnes is “residual waste”, equivalent to 280 dustcarts of “black bag” waste every day. Most residual waste is converted into energy within the Authority’s area at the Edmonton EcoPark. The existing Energy from Waste plant opened in 1970. As Cabinet will be aware from previous updates its impending life expiry means a need exists for a new solution. Even with growth in recycling, a long term sustainable route is needed for treating our non-recyclable waste. The NLWA explored procurement through partnership with the private sector, but in 2013 concluded that this offered poor value for money. In addition the life of the existing facility could be extended to 2025 to investigate alternative approaches. A Development Consent Order for a new Energy Recovery Facility was submitted in 2015 and approved in 2017. Procuring our own facility assures NLWA of availability of disposal route and allowed us to specify standards. This project is now at a key stage and over the coming months a number of decisions will be taken that will have material finance consequences for all Boroughs beyond 2022.
- 2.9 The new solution the North London Heat and Power Project will treat 700,000 tonnes of waste each year. If recycling increases to 45% in North London, even by 2050 the facility would provide enough capacity to deal with all NLWA’s residual waste, and any

spare capacity could be used to secure income from treating others' waste. The facility will generate enough heat and power for 127,000 homes – roughly the number in LB Enfield – over 50% more than the current energy from waste plant. Its performance is based on the most reliable, proven, and advanced modern technology – gives operational confidence. It is expected to provide employment for 150+ people in operating the new facilities and being within the Authority area – reduces travel distances/transport emissions. The new facility will meet the Mayor's "carbon intensity floor" targets, including NOx emissions 60% below current permitted levels.

2.10 The critical decision that now needs to be taken relates to which option will be taken to procure the facility as each one has different key steps but, in each case, will have a Net Present Cost estimates at over £1.1bn. In effect 4 options exist and these will be set out in detail in papers to the authority in October but in essence are as follows;

1. Design, Build, Finance, Operate - this would in effect be a single private contract for all elements and be financed privately.
2. Private construction and operation - this would involve single private contracts for the design, build and operate elements.
3. Two private contracts - private contracts for design and build - separate private contracts for operations.
4. Private construction - Private contract for design and build.

NB. Options 2 to 4 are all funded via public finance most probably the Public Works Loan Board (PWLB).

2.11 Following a decision the expectation is for officers to move to tender issue (in 2020) subject to officers successfully delivering the option approved by Members. Given the scale of this project and its financial consequence the intention is to bring regular updates to members through the OFP.

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

TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT JULY 2018

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves £k	Change from Previous Month £k
88,400	Children's Services	334	-136
89,354	ASC & Commissioning subtotal	4,480	117
33,664	Community Health	0	0
211,418	Total CACH	4,814	-19
48,202	Neighbourhood & Housing	244	87
15,907	Finance & Corporate Resources	279	-70
8,319	Chief Executive	170	109
20,579	General Finance Account	0	0
304,425	GENERAL FUND TOTAL	5,507	107

3.0 RECOMMENDATIONS

3.1 To note the overall financial position for July 2018, covering the General Fund, HRA and Capital, 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 To approve the increase in the value of the Section 75 Agreement with the HUHT by £336k for the IT Enabler Programme Phase 3, taking the total for the Section 75 to £5.336m (£5m previously approved by Cabinet in April 2016 & November 2016) to further deliver the programme of integration of information relating to users of health and social care services as set out above.

3.3 To note the update in relation to the North London Heat and Power Project.

4. REASONS FOR DECISION

4.1 To facilitate financial management and control of the Council's finances and to increase in the value of the Section 75 Agreement with the HUHT by £336k

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

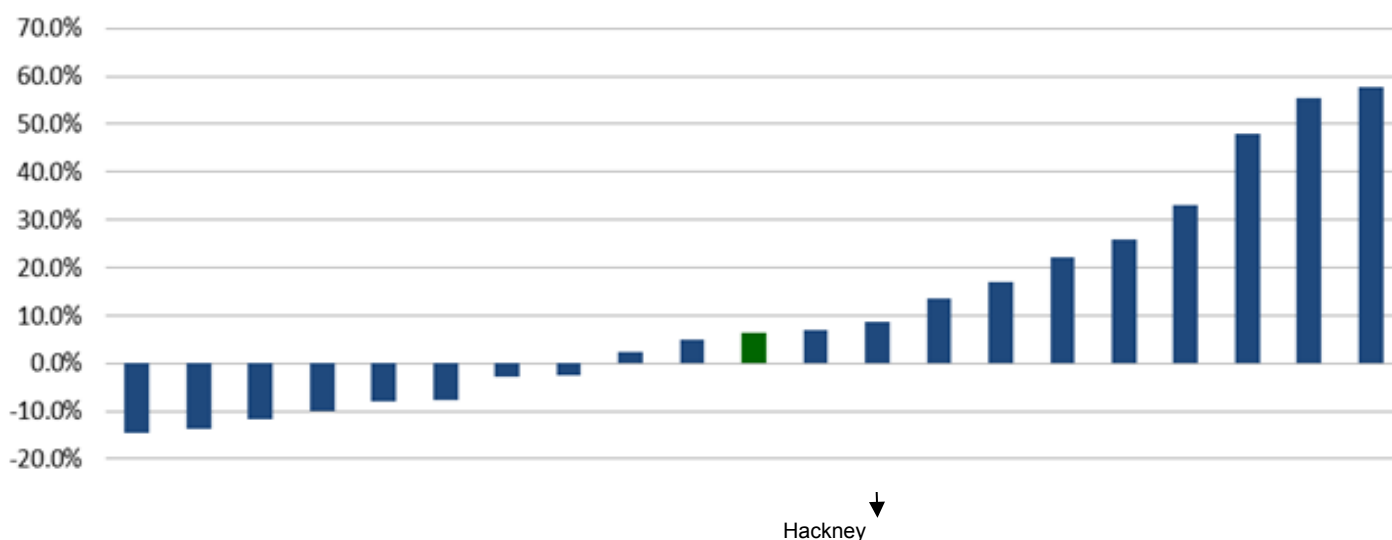
The CACH directorate is forecasting an overspend of £4,814k after the application of reserves and drawdown of grant.

Children and Families

Children & Families is forecasting a £300k variance against budget after the application of reserves and grants. This variance includes a £3,000k draw down from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget. Additionally, £1,000k is drawn down from the Housing Costs reserve for families the Council is supporting who have no recourse to public fund (NRPF).

The sustained pressure on Children’s Services budgets is a position that 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). The graph below shows how Hackney’s increased spend on Children’s Social Care compares to other boroughs. The main budget pressures in Children and Families are in relation to Corporate Parenting (which incorporates budgets for looked after children placements), the Children in Need service and the Overstaying Families Intervention Team.

Change in children's social care spend (2013/14 to 2016/17) - by individual borough



Corporate Parenting is forecasting to overspend by £406k after reserves. Spend on Looked After Children (LAC) and leaving Care (LC) placements is forecasted at £17,700k compared to last year’s

outturn of £16,800k – an increase of £900k. As was the case last year, one of the main drivers for this increase is the rise in the number of children in costly residential placements, however more recently we are also seeing a rise in the number of under 18s in high-cost semi-independent placements. Where children in their late teens are deemed to be vulnerable, and in many cases are transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages. Ten of the current semi-independent cohort – or around 30% - are in placements costing between £1,200 and £2,100 per week, which is comparable to the cost of some residential placements. July's semi-independent under 18 placements increased by 10, from 24 in the last quarter of 2017/18 to 34.

The shortage of in-house foster carers and the subsequent reliance on independent agencies also remains a pressure. At around £48k per annum the cost of a child placed in independent foster care is double that of a placement with one of our own foster carers.

In summary, Hackney had 319 LAC and 27 Unaccompanied Asylum Seeker Children (UASC) placements at the end of July. These figures represent a small decrease on the position at the end of 2017/18 when there were 323 and 28 respectively, although this does not necessarily translate to a reduction in placement expenditure. The financial position is sensitive to the profile of looked after children - particularly residential and semi-independent under 18 placements - so is likely to fluctuate as numbers change.

The Adoption Team is forecast to overspend by £257k. The overspend is mainly due to commissioning. At this early stage of the year, the Inter Agency and allowance costs have been based on the previous year's outturn of £234k and Adoption Support costs are forecast to overspend by £67k. There is an overspend in staffing due to one supernumerary post and undelivered savings due to the delay of the Regionalisation Adoption Agency. There is also a projected over-collection of income due to estimated Inter Agency fees and accrued Adoption Support Fund grant of £130k, and other items with a £2k underspend.

Children in Need is forecast to overspend by £232k after use of reserves. The overspend is mainly due to staffing overspends relating to supernumerary social worker posts, maternity cover, agency premiums associated with covering vacant posts; and

these items collectively total £164k. There is an overspend in LAC incidental costs in relation to support to children in care proceedings of £237k. There is also an additional contribution from the CCG towards the LAC Healthcare Team of £150k.

The Overstaying Families Intervention Team (OFIT) was supporting 100 families who have no recourse to public funds as at the end of July 2018. The main area of spend is Section 17 payments on accommodation and subsistence of £2,100k in the current year against a budget of £1,100k. 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.

Overspends across the service are partly offset by underspends elsewhere in Young Hackney, Directorate Management Team, Clinical Services and the Children's Commissioning Team.

Young Hackney is forecast to underspend by £93k after use of reserves. The underspend is mainly due to staffing, which are the result of a combination of factors such as vacant posts, some of which are covered by agency workers, staff who have opted out of the pension scheme and staff who are not at the top of their grade; and these items collectively total an underspend of £96k. Essential CCTV work at the Concorde Youth Hub has led to an overspend in premises of £93k. There is also additional income not factored into the budget of £43k; an underspend on supplies & services due to a reduction in computer licence costs of £24k and an underspend on other items totalling £17k.

Access and Assessment is forecast to underspend by £88k after use of reserves. The underspend is mainly due to 3 vacant posts, £67k. There is also an underspend in Section 17 based on projected activity of £29k, and an overspend on other items totalling £8k.

The Clinical Services Team is forecast to underspend by £60k. This is primarily due to vacant posts.

Hackney Learning Trust

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.

HLT are forecasting a significant drawdown on the HLT reserve (between £4.6m and £5.6m), mainly due to pressures in special educational needs. Special educational needs activities are forecast to spend around £9m more than agreed budgets. Within the HLT forecast some of the SEND over-spend is offset with savings made across other HLT departments. Costs associated with special educational needs have complex cost drivers and senior leadership across HLT and the wider Council continue to investigate ways where the Council might be able to bring expenditure under control. Recent reports submitted to HLT SLT estimate that HLT reserves will be fully utilised sometime in 2019/20.

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. Except for 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 forecast for Adult Social Care is a £4,480k overspend.

Care Support Commissioning (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £3,500k pressure.

Service type	2018/19 Budget	July 2018 Forecast	Full Year Variance to budget	Full Year Variance to May 2018
	£k	£k	£k	£k
Learning Disabilities	14,357	17,371	3,014	-138
Physical and Sensory	11,845	12,016	171	170
Memory, Cognition and Mental Health ASC (OP)	7,000	7,415	415	451
Occupational Therapy Equipment	740	622	-118	53
Asylum Seekers Support	170	208	38	-3
Total	34,112	37,632	3,520	533

The Learning Disabilities (LD) service remains the most significant area of pressure with a £3,000k overspend, which reflects an improvement of £138k on the May position. The improvement was primarily driven by a reduction in client activity as two service users have left the service. In addition, one off ASC grant of £878k is being used to help mitigate the pressures within the LD service.

Discussions are ongoing with CCG colleagues on proposals for a joint funding agreement to contribute to high cost learning disabilities packages which will benefit service users in preventing the escalation of need and reduce costs for the CCG in terms of reductions in the number of Continuing Health Care (CHC) cases. £1,900k of CCG income in respect of this is reflected in the forecast. Ongoing discussions are occurring with the CCG and this could increase or decrease the baseline contribution for the current financial year. In addition, the application of the Care Funding Calculator (CFC) is expected to reduce spend during this financial year. The LD Budget Review Meetings will continue to look at the service area in further detail to attempt to manage these pressures.

The Physical & Sensory Support is forecasting a £171k budget overspend, which reflects an adverse movement of £170k on the May position. In addition, the Memory/Cognition & MH (OP) position has also adversely moved by £451k to a budget overspend of £415k. The primary reason for the adverse movement is the significant growth in client numbers resulting from increased hospital discharges. Discussions have been held with the service to develop a set of management actions to mitigate the ongoing cost pressure resulting from increased clients being discharged from hospital with more complex needs. Please see the table below which provides further details on the growth in client numbers due to Hospital Discharges:

Hospital Discharges			
Care Package	No's of New Clients	Full year Impact £k	Weekly Home Care Hours
Home Care	23	282	429
Nursing Care	6	298	
Residential Care	3	84	
Total	32	664	429

The Care Management & Adults Divisional Support is forecasting a £595k overspend. The overall budget pressure breakdown is made up of staffing pressures of £755k within the Integrated Learning Disabilities due to additional staffing capacity to manage demands within the service and improve annual review performance. The overall pressure has been partially mitigated by underspends of £160k across other Care Management Teams within the subdivision.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to underspend by £166k. The overall position is made up of two main elements - a £226k pressure on external commissioned care services and £392k underspend across staffing related expenditure.

The Provided Services position is a £223k overspend against a budget, which is attributed to:

- Housing with Care staffing pressure of £201k. The service is currently under strategic review to seek efficiencies and reduce costs without impacting negatively on service provision.
- Day Services and transport is overspent by £89k, which reflects delays with Oswald Street day centre delay in opening to September 2018.
- Meals on Wheels is underspending by £67k which reflects the incremental reduction in demand for the service. The service is currently being reviewed to look at possible options available in redesigning the service.

The Preventative Services forecast position shows an underspend of £600k against budget mainly due to in year underspends on Median Road Resource Centre. Substance Misuse placements also show an increase, leading to further forecast of £49k, in line with a projection of £15k cost per month; and alongside this is also the anticipated staff cost pressure on Integrated Independence team of £90k which is subject to continuous review to ensure the service cost can be kept to budget and within planned drawdown of £1,000k from reserves.

The ASC Commissioning forecast position is estimated at £908k. The budget pressure is largely due to delays with achieving Housing Related Support (HRS) savings. Procurement plans are being drawn up to recommission services from April 2019. Commissioners are working closely with suppliers to deliver new services that are fit for purpose and able to drive through continuum of care under the new model. The savings target has been revised to incorporate the savings attributed to telecare charging. The decision to not go ahead with telecare charging was taken after benchmarking against other local authorities which highlighted the planned charging proposals would only yield a small amount of additional income which would not be sufficient to meet the agreed savings target. Telecare remains a preventative service, and new proposals around assistive technology is expected to inform the charging model for service users going forward.

Public Health is forecasting a breakeven position. Sexual health service is delivering progress as expected, to support the financial sustainability of the wider Public Health service. The competitive pricing achieved through the Pan London contract is beginning to show better value for money - this is being monitored alongside the promotion of e-services delivery as clients are expected to opt for online provision and move away from expensive clinic-based services. More recently there has been the announcement of Substance Misuse prescribing cost pressures because of supply shortages of opioid substitutes. At this stage there are no definitive risks to the Public Health budget forecast, however monthly review with commissioners will continue to monitor monthly activity against standard unit costs.

4.3 PUBLIC REALM

The forecast position for Neighbourhoods and Housing Directorate as at July is a £244k overspend, which represents 0.5% of the net budget. There is an increase in net revenue expenditure of £87k from the May 2018 position. The forecast includes the use of £2,100k of reserves, the majority of which are for one off expenditure/projects.

The major area of overspend is in Environmental Operations which is forecast to overspend by £229k. This overspend relates to the cost of including overtime and other enhancements in operatives holiday pay. From May 2018 the law changed on how pay for employees who are on annual leave must be calculated. It is now a requirement that holiday pay should include not only basic pay, but also an average of regular additional hours, overtime, standby, callout and commission/bonus.

Costs of overtime, standby and callout will increase the pay bill by an estimated 7-9% as a result. Currently payments have been made for holiday top up for existing staff as well as staff who have left. It is difficult to quantify the value however estimated full year forecast based on the first 4 months is £227k for Environmental Operations, which is an increase of £39k from May position.

Within Environmental Operations there is another cost risk which may increase the forecast expenditure as the year progresses, this is related to Vehicle Repairs and Maintenance. The contract with the current provider ends in August this year. Indications are that the re-procurement will result in higher costs and therefore our vehicle maintenance costs are going to increase significantly by the end of the year. The service has estimated the costs to increase by around £200k annually.

Planning is forecast to overspend by £113k as at the end of July, a change from the breakeven forecast in May. The reasons for the overspend are, a shortfall in planning application fee income of £37K, a shortfall in Building control income of £48K and interim staffing costs relating to the implementation of the new Land Charges income system of £24K. Income in Planning and Building control is highly dependent on development activity in the Borough. The service anticipates that the risk will be lessened by an expected increase in the volume of major applications during the latter part of the year. Income will be closely monitored throughout the year and the forecast will take account of activity levels. Where demand for planning and building control services does not improve then management will re-consider the level of staffing within the service as activity is linked to income generating work.

Parking and Markets, Streetscene, Leisure, Green Spaces and Libraries and Community Safety, Enforcement and Building Regulations are forecasting break-even positions.

Housing General Fund is forecast to underspend by £86k. The variance is due to staff vacancies; £60K in the Private Sector Housing and the Housing Strategy and Policy Team within the Regeneration Division, and £27K in the Housing Services Travellers team.

The directorate forecast includes the use of £2,100k. £813K of this is using grants and/or income received in previous years and £1,028K is funding one off expenditure predominantly in planning services to resource the Local Development Framework, Area Action Plans and clearance of a backlog of planning enforcement cases.

4.4 FINANCE & CORPORATE RESOURCES

There is a forecast overspend of £279k after reserves, which reflects pressures in Facilities Management and Customer Services, partially offset by savings elsewhere in the directorate. Cost pressures continue in revenues and benefits, business rates on council properties and temporary accommodation

4.5 CHIEF EXECUTIVE

Overall the Directorate is forecasting to overspend by £170k after forecast reserves usage. This overspend is contained wholly within Communications, Culture & Engagement. This is broadly in line with the overspend in 2017/18, but a significant part of it has shifted from the town halls to Hackney House.

Now the refurbishments have been completed, the performance in Hackney Town Hall has improved with the income projection up by £60k compared to 2017/18. This has meant a transfer of staffing resource from Hackney House to the Town Hall which has reduced the volume of enquiries at Hackney House, a number of which were passing callers. Advertising of the council venues has primarily been aimed at the weddings market which has contributed to the increase in events at the town halls, but Hackney House is not a wedding venue and more suited to the corporate events market. There is high competition in Shoreditch for potential customers to choose from which makes enquiries more challenging to convert. These factors have resulted in a reduced projection in Hackney House income of £45k compared to 2017/18 which when combined with an anticipated increase in costs for NNDR and repairs have offset the improved income position at the town hall. The service is looking at options to improve the profile of Hackney House and generate more income.

The rest of Communications including Hackney Today, Design, Film and Culture are projected to break even overall at this point.

4.6 HRA

The HRA is forecast to come in on budget.

Income

Dwelling Rents are forecast to be £142k below budget which is due to lower Right to Buy sales than expected while Other Charges for Services & Facilities are forecast to be £765k above budget. This is due to the recovery of the installation charges of digital televisions, but this is the last year that the income will be collected. Non-Dwelling rents are forecast to be under budget by £114k which is due to a small reduction in income from garages and commercial properties, and Leaseholder charges for services and facilities are projected to be £411k under budget but this will be reviewed when the final bill is produced later in the year.

Expenditure

There is a Repairs and maintenance overspend of £1,000k which is due to an increase in reactive repairs and client (staff) function which is the subject of a restructure and DPR. This is compensated by an underspend in the painting programme. Special services are forecast to underspend by £407k, this is due to a reduction in utility costs and Supervision and management is underspending due to a reduction in pension charges.

4.7 CAPITAL

This is the first OFP Capital Programme monitoring report for the financial year 2018/19. The actual year to date capital expenditure for the four months April 2018 to July 2018 is £37.1m and the forecast is currently £323.3m, £130m below the revised budget of £453.3m. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 Summary

Table 1 – London Borough of Hackney Capital Programme – Q1 2018/19	Revised Budget Position	Spend as at end of Q1	Forecast	Variance (Under/Over)
	£'000	£'000	£'000	£'000
Chief Executive	87	0	87	0
Children, Adults & Community Health	55,906	550	16,865	-39,040
Finance & Corporate Resources	119,370	17,955	108,935	-10,436
Neighbourhoods & Housing (Non-Housing)	48,431	1,960	27,022	-21,410
Total Non-Housing	223,794	20,466	152,909	-70,886
AMP Capital Schemes HRA	81,786	7,425	81,735	-51
Council Capital Schemes GF	1,728	373	1,542	-186
Private Sector Housing	2,501	156	1,550	-951
Estate Renewal	99,869	7,260	57,346	-42,523
Housing Supply Programme	32,398	540	20,985	-11,413
Other Council Regeneration	11,268	911	7,268	-4,000
Total Housing	229,549	16,665	170,425	-59,124
Total Capital Expenditure	453,344	37,130	323,334	-130,010

CHIEF EXECUTIVE SERVICES

The current forecast is in line with the revised budget of £0.87m. The planned spend for this project will continue throughout 2018/19.

CHILDREN, ADULTS AND COMMUNITY HEALTH

The current forecast is £16.9m, £39m below the revised budget of £55.9m. More detailed commentary is outlined below.

CACH Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£'000	£'000	£'000	£'000
Adult Social Care	3,834	114	734	-3,100
Education Asset Management Plan	5,835	-100	3,788	-2,046
Building Schools for the Future	853	118	551	-302
Other Education & Children's Services	911	-55	31	-879
Primary School Programmes	17,250	93	4,096	-13,154
Secondary School Programmes	27,223	379	7,664	-19,559
TOTAL	55,906	550	16,865	-39,040

Adult Social Care

The main variance in Adult Social Care relates to the £2.5m budget set aside for a potential project at Median Road Resource Centre. A CPRP bid will go to September 2018 Cabinet to resource the first phase of the project for £0.60m for the development of concept designs and will cover architect, engineering and cost consultancy fees. This will lead to a business case setting out the range of options and the recommended approach for a more extensive capital project.

Education Asset Management Plan

The main variance relates to Betty Layward School Early Years and Comet Nursery School Early Years which are showing underspends. Both schemes will no longer go ahead as the parameters have been deemed unattainable. This is due to the time set for completing the works not being in line with the Education Funding Agency (EFA) timeline.

Primary School Programmes

Woodberry Down Relocation is reporting an underspend of £0.60m. The variance is a result of planning decisions and the scheme is now under review. The budget may be re-profiled if no decisions are made this financial year.

Shacklewell School is reporting an underspend of £0.75m against the respective in-year budget of £1.6m. The project is in the procurement stage and any underspend will be re-profiled at the next re-profiling exercise to enable the scheme to proceed through into 2019/20.

Secondary School Programme

The main variance relates to the budget set aside to resource additional secondary school provision which is showing an underspend of £18.5m against the respective in-year budget of £19m. The first phase of works is complete and work will be continuing into 2021 with any underspend to be re-profiled at the next re-profiling exercise to better reflect delivery of the programme.

FINANCE AND CORPORATE RESOURCES

The overall forecast in Finance and Corporate Resources is £109m, £10.4m under the revised budget of £119.4m. More detailed commentary is outlined below.

F&R Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£'000	£'000	£'000	£'000
Property Services	8,265	398	8,922	657
ICT	7,499	970	3,490	-4,008
Financial Management	1,084	-132	483	-602
Other Schemes	205	16	174	-31
Mixed Use Development	102,318	16,703	95,865	-6,452
TOTAL	119,370	17,955	108,935	-10,436

Strategic Property Services - Strategy & Projects

Vacant possession is now granted for Flat 16 and 17 Cranwood Court and once the property is checked the purchase will move along should come in on budget.

ICT Capital

End-User Devices is showing an underspend of £2.1m. This project relates to the roll out of the device refresh model for council staff and meeting room devices across the core Hackney campus. The device refresh model will be based on a mix of desktop and laptop devices for staff depending on job role, and different equipment for meeting rooms depending on the size of the room. Any variance will be re-profiled at the next re-profiling exercise.

Mixed Used Development

Tiger Way Development and Nile Street are forecasting to come in line with the revised budget of £84m. There was a delay on the contract programme but currently there is no impact on the overall budget.

BSF PRU is reporting an underspend of the revised budget of £6.4m. This budget is the contingency budget for which there is currently no call. The variance will be re-profiled to next year in line with the anticipated scheme delivery timetable.

Britannia Site is reporting to come in line with the revised budget of £11.8m. Phase 1 procurement stage 1 has been completed and the standstill period has ended. It is now progressing to Stage 2 of the procurement. A planning re-consultation will take place and the planning committee date is estimated for September 2018.

NEIGHBOURHOODS AND HOUSING (NON-HOUSING):

The overall forecast in Neighbourhoods and Housing (Non) is £27m, £21.4m under the revised budget of £48.4m. More detailed commentary is outlined below.

N&H – Non Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£'000	£'000	£'000	£'000
Museums and Libraries	1,522	30	583	-939
Leisure Centres	1,750	0	1,750	0
Parks and Open Spaces	6,535	740	3,615	-2,920
Infrastructure Programmes	14,388	690	13,672	-716
EHPC Schemes	3,308	97	427	-2,881
TFL	4,361	384	4,361	0
Parking and Market Schemes	305	0	221	-83
Other Services	450	0	450	0
Regulatory Services	79	0	79	0
Safer Communities	1,078	20	1,078	0
Regeneration	14,656	0	786	-13,870
Total	48,431	1,960	27,022	-21,410

Museums & Libraries

The main variance relates to the overall Library Capital Works management system, security and capital works programme which is showing an overall underspend of £0.84m against the respective in-year budget of £1.4m. The planned spend is likely to be in 2019/20 and the variance will be re-profiled in the next re-profiling exercise.

Environmental and Health Committee (EHPC) Schemes

The main variance relates to the budget held for the replacement of the Council's Waste and Fleet Vehicles which is showing an underspend against the respective budget of £2.6m. A business case will be done to set out the options for spend for 2018/19.

Regeneration

The main variance relates to Hackney Wick Regeneration and Dalston Regeneration. In this quarter there is currently no planned spend. An update will be provided in quarter 2 and depending on this review any variance will be re-profiled to next year in line with any revised scheme delivery timetable.

HOUSING:

The overall forecast in Housing is £170.4m, £59.1m below the revised budget of £229.5m. More detailed commentary is outlined below.

Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance	Comments
	£'000	£'000	£'000	£'000	
AMP Capital Schemes HRA	81,786	7,425	81,735	-51	There are a number of projects active within Asset Management, spend and progress to be reviewed in Q2
Council Capital Schemes GF	1,728	373	1,542	-186	Historic underspend of budget to refurbish properties to be used for temporary accommodation. Any underspend at year end will be carried over for the acquisition of new properties and for the conversion of existing stock.
Private Sector Housing	2,501	156	1,550	-951	Due to a reduction in grant applications Private Sector Housing is likely to underspend therefore the budget will be reviewed for re-profiling in next quarter
Estate Renewal	99,869	7,260	57,346	-42,523	Contracts have been awarded and expenditure has started for Tower Court, St Leonards, Frampton Arms and Lytton House. The completion of KER and Aitkin Court have slipped and will be reviewed over the financial year.
Housing Supply Programme	32,398	540	20,985	-11,413	Design development cost (architects and Employers Agents/Cost consultants) continue to be incurred. 2 schemes have moved to procurement stage; however, the majority of the scheme has not reached tender stage.
Other Council Regeneration	11,268	911	7,268	-4,000	There has been limited progress on Phase 3 leaseholder buybacks. However, negotiations with remaining leaseholders and progress to CPO continues.
Total Housing	229,549	16,665	170,425	-59,124	

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. Regarding the increase in the value of the Section 75 Agreement with the HUHT by £336k, if we do not enter the partnership we will not have the £336k to help further deliver the programme of integration of information relating to users of health and social care services.

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of July 2018. Full Council agreed the 2018/19 budget on 1st March 2018.

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, Finance and Corporate Resource's 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 must take decisions in line with the Council's overall policies and budget.
- 8.4 Paragraph 2.6.3 of FPR2 Financial Planning and Annual Estimates states that each Group Director in charge of a revenue budget shall monitor and control Directorate expenditure within their approved budget report progress against their budget through the Overall Financial Position (OFP) Report to Cabinet. This Report is submitted to Cabinet under such provision. The recommendation in paragraph 3 in relation to the arrangements in paragraphs 2.3 to 2.6 is pursuant to s75 National Health Service Act 2006 which allows a local authority and an NHS body to enter into arrangements in relation to the exercise of their functions if the arrangements are likely to lead to an improvement in the way in which those functions are exercised.
- 8.5 All other legal implications have been incorporated within the body of this report.

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Capital Update Report

KEY DECISION NO. FCR F11

CABINET MEETING DATE

17 September 2018

CLASSIFICATION:

Open

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

WARD(S) AFFECTED

All

CABINET MEMBER

Philip Glanville, Mayor of Hackney

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams, Group Director of Finance and Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report on the capital programme for 2018/19 updates members on our capital programme agreed in the 2018/19 budget, and includes capital project approvals for Children, Adults & Community Health Services, Neighbourhood & Housing and Finance & Corporate Resources.
- 1.2 The report recommends investment worth £60k into the Median Road Resources Centre for a feasibility study, with a view to transform it into a new facility. This study will look at options for scoping a new facility which will provide interim care services, intermediate care services and residential nursing care services.
- 1.3 Recognising the value that small-businesses bring to Hackney, and Hackney Wicks unique position as a hub of creative small-businesses that should be protected, the report also recommends landlord works to fully utilise the Old Baths and Trowbridge Centre in Hackney Wick. We want to ensure that the opportunities created by Hackney's growing and changing economy are available to all, and these works will help achieve that by creating affordable and decent workspaces for small and at-risk businesses for a seven year period.
- 1.4 In exchange, operators in the Centre will be required to invest in new activities and programmes for the area, including targeting local youth and residents with events, mentoring, training and work experience. This will take place alongside the operators generating local jobs, and part of our commitment to maximising opportunities for jobs and training for local people. It shows we are acting on our manifesto commitment - businesses investing in Hackney's future alongside the Council, ensuring everyone in the borough plays their part in creating real opportunities.
- 1.5 The report also recommends for approval the use of £1.116m of S106 resource showing how the whole borough benefits from responsible growth and development. These investments will bring new resources and new spaces - helping vulnerable residents and small businesses - contributing to our vision for a Hackney that works for everyone.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 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 & Community Health Services as set out in section 9.2 be given approval as follows:**

Median Road Feasibility: Spend approval of **£60k in 2018/19** is requested to fund a feasibility study of Median Road resource centre. This study will look at

options for scoping a new facility which will provides interim care services, intermediate care services and residential nursing care accommodation.

3.2 That the schemes for Finance & Corporate Resources as set out in section 9.3 be given approval as follows:

Hackney Learning Trust (HLT) Re-stack: Virement and spend approval of **£158k in 2018/19** is requested to facilitate the re-stacking of the Hackney Technology & Learning Centre at 1 Reading Lane, London, E8 1GQ to increase the occupancy capacity.

Landlord Works at 80 and 80a Eastway and Trowbridge Centre - GLA Funded: Resource and spend approval of **£450k in 2018/19** is requested to fund landlord works for 80 and 80a Eastway and Trowbridge Centre, enabling utilisation of the space as affordable workspace as well as other public realm improvements.

3.3 That the schemes for Neighbourhood and Housing as set out in section 9.4 be given approval as follows:

81 Downham Road site on the De Beauvoir Estate: Spend approval is requested in 2018/19 in order to implement the delivery of this scheme via the Housing Supply Programme (HSP) in accordance with the 29 February 2016 Cabinet approval and recommendations of the Housing Development Board.

3.4 That the S106 schemes as set out in section 9.5 and summarised below be given resource and spending approval as follows:

S106	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total
	£'000	£'000	£'000	£'000	£'000
Capital	201	100	100	714	1,116
Total S106 Resource and Spend approvals	201	100	100	714	1,116

3.5 That the capital programme adjustments summarised below set out in detailed in para 9.6 be approved accordingly:

SUMMARY 2018/19 CAPITAL ADJUSTMENTS			
Directorate	Budget 2018/19	Change 2018/19	Updated 2018/19
	£'000	£'000	£'000
Non-Housing	11,040	(1,837)	9,203
Housing	228,477	-	228,477
Total	239,517	(1,837)	237,680

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 £453.344m (£223.794m non-housing and £229.549m 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 **£452.157m (£222.608m non-housing and £229.549m housing)**.

Directorate	Revised Budget Position	Sept 2018 Cabinet Update	Capital Adjustments 2018/19	Updated Budget Position
	£'000	£'000	£'001	£'000
Chief Executive's Services	87	0	0	87
Children, Adults and Community Health	55,906	0	-1,798	54,108
Finance and Corporate Resources	119,370	450	-40	119,781
Neighbourhoods & Housing (Non)	48,431	201	0	48,633
Total Non-Housing	223,794	651	-1,837	222,608
Housing	229,549	0	0	229,549
Total	453,344	651	-1,837	452,157

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 recommendations include requests for spending approvals. 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.
- 8.6 With regard to recommendation 3.4 and paragraph 9.5 where Cabinet is being invited to approve the allocation of monies from agreements under section 106 of the Town and Country Planning Act 1990, s.106 permits anyone with an interest in land to enter into a planning obligation enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. They may prescribe the nature of the development (for example by requiring that a percentage of the development is for affordable housing), secure a contribution to compensate for the loss or damage created by the development or they may mitigate the development's impact. Local authorities must have regard to Regulation 122 of the Community Infrastructure Levy Regulations 2010. Regulation 122 enshrines in legislation for the first time the legal test that planning obligations must meet. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured under S106 agreements. Once completed S.106 agreements are legally binding contracts. This means that any monies which are the subject of the Agreement can only be expended in accordance with the terms of the Agreement.

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 Services:

- 9.2.1 **Median Road Feasibility:** Spend approval of **£60k in 2018/19** is requested to fund a feasibility study of Median Road resource centre. The approval is requested to fund the first phase development of concept designs for the Median Road Resource Centre covering architect, engineering and cost consultancy fees. This will lead to a business case setting out the range of options, and the recommended approach for a more extensive capital project. This links in with the Council's 2018-2028 Sustainable Community Strategy Priority 5 'A borough with healthy, active and independent residents. This approval will have no net impact as the resources already form part of the capital programme in 2018/19.

9.3 Finance and Corporate Resources:

9.3.1 **Hackney Learning Trust (HLT) Re-stack:** Virement and spend approval of **£158k in 2018/19** is requested to facilitate the re-stacking of the Hackney Technology & Learning Centre at 1 Reading Lane, to increase the occupancy capacity. This will involve the decanting of 70 staff members from the Annexe in 2 Hillman Street to the HLT. This project is a key element within the Corporate Estate Rationalisation (CER) Programme to meet the Capital Investment Strategy objectives to maintain the Council's assets to a high standard and to make Hackney a great place to work. The work is in line with the Mayor's Priority 2: "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 as the resources already form part of the capital programme in 2018/19.

9.3.2 **Works at 80 and 80a Eastway and Trowbridge Centre - GLA Funded:** Resource and spend approval of **£450k in 2018/19** is requested to fund works for 80 and 80a Eastway and Trowbridge Centre. This follows and builds upon the preceding budget and proposal agreed in January 2018 Cabinet to bring these council owned assets back into use for affordable workspace. Regeneration and Property submitted an application for grant funding to Greater London Authority (GLA) to enhance the existing proposal and deliver more workspace and community activities in the exterior space around the buildings. The bid was successful and the Council has accepted the terms and conditions of the GLA grant.

This capital scheme will enhance the Council's existing plans to repurpose the Old Baths and the Trowbridge Centre as affordable decant workspace for at risk businesses from Hackney Wick for a seven year period which will also generate additional income for the Council as the buildings are currently not maximising their economic or social potential. 1,750 sq.m. of floor space at the Old Baths and Trowbridge centre will be refurbished and let to local workspace providers at a reduced rent in exchange for a range of socio-economic benefits to be offered by the tenants including providing local jobs, apprenticeship, work experience and training opportunities, mentoring, and classes and community events all of which will be offered to the local community. The project will also deliver improvements to public realm in the exterior areas of the buildings, new refurbished multi-use games area, and recording studio equipment for community use. This approval will have no net impact as the resources are fully met by grant.

9.4 Neighbourhood & Housing Services (Housing):

9.4.1 The Housing Development Board dated 17 August 2017 considered and recommended the delivery of the **81 Downham Road site on the De Beauvoir Estate** through the Housing Supply Programme (HSP) in accordance with the 29 February 2016 Cabinet approval. Back in February 2016 Cabinet authorised delivery of the HSP to provide new mixed tenure homes on previously developed land within existing council housing estates. The development pipeline was estimated to deliver around 400 new build homes on 11 sites across the borough. Spend and virement approval in 2018/19 is required in order to implement this recommendation.

Financial viability and planning compliance will be managed and achieved across the portfolio of HSP projects. Design and procurement work is progressing well on the first tranche of sites, in line with the agreed programme delivery approach. The redevelopment of the site could potentially deliver a scheme of 64 new homes and approximately 900 square metres of replacement commercial space. This capital project helps to achieve the first priority of the Council's Housing Strategy 2017-22 – to build high quality, well-designed, and genuinely affordable new homes. With around 13,000 families on the Council's waiting list, Hackney is building thousands of Council homes itself to help more residents find a genuinely affordable place to live. This project will build on this track record. This approval will have no net impact as the resources already form part of the capital programme.

9.5 S106 Capital Approvals:

9.5.1 Resource and spending approval is requested for **£1,116k (£201k in 2018/19, £100k in 2019/20, £100k in 2020/21 and £714k in 2021/22)** in respect of the project detailed below, to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreement.

Planning Site No.	Project Description	Agreement Development Site	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total
2010/2596	Pembury Circus Improvement Works (0029-17)	Pembury Circus Development	100	100	100	714	1,014
2016/1349	Highway Works at 131 & 133 Lower Clapton Road (0001-18)	131-133 Lower Clapton Road London E5 0NP	14	0	0	0	14
2016/2017	Highway Works at Kingsland Fire Station (0002-18)	Former Kingsland Fire Station, 333 Kingsland Rd. E8 4DR	72	0	0	0	72
2010/0557	Highway Works at 32 Homerton Row (0003-18)	32 Homerton Row, London E9 6EA	15	0	0	0	15
Total Capital S106 Approvals			201	100	100	714	1,116

9.6 Capital Programme Adjustments:

9.6.1 Capital Programme adjustments are requested in order to adjust and reapportion the 2018/19 approved budgets to better reflect project delivery of the anticipated programme. The full details for the required changes are set out in the table below.

CAPITAL ADJUSTMENTS			
Scheme	Budget 2018/19	Change 18/19	Updated 18/19
Children, Adults & Community Health	£	£	£
Betty Layward AMP	166,050	(31,567)	134,483
Grasmere AMP	-	31,950	31,950
London Fields AMP	9,580	(383)	9,197
Shacklewell Boundary Wall	7,572	(1)	7,571

Ickburgh AMP	(0)	1	1
DFC Holding Code	108,944	(108,944)	-
Betty Layward School Early Yrs	910,000	(900,000)	10,000
Comet Nursery School Early Yrs	626,000	(626,000)	-
Short Breaks	92,286	(92,286)	-
The Edge Youth Spoke Flooring	73,181	(73,181)	-
Sir Thomas Abney 14/15	106,142	(106,142)	-
Southwold Primary School	24,936	2,546	27,482
Queensbridge Expansion	15,556	(15,556)	-
East Wick 3FE	-	167,000	167,000
Grazebrook Primary Expansion	28,077	(28,077)	-
Brook Caretakers House	56,975	(46,975)	10,000
Primary Capital Prog 13/14	1,953,000	(78,939)	1,874,061
BSF Whole Life Costing	181,934	92,526	274,460
Stoke Newington BSF Life Cycle	135,070	(55,384)	79,686
Clapton Girls BSF Life Cycle	160,311	20,000	180,311
Haggeston BSF Life Cycle 14/15	6,148	(6,148)	-
Urswick School Lifecycle	-	13,950	13,950
Haggeston School Lifecycle	329,724	(222,228)	107,496
Haggerston Science Laboratory	1,200,000	266,228	1,466,228
Total CACH	6,191,486	(1,797,609)	4,393,877
Finance & Corporate Resources	£	£	£
Acquisition of building for FLIP	38,684	(33,000)	5,684
Lea Interchange Acc Scheme	6,754	(6,754)	-
22 Dalston Lane	17,000	(17,000)	-
Clapton Common former toilet refurb	200,793	17,000	217,793
Total F&CR	263,231	(39,754)	223,477
Neighbourhoods & Housing (Non-Hsg)	£	£	£
Library Management System	50,000	20,000	70,000
Library Capital Works	1,109,170	(20,000)	1,089,170
Springfield Park Restoration	2,570,389	200,000	2,770,389
Parks Strategy - Infrastructure	855,847	(200,000)	655,847
Total N&H	4,585,406	-	4,585,406

Housing	£	£	£
Housing Asset Mgmt Programme	74,188,000	(74,188,000)	-
HiPs North West	3,395,438	18,055,500	21,450,938
HiPs Central	-	13,300,000	13,300,000
HiPs South West	-	12,300,000	12,300,000
Estate Lighting	-	500,000	500,000
Ventilation Systems	-	200,000	200,000
CCTV upgrade	-	700,000	700,000
Door Entry System Replacements	-	500,000	500,000
Drainage	-	100,000	100,000
Lifts Major Components	-	350,000	350,000
Dom Boiler Replace/Cen Heating	-	2,000,000	2,000,000
Replace Play Equipment	-	100,000	100,000
Road & Footpath Renewals	-	400,000	400,000
Void Re-Servicing	-	2,000,000	2,000,000
Water Mains/Boosters	-	100,000	100,000
Disabled Adaptations	-	900,000	900,000
H & S and Major Replacement	-	250,000	250,000
Community Halls Maj. Reps/DDA	-	400,000	400,000
Lift Renewals	-	500,000	500,000
Integrated Housing Manage System	-	1,000,000	1,000,000
Boiler House Major Works	-	400,000	400,000
Fire Risk Works	3,228,501	4,771,500	8,000,001
Planned & Reactive Water Mains	-	100,000	100,000
High Value Repairs/Imp & Work	-	2,000,000	2,000,000
Lightning Conductors	-	300,000	300,000
Estate Boundary Security Imp	-	100,000	100,000
Garage Review	-	200,000	200,000
Capitalised Salaries	-	5,000,000	5,000,000
Lateral Mains	-	400,000	400,000
Re-wire	-	500,000	500,000
Green initiatives	-	2,000,000	2,000,000
Cycle Facilities	-	100,000	100,000
Contingency PM	-	3,000,000	3,000,000
District Heating System	-	1,000,000	1,000,000
One Touch HRA Stock Survey	-	61,000	61,000
Commercial Properties	-	200,000	200,000
Recycling Scheme	-	400,000	400,000
Housing Needs Allocation Non HRA	1,500,000	(1,315,000)	185,000
B/wide Housing under occupation	-	690,000	690,000
Fresh Start Scheme	-	10,000	10,000
Hostels - Major Repairs	185,511	615,000	800,511
Disabled Facilities Grant	54,648	1,300,000	1,354,648
General repairs grant (GRG)	54,555	150,000	204,555
Warmth & security grant (WSG)	106,068	100,000	206,068
Private Sector Housing Schemes	2,230,000	(1,550,000)	680,000
Estate Regeneration Programme	99,527,000	(63,665,000)	35,862,000
Estate Renewal Implementation	-	2,000,000	2,000,000
Bridge House Phase 2	-	13,000,000	13,000,000
ER1 Rendlesham House	-	50,000	50,000
ER1 Tower Court	-	6,000,000	6,000,000
Kings Crescent Phase 1+2	-	50,000	50,000

Kings Crescent Phase 3+4	-	2,500,000	2,500,000
Colville Phase 2	-	12,500,000	12,500,000
Colville Phase 1 (Bridport)	-	55,000	55,000
ER1 Colville phase 3	-	1,000,000	1,000,000
St Leonard's Court	-	8,000,000	8,000,000
Frampton Park Regeneration	-	3,000,000	3,000,000
Aikin Court	-	900,000	900,000
Great Eastern Building	-	120,000	120,000
King Edwards Road	-	1,000,000	1,000,000
Nightingale	-	2,000,000	2,000,000
Bridge House Garages	-	10,000	10,000
ER1 Ottaway Court	-	50,000	50,000
Alexandra National	-	20,000	20,000
Marian Court Phase 3	342,386	3,500,000	3,842,386
Haggerston West	-	10,000	10,000
Colville Phase 2C	-	3,100,000	3,100,000
Housing Supply Programme	31,035,996	(15,129,500)	15,906,496
Gooch House	203,483	100,000	303,483
Whiston Road	12,233	286,500	298,733
Shaftesbury Street	-	591,000	591,000
Wimbourne Street	240,359	1,282,000	1,522,359
Buckland Street	391,500	1,200,000	1,591,500
Murray Grove	19,814	2,000,000	2,019,814
Downham Road 1	32,458	135,000	167,458
Downham Road 2	71,523	207,500	279,023
Balmes Road	79,950	465,000	544,950
Pedro Street	20,334	645,500	665,834
Mandeville Street	33,722	1,250,000	1,283,722
Woolridge Way	12,662	257,000	269,662
Lincoln Court	67,575	295,000	362,575
Rose Lipman Project	6,129	5,245,000	5,251,129
81 Downham Road	67,338	500,000	567,338
Lyttelton House	-	4,800,000	4,800,000
Daubeney Road	102,607	670,000	772,607
Woodberry Down Bid	11,267,528	(7,585,000)	3,682,528
Kick Start Programme	-	1,000	1,000
Stock Transfer to HA	-	1,000	1,000
Other Heads	-	900,000	900,000
Phase2 & Other Heads	-	6,500,000	6,500,000
Woodberry Works/Construct Training	-	60,000	60,000
Woodberry Down Security	-	1,000	1,000
Woodberry Down Phase 2-5	-	100,000	100,000
Woodberry Down Tenancy Agree	-	1,000	1,000
Woodberry Down Kickstart	-	20,000	20,000
Frampton Park Community Hall	-	1,000	1,000
Total Housing	228,477,321	-	228,477,321
	-	-	-
Total Capital Adjustments	239,517,443	(1,837,363)	237,680,080

APPENDICES

None.

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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Scrutiny Panel 9th October 2018 Item 7 – Budget Scrutiny Task Groups	Item No 7
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OUTLINE

The Scrutiny Panel's remit includes budget scrutiny and cross cutting work. Attached is a report proposing the creation of 4 Budget Scrutiny Task Groups for the year.

ACTION

Members are asked to agree the recommendations in the report.

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Budget Scrutiny Task Groups 2018-19

Proposal to establish Scrutiny Task Groups to review service models and options for future delivery

1. Establishing the Groups

It is proposed that the Scrutiny Panels should establish 4 budget scrutiny task and finish groups to consider the Council's current models of service delivery and related issues, as well as examining options for future delivery including the identification of cost savings and/or additional income generation to assist with the delivery of a balanced budget going forward.

Article 3.3.1 of the Council's Constitution sets out the terms of reference for Full Council and Council Committees. The subsection 'Overview and Scrutiny Panel' item (vii) grants to the Scrutiny Panel the authority for:

“establishing ad hoc task and finish scrutiny panels, agreeing their terms of reference and appointing their membership”

Section (iv) also grants the Scrutiny Panel the responsibility for:

“co-ordinating the involvement of scrutiny in the budget process”

The budget scrutiny task groups will be established with defined membership, terms of reference and will be time-limited. The Scrutiny Panel will create 4 Budget Scrutiny Task and Finish Groups for the year 2018/19 whose work will conclude in July 2019. If required, further scrutiny task and finish groups could be established as needed.

The proposed Scope for the 'Fees and Charges' Budget Scrutiny Task and Finish Group is set out in Section 2 (a). This Group will commence its work in October 2018. The broad scope of the other three Task and Finish Groups is also set out Section 2 (b-d) and they will commence their work in early 2019. Each Group will agree terms of reference at its first meeting and these will be endorsed by the Scrutiny Panel.

2. Selection of service areas or topics

It has been proposed that the scrutiny task groups should focus on areas of significant challenge to the council's budget and feed this into the wider consideration of the budget setting process.

These budget scrutiny task groups will consider radically different ways of providing services in order to address the major commitments to improving services and promoting greater opportunity as set out in the administration's manifesto, while being forced by Government cuts to make substantial savings. The proposals put forward will take into account officers' suggestions and the views expressed by Members. The following areas of

focus have been identified by the Executive for Budget task and finish groups over the next 12 months:

a) Scrutiny Task Group on Fees and Charges

This group will review the principles agreed by the previous Governance and Resources Scrutiny Commission in 2011 to ensure that they are still relevant to the current challenges, and also to deal with questions such as to why do we not simply increase all fees and charges annually by an agreed inflation rate. The Group will consider the equalities issues in relation to fees and charges and in particular will consider income inequality as well as the protected characteristics under the Equality Act 2010. The principles agreed and adopted in 2011 were as follows:

1. Services should raise income wherever there is a power or duty to do so.
2. Charges need to be simple to understand and administer.
3. We will set our pricing to reflect the true cost of providing each service, including overheads.
4. Any departure from the above principles will be justified with reference to specific Council priorities and policies.
5. General presumption in the budget setting process is for no increase in charges where the Council has discretion, over and above those required to reflect the true cost of provision of service (subject to below).
6. We will benchmark key fees and charges we levy and seek to bring them into line with levels set by similar councils, having due regard to our social and environmental responsibilities
7. Where evidence suggests that a differential charging policy would increase overall use of a council facility, such a policy will be introduced, particularly if this increases accessibility to non commercial groups
8. Any proposal to raise external income by increasing fees and charges or by imposing a new charge where none existed before, must seek the approval of the Executive.

b) Scrutiny Task Group on Early Years' Service

This group is being set up in recognition of the significant changes at national level regarding the provision of this service as well as issues such as the ongoing sustainability of the current arrangements in respect of Children's Centres.

c) Scrutiny Task Group on North London Waste Authority / Recycling & Waste

This group will consider the current issues emerging from NLWA, particularly in respect of the provision of new facilities, this group is being set up to ensure that Members and officers alike are fully conversant with the decisions that are likely to need to be taken in the near future on recycling and waste and the knock-on impact on recycling in the borough.

d) Scrutiny Task Group on Integrated Commissioning (CACH)

This group will ensure that Members and officers alike fully understand the potential impact of this ongoing work, not least due to the scale of the budgets covered but also understanding the revenue and capital impacts as well as that on the use of assets across the organisations involved. Integrated Commissioning of health and social care between the Council, NHS City and Hackney CCG and City of London Corporation has now been in place since May 2017 and Health in Hackney Scrutiny Commission has had a series of rolling standing items on the work of the 4 Workstreams since then. This group will focus on the budgeting aspects and will build on the discussion item on this issue at the 26 September 2018 meeting.

3. Task Group Membership and Process

This process will be owned by the Scrutiny Panel which will consider the findings of the 4 Groups in public.

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

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

Through the party whips Members will be nominated to serve on each task group. The political make-up will be proportionate over all to the membership of the Council so for example, if 24 positions are available (i.e. a maximum of 4 groups of 6), there will be 2 positions offered to the Opposition party as a minimum.

The following Membership is proposed:

Name	Membership	When it meets	Proposed meeting dates
Fees and Charges	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC Oct – Dec 2018
Early Years' Service	4x Labour Member and/or	Daytime/Evening	TBC

	1 (Opposition)		
North London Waste Authority / Recycling & Waste	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC
Integrated Commissioning (CACH)	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC

Groups will be chaired by backbenchers, and membership of each will include the relevant **Scrutiny Chair**, and a minimum of **three** backbenchers (not including the chair)

It is proposed the main evidence gathering meetings of the task and finish groups will take place in private but the outcomes and recommendations of each group will be reported in public to the Scrutiny Panel.

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

4. Mayor and Cabinet

Neither the Mayor nor Members of the Cabinet are eligible to be Members of the Scrutiny Task Groups. However, they will be invited to attend, particularly for discussion about service areas related to their portfolios. The lead officer and Executive Member for each task group is outlined below.

Area	Lead Scrutiny Chair	Lead Group Director	Lead Director	Lead Cabinet Member
Fees and Charges	Cllr Gordon (Scrutiny Panel)	Ian Williams	Cross-cutting	Cllr Rennison
Early Years' Service	Cllr Conway (Children & Young People)	Anne Canning	Sarah Wright	Cllr Kennedy
North London Waste Authority / Recycling &	Cllr Patrick (Living in Hackney)	Kim Wright & Ian Williams	Aled Richards	Cllr Burke. Cllr Rennison

Waste				
Integrated Commissioning (CACH)	Cllr Hayhurst (Health in Hackney)	Anne Canning	Simon Galczynski	Cllr Demirci

5. Frequency and timing of meetings

The Scrutiny Panel will maintain oversight of the budget setting process, and of the findings of the budget task groups as part of their wider responsibility for having an overview of the budgeting process.

Members would be made aware of the time commitment expected and would be offered both daytime and evening meetings. Where possible dial-ins and/or skype connections will be offered to members to facilitate attendance.

It is envisaged that the outputs of these groups will contribute to the reshaping of services but as they will also contribute significantly to the budget setting process, the aim would be to complete all task group work by July 2019 (ongoing timescale required to be confirmed with HMT).

It is expected that much of the work will be completed on-line and by email but that a limited number of meetings (maximum three) either daytime or evening will take place between October 2018 – July 2019.

The phasing of the work will be synchronised with the timing of the budgetary decisions that need to be taken. The groups will also take account of the busiest points in the political cycle when it would be most difficult for Members to engage in additional work and meetings.

The Fees and Charges Task Group review will need to conclude before the end of the year in order to feed into the 2019/20 budget setting process with recommendations produced by December 2018 and a formal report back to the Scrutiny Panel on 21 January 2019. The remaining Budget Scrutiny Task Group reviews will report to the Scrutiny Panel in July 2019.

6. Officer support

The Groups will be supported by a combination of the Overview and Scrutiny Team and Executive Support Team as well as expertise from officers in the directorates of the service areas affected. The Chair of the task and finish group will liaise with the executive support team to set up the meeting and circulate an agenda and papers.

Scrutiny officers will advise the Chair, attend meetings, draft minutes, and draw up final report of issues, conclusions and recommendations.

7. Reporting

The outputs of these Scrutiny Task & Finish Groups will inform the budget setting process.

Each Budget Scrutiny Task Group will produce a short report to the Scrutiny Panel with a summary of the key issues discussed, their analysis of them and their conclusions and recommendations. In setting up the Budget Scrutiny Task Groups the aim has been to utilise the skill set of the Scrutiny Officers most effectively while minimising the impact on the busy work programmes of the Scrutiny Commissions.

The reports themselves will be limited to: addressing the lines of enquiry set out above, reflecting options for change, and making recommendations for future action.

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

8. Timetable for establishment of the Task Groups

Action	Date
Discussion at party groups	September 2018
Identification of the four topic areas and agreement with the Mayor and Cabinet, the Chief Executive and the Corporate Director of Finance and Resources	September 2018
Members to volunteer their service	September 2018
Whips to agree proposed membership of the initial four Scrutiny Task Groups	September 2018
Meetings of the initial four Scrutiny Task Groups	October 2018-January 2019 (meetings)
Reports of each Scrutiny Task Groups in agenda for Scrutiny Panel Meeting	21 st January 2019 and July 2019
Response from Cabinet Member to the work of the Budget Scrutiny Task Groups	September 2019
Meeting to review the process with all Members of the initial four Scrutiny Task & Finish Groups	TBC

10 Recommendations

- 10.1 **To appoint 4 Budget Scrutiny Task & Finish Groups for 2018/19 as set out in point 2.**
- 10.2 **To agree the Membership of the Panels** (membership list to be tabled at the meeting).



Halifax

Scrutiny Panel 9th October 2018 Item 8 – Council’s Approach to Consultation	Item No 8
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OUTLINE

The Scrutiny Panel’s remit includes oversight of the Council’s Consultation Process. The Chair requested for the Consultation and Engagement Manager to answer the following:

- 1. How the council consults and when is there a legal obligation for a formal consultation?*
- 2. What is the average response rate for consultations, who responds and what are the equality issues?*
- 3. What is the cost for consultations and what tools do we use?*
- 4. How does the E-panel fit in? How does it influence decisions and how transparent is it?*
- 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?*
- 6. How does Scrutiny and ward forums fit into the picture?*
- 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?*

Attached please find:

- a) Report from the Consultation Team
- b) Consultation Principles – Code of Good Practice published by Cabinet Office (April 2012)
- c) LBH Consultation Guide

Attending for this item will be:

Tim Shields, Chief Executive

Polly Cziok, Director of Communications, Culture and Engagement

Florence Obinna, Consultation and Engagement Manager

ACTION

Members are asked to give consideration to the reports.

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Scrutiny Panel Meeting, 9 October 2018

Report of the Communications, Culture and Engagement Directorate

1) Introduction:

This report presents information about how the Council currently consults and engages with residents, businesses and a interested stakeholders. It also provides information on the work being done to develop a Council-wide approach to engagement. Appendix 1 provides examples of past consultations, the approach taken, outcome and associated costs.

2) Council consultations

Consultation is an activity that provides local people with an opportunity to influence important decisions. Consultation is a vital part of the Council's decision making process, a tool for the Council to learn from the perspectives of local residents, businesses, the voluntary and community sector and other stakeholders.

The Consultation & Engagement team provides advice and guidance to colleagues across the Council on how best to carry out public consultations, ensuring it meets best practice standards. This includes advice on the best channels for promoting public consultations and advice on planning, developing and analysing the responses to consultations. We help to ensure that all consultations adhere to the standards of the Council's consultation charter, and exceed these standards wherever possible to enable the widest participation.

The team consists of a Consultation and Engagement Manager, two Consultation Officers whose primary function is tenant and leaseholder engagement on housing regeneration projects, and a Senior Consultation Officer currently leading on the Dalston Conversation, and other place-based engagement programmes. There is a second HRA funded Senior Consultation Officer who oversees tenant and leaseholder consultation in Housing, and a Resident Engagement Officer who works chiefly on tenant engagement events. These officers work in the corporate team rather than in the Housing directorate. Their role is partly to ensure that the tenant voice is heard throughout all council consultations, rather than just those relating to the landlord function.

We work with service areas to ensure that consultation processes are adhering to the following six standards, as set out in the

Council's public consultation charter:

- Explain what we are consulting on and why
- Say who we are consulting
- Say how we are consulting

- Tell consultees about the consultation
- Use the results and feedback to residents
- Be inclusive and try to engage a wide audience

This information is provided on the Council's intranet, including the Consultation Guide¹, an internal document to support officers carrying out consultations.

3) **The Council's consultation process and methodologies²**

The Council's consultation process varies according to what is being consulted upon. The Council consults the local community in a variety of ways, the scale of which is often proportional to the potential impacts of the proposal or decisions being taken and dependent on the type of questions we would like answered. We use a variety of methods to consult with the community, including direct consultations with identified stakeholders, online and offline surveys, focus groups, deliberative discussion events, public drop-ins and roadshows.

A key part of the consultation process is ensuring that the consultation is promoted widely so that residents are able to respond. This is done through publicity in the Council's newspaper *Hackney Today* which is published fortnightly. Consultations are also promoted in newsletters such as the Hackney Matters e-newsletter, Our Homes the housing supplement in Hackney Today, Regeneration newsletters, social media channels such as Facebook and Twitter. We also ensure that printed consultation documents are provided at public access points such as key council buildings, neighbourhood hood offices and libraries. For boroughwide consultations, the consultation documents can also be posted to residents on a per request basis.

Example of Controlled Parking Zone Consultation process

For instance, for the implementation of a controlled parking zones (CPZ), there is a two stage consultation process followed as outlined in the Parking Enforcement plan³:

- **Stage 1:** In principle consultation - to gauge the level of support for the introduction of new parking controls from the local community.
 - A consultation summary, questionnaire and Freepost return envelope is posted to those within the proposed CPZ area.
- **Stage 2:** Detailed design consultation - which determines the parking design and operational hours of a new controlled parking zone.

¹ Council's Consultation Guide: <http://intranet.hackney.gov.uk/consultations>

² Please refer to Appendix 1 for case study examples of recent council consultations, methodology used, number of responses received and costs

³ The Council's Parking Enforcement Plan, 2015 - 2020 - <https://www.hackney.gov.uk/pep>

- A consultation summary, questionnaire and Freepost return envelope is posted to those within the area where the CPZ is being implemented.
- **Feedback:** At the end of the stage 1 and stage 2 consultations, a summary leaflet is sent out to those consulted, explaining the results of the consultations and potential implementation dates.

Public Realm/ Streetscene Consultations

The Council regularly consults on proposed changes to the local environment such as public realm changes, traffic reduction schemes - to reduce through traffic and encourage more cycling and walking.

These schemes are often controversial and highly emotive, leading to polarised views from different groups of residents - as was seen with the consultation on London Fields Traffic Management scheme.

We are currently working with the service area to look at how we could further improve the consultation and engagement process on these schemes.

Informal and Statutory Consultations

Non-statutory consultations: It is good practice to consult with local people if we are proposing changes that are likely to have a significant impact on their lives. This could include: changes to the way services are delivered, development of policies, strategies, changes to the local area such as roads and the public realm.

Statutory consultations: The Council has a legal responsibility to consult, in areas such as:

- **Health** – In health and social care, such requirements exist in the Health and Social Care Act 2012, Section 14Z2, which means that we have to involve service users - for instance when the service they receive is likely to change following a re-commissioning process.
- **Environment** – In consultations relating to the development of environmental policy, Environmental Impact Assessments must be carried out, to determine potential effects on the natural environment.
- **Equality** – The Equality Act 2010 states that public bodies must have “due regard” to a variety of Equalities objectives (Equality Act 2010, Section 149) and consequently, Equality Analysis (formally Equality Impact Assessments) must be carried out to demonstrate that decision-makers are fully aware of the impact that changes may have on stakeholders.
- **Best Value Duty Statutory Guidance** The Best Value Duty applies to how “authorities should work with voluntary and community groups and small businesses when facing difficult funding decisions. It states that authorities are to “consider overall

value, including economic, environmental and social value, when reviewing service provision. To reach this balance, prior to choosing how to achieve the Best Value Duty, authorities remain 'under a duty to consult representatives of a wide range of local persons.

- **Localism Act** - implications for Planning with developers required to engage in pre-application consultation on major schemes - e.g. Britannia Leisure Centre Development.
- **Other relevant legislation:** Road Traffic Act, Town and Country Planning Act

5) **The Council's online citizens' panel, Hackney Matters**

In addition to carrying out consultations, service areas have access to the Council's online citizens' panel Hackney Matters, which provides a practical and cost effective means of capturing local residents' views and feedback about the Council, its services and the local community on a regular, ongoing basis.

Hackney Matters is an online residents' panel, made up of residents from a range of background and ages, who regularly provide feedback on local issues that affect everyone living and working in Hackney.

We recently procured a panel platform, www.hackneymatters.org.uk, which is wholly managed in-house, with a variety of research tools enabling us to carrying a wide range of research activity. We can for instance carry our quick polls, online focus groups, short surveys, long surveys, 'pin-board' allowing panellists to discussion forums etc. Panel members that take part in research activity can earn points which they can redeem for vouchers.

The process of re-registering panel members onto the new platform and taking into account the new GDPR legislation has has an impact on the numbers re-registering. There are currently about 500 panel members, which we are trying to increase too 1000 by Spring 2019, through a dedicated offline and online recruitment campaign.

Recent panel activity has included, quick polls to topics to understand:

- How often residents recycle their food waste
- What would encourage residents to attend a focus group
- How often residents visit parks in the Hackney in the Spring/ Summer
- Satisfaction with customer services at the Hackney Service Centre
- Satisfaction with their local neighbourhood as a place to live

In addition to the quick polls, we have also carried our various Group Talk/ Discussion activities such as: Wick Woodland - understanding whether members use the area, how they use it and whether they have been affected by ASB.

6) Equalities considerations

We closely monitor equalities data in consultation responses. All our consultations are devised to try and reach into as many parts of the community as possible, and we use a variety of channels to reach residents. Hackney Today is widely used to promote consultations, and our reader data suggest that it is widely read by social housing tenants, older people, BAME residents, and people who may be digitally excluded. In some consultations, where we find a group is underrepresented we use targeted focus groups. For example in the recent Schools for Everyone consultation, we found that the majority of respondents were owner occupiers, so we organised a programme of focus groups with social housing tenants to ensure that voice was represented. The approach to engagement that we are developing has a presumption towards taking face to face engagement out into communities, rather than expecting people to come to us.

Developing a Council-wide corporate approach to Engagement

Since 'Hackney: A Place for Everyone' in 2015-16, the Council has developed new approaches to engagement, based on the lessons from that project. The election of the new Mayor in September 2016 has led to a shift in political focus towards a more direct style of resident engagement and involvement. This, in turn, has resulted in a new set of expectations about how the organisation should involve residents in decision making and shaping services. The Council has some difficult decisions to make in the coming years about the future of our services, and it is vital that we effectively engage and involve residents in that process. A corporate approach to engagement, shared across the organisation, will help service areas to understand that expectation, and the support that is available to them in meeting it, so that they can plan effectively.

What do we mean by engagement – and how is it different from consultation?

Consultation tends to be a formal process, sometimes statutory, and almost always necessary where the Council is proposing a major change to services, or a project that will have an appreciable local impact. When we consult it is usually on a worked-up proposal or policy, and we are usually asking people for their views on a very specific set of questions. Consultations are not referenda, and the

results are not binding, but consultation data should and does play an important role in the decision making process. Decisions that have not been properly or thoroughly consulted on can be vulnerable to challenge, or even Judicial Review.

Engagement is less easy to define. In essence, it's about achieving a healthy, open, and transparent relationship between the Council and its stakeholders, where residents and businesses can have a voice, contribute ideas and experiences, and help shape the proposals and policies that will affect their lives. It can be carried out on a small scale, through tightly defined focus groups, through larger deliberative events, or on a wide scale using a variety of methods, as we did with 'Hackney: A Place for Everyone' and 'Schools for Everyone'. It can be used to share information with particular groups, as well as to solicit opinion and ideas. It can work through representative structures, such as the tenant and leaseholders' movement or the Youth Parliament, community meetings, such as Ward Forums, or events as informal as a drop-in in a supermarket. It can take the form of co-production or co-design of services or projects, and can involve a variety of stakeholders, from residents and staff, to external partners. It can be used to help us understand the needs, challenges, and aspirations of a particular group, such as in the Young Black Men project.

Many of these engagement methods can work as part of formal consultations, in order to enhance their reach and gain valuable qualitative insight to compliment quantitative data. They can also be used prior to formal consultation, to help shape proposals.

Draft principles of Consultation and Engagement

These principles have been agreed by HMT and are being communicated across the organisation to help establish best practice, to guide managers, and to create a Council wide culture of good engagement.

1. **MEANINGFUL** That we will meaningfully engage residents, businesses, staff and stakeholders, to help them shape proposals that will affect the services they use and deliver, or the areas where they live and work. That we will, where possible, involve residents and other stakeholders, with the co-production and user testing of solutions and delivery models.
2. **TIMELY** That we will build time into planning for service changes, savings proposals, and new projects, for meaningful public consultation and service user engagement and that we will allow the maximum time that is practical for consultation and engagement within any project.
3. **INCLUSIVE** That we will use inclusive outreach methods, and where possible, engage people within their communities, rather than expecting them to come to us. That we will always work to boost engagement with under-represented groups, to ensure that we are hearing the voices of those most affected, and to ensure that we hear a balance of views.

4. **DIRECT** That we will always seek to engage directly with our residents and businesses where possible, rather than relying on the mediation of community leaders, representative groups, and the voluntary sector, whilst we acknowledge what a vital role they can play in helping to facilitate such engagement.

Engagement calendar:

The Consultation and Engagement service has produced an **engagement calendar** which maps out all the opportunities for face-to-face resident engagement across the municipal year, ranging from large scale events such as Carnival or the half marathon, to highly localised community festivals, events in libraries, or estate fun days. All staff have access to the calendar to help them plan service level engagement, or to add activities. This is also available to Members, who wish to identify community engagement opportunities in their wards.

8) **Member-led community engagement and ward forums**

The current ward forums system was introduced to support backbench members in their community leadership role, allowing members to organise public meetings in their wards, either at regular intervals or led by particular issues. There have been a number of recent meetings where attendance has been very high, particularly where there has been local controversy over traffic management proposals and it is clear that the ward forum system, as it is currently set up, is not suitable for these kind of meetings. It appears that ward forums are becoming conflated and confused with the Council's formal consultation process, and residents' expectation of the meetings are not being met.

The ward forums system is currently under review. This has included an all-member questionnaire and a focus group with backbench councillors.

Consultation	Aim of the Consultation	Consultation Approach	Responses	Cost	Outcome
<p>Neighbourhood Housing Consultation</p> <p>11 week consultation</p> <p>21 Nov to 03 Feb 17 .</p>	<p>To understand how tenants and leaseholders feel about the proposals to:</p> <ul style="list-style-type: none"> - Reduce the number of Neighbourhood Housing Offices (NHOs) from six to three and expand the remaining offices by retaining staff from the closed ones for improved face-to-face - Improve and move more services online - Provide self-service kiosks - Provide estate staff with tablets, enabling them to take online and office based services to tenants on estates. 	<p>A consultation document, survey and a freepost return envelope to every tenant and leaseholder at the start of the consultation</p> <p>Contact details were also provided on the documents for residents who had questions. Translation and large print request forms were also included as part of the survey</p> <ul style="list-style-type: none"> • Online survey on Citizen Space (Consultation Hub) • Meetings with Neighbourhood Housing Panels. 	<p>1570 (6% of tenant and leasehold households)</p>	<p>Design: £371.25</p> <p>Print: £7796.70</p> <p>Postage (all tenants and leaseholders): £11690.00</p> <p>Total: £19,857.95</p>	<p>Majority of participants supported the proposals - with good representation from elderly groups and residents with a disability</p> <p>The consultation also had a direct impact in setting out the new Housing Modernisation Programme, which has seen the introduction of more Estate Officers, equipped with tablets, taking services to the most vulnerable residents on estates.</p>
Consultation	Aim of the Consultation	Consultation Approach	Responses	Cost	Outcome

Older persons Housing Strategy:	<p>The aim of these focus groups was to speak to a range of residents aged over 55 about the housing needs they have currently, their housing needs in the future and the types of communities they would like to live in in the future. The findings from these focus groups were combined with statistical data collected by the Council on housing needs and issues in the borough, and informed the development of an initial set of policies, which will form a Housing Strategy for older people; to supplement the Hackney Housing Strategy 2017-2022.</p>	<p>Recruitment was advertised through the following channels:</p> <ul style="list-style-type: none"> • Hackney Today • Hackney Matters e-panel • Posters in Neighbourhood offices, Libraries, • Emails to TRA and TMO chairs • Emails to Member Ward Forums <p>Promotion through:</p> <ul style="list-style-type: none"> • Older person's reference group • Hackney Caribbean Elderly organisation • The Factory Asian Elders Project • The sharp end retirement project • Connect Hackney • Age UK • Shelter • Digs – Hackney PRS forum 	<p>3 focus groups were held - 22 residents aged 55 and over with mixed ethnicity and genders attended.</p>	<p>£440</p> <p>Incentives of £20 were offered to those who attended</p>	<p>The focus groups highlighted many issues outside the look, feel and accessibility of housing. .Transport, green space and a diverse and inclusive communities, social isolation were top themes.</p> <p>The findings from this qualitative piece of consultation has actually led to the older people's housing strategy being paused, as it was widely recognised (as a result of this bit of work) that we need a Older Person's Strategy more generally and not just with regards to Housing.</p>
Consultation	Aim of the Consultation	Consultation Approach	Responses	Cost	Outcome
Abney Park	Gather feedback to inform a	<ul style="list-style-type: none"> • Paper surveys (at the park) 	409	Design: £701.25	Abney park was successful

<p>Consultation</p> <p>10 Dec to 27 Jan 17.</p> <p>The consultation launch was timed to coincide with the Abney Park Trust Winter Open Day (10th December) where paper copies of the survey were made available to visitors.</p>	<p>Heritage Lottery Fund grant application for improvements to the park.</p> <p>Consultation to understand:</p> <ul style="list-style-type: none"> • What parts of Abney Park work well and are enjoyed by the public • What parts are disliked and in need of improvement. • explored how the park can become more inclusive and accessible for Hackney residents through the provision of more facilities, events, workshops and activities 	<ul style="list-style-type: none"> • Online surveys • Events (in Stoke Newington, handing out surveys to local residents) • Letters (to the stakeholders) 		<p>Print: £158.75</p> <p>Total: £860</p>	<p>in it's application for funding. Consultation encouraged focus to be on retaining history and wildlife in the park ahead of using the space for major events.</p> <p>More informaiton at: https://consultation.hackney.gov.uk/parks-green-spaces/abney-park-improvements/</p>
Consultation	Aim of the Consultation	Consultation Approach	Responses	Cost	Outcome
SEND Funding	Proposals to adjust the funding	Targeted parents and/or carers of	1,481 - the majority of	£3533.50	A public campaign was launched by parents against

<p>Arrangements Consultation</p> <p>31 Oct to 21 Dec 17.</p>	<p>arrangements for SEND children with complex and exceptional needs. The funding is allocated to a school after a statutory assessment has been carried out and the pupil given an Educational, Health and Care Plan (EHC Plan).</p> <p>Context: In Hackney, the 2017/18 shortfall in SEND funding is around £6.1m. This is because of increased demand on the service, a rise in SEND pupil numbers, changes to legislation, and a reduction in funding.</p>	<p>children with SEND - 1,871 families across the borough.</p> <ul style="list-style-type: none"> ● Consultation summary ● Questionnaire ● Freepost Envelope ● Online survey on citizenspace ● FAQs on citizenspace ● Translated consultation materials - Bangali, French, Polish, Portuguese and Turkish ● A workshop with teachers/heads/Special Educational Needs Co-ordinators (SENCO) ● Two workshops with parents. ● Meetings: Homerton Hospital and Hackney Special Education Crisis campaign representative ● Promotion - in Hackney Today and the Local Offer Website - dedicated website for Education in the borough 	<p>responses received online.</p>	<p>Design, print, 2nd class and postage</p>	<p>the proposals.</p> <p>Cast majority against the proposals so proposed changes not implemented.</p> <p>Co-design working group set up with relevant stakeholders including parents and carers. This work is still progressing.</p> <p>https://consultation.hackney.gov.uk/communications-and-consultation/send-funding-arrangement/</p>
Consultation	Aim of the Consultation	Consultation Approach	Responses	Cost	Outcome
<p>Britannia Development</p>	<p>Consultation on the proposed development of the Britannia</p>	<ul style="list-style-type: none"> ● Consultation summary, questionnaire sent to 6,535 	<p>479</p>	<p>£8626.25</p> <p>Design, print -</p>	<p>The majority generally supportive of the proposals to develop the Britannia site.</p>

<p>Proposal Consultation 5 Dec to 12 Feb 17</p>	<p>Leisure Centre site.</p> <ul style="list-style-type: none"> ● New leisure centre ● New secondary school ● Housing for sale - to fund the development. <p>Funded by sale of housing units on the site</p> <p>Feedback invited on the feasible options for the site.</p>	<p>households in Hoxton East and Shoreditch</p> <ul style="list-style-type: none"> ● Printed copies available at HSC, Town Hall and Britannia Leisure Centre ● Online survey on citizen space ● Email sent by GLL to all Britannia Leisure centre members ● 10 Drop-in- events <ul style="list-style-type: none"> ○ Shoreditch Park Primary ○ Colville community centre ○ Britannia ● Posters at Britannia, Colville Estate and Shoreditch Park Primary ● Consultation pack sent to parents of Shoreditch park Primary via book bags ● Permanent exhibition at Britannia for the duration of th consultation ● Article in Hackney Today 		<p>consultation materials, posters, Formex boards and distribution</p>	<p>Concerns raised about the quantity and ratio of affordable housing and fact that private housing won't benefit local community.</p>
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Consultation Principles 2018

A. Consultations should be clear and concise

Use plain English and avoid acronyms. Be clear what questions you are asking and limit the number of questions to those that are necessary. Make them easy to understand and easy to answer. Avoid lengthy documents when possible and consider merging those on related topics.

B. Consultations should have a purpose

Do not consult for the sake of it. Ask departmental lawyers whether you have a legal duty to consult. Take consultation responses into account when taking policy forward. Consult about policies or implementation plans when the development of the policies or plans is at a formative stage. Do not ask questions about issues on which you already have a final view.

C. Consultations should be informative

Give enough information to ensure that those consulted understand the issues and can give informed responses. Include validated impact assessments of the costs and benefits of the options being considered when possible; this might be required where proposals have an impact on business or the voluntary sector.

D. Consultations are only part of a process of engagement

Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process.

E. Consultations should last for a proportionate amount of time

Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses.

F. Consultations should be targeted

Consider the full range of people, business and voluntary bodies affected by the policy, and whether representative groups exist. Consider targeting specific groups if appropriate. Ensure they are aware of the consultation and can access it. Consider how to tailor consultation to the needs and preferences of particular groups, such as older people, younger people or people with disabilities that may not respond to traditional consultation methods.

G. Consultations should take account of the groups being consulted

Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action, such as prior discussion with key interested parties or extension of the consultation deadline beyond the holiday period.

H. Consultations should be agreed before publication

Seek collective agreement before publishing a written consultation, particularly when consulting on new policy proposals. Consultations should be published on gov.uk.

I. Consultation should facilitate scrutiny

Publish any response on the same page on gov.uk as the original consultation, and ensure it is clear when the government has responded to the consultation. Explain the responses that have been received from consultees and how these have informed the policy. State how many responses have been received.

J. Government responses to consultations should be published in a timely fashion

Publish responses within 12 weeks of the consultation or provide an explanation why this is not possible. Where consultation concerns a statutory instrument publish responses before or at the same time as the instrument is laid, except in very exceptional circumstances (and even then publish responses as soon as possible). Allow appropriate time between closing the consultation and implementing policy or legislation.

K. Consultation exercises should not generally be launched during local or national election periods.

If exceptional circumstances make a consultation absolutely essential (for example, for safeguarding public health), departments should seek advice from the Propriety and Ethics team in the Cabinet Office. This document does not have legal force and is subject to statutory and other legal requirements.



Consultation Guide

Code of good practice on consultation

April 2012

Guide for Consultations

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PART 1: INTRODUCTION

This **Consultation Guide** re-affirms the principles set out in the previous strategy and reasserts our commitment to continually improve the way we carry out public consultations.

Consultation is a vital part of the **Council's decision making process**, a tool for the Council to learn from the perspectives of local residents, businesses, the voluntary and community sector and other stakeholders. We are committed to extending consultation far beyond any statutory requirements.

Consultation operates at a number of levels from informing people to partnership in making decisions. In many cases, best practice is for users of services to be consulted on a continuous basis – e.g. a user of the home care service can rightly expect to be consulted on each visit about what needs to be done. On the other hand, there are specific circumstances in which the Council wishes to consult before making a decision, or before deciding whether to make a significant change to a service.

Consultation and the democratic process

The results of public consultations will often form only part of the information that Councillors and Officers have to make a decision. For instance Councillors and Officers have to take account of various other factors such as: legislation and government guidance; demographic data, environmental and financial impacts. Councillors may sometimes be faced with unpalatable choices, as there will be times when what people want in one area is incompatible with what the rest of the borough wants. In these circumstances Councillors should take full account of the views which have been expressed, but will need to exercise their own judgement in balancing the competing pressures.

Cabinet forward plan

Whenever Hackney Council makes a decision about improving or changing its services, it needs to be confident that it is properly informed by public opinion. There is a **Cabinet Forward Plan** outlining major decisions that is intending to take over the next 3 months. Officers must consider what public consultation is needed for papers being considered by cabinet and get it signed off by the consultation team.

Officers unsure about the level of consultation required should contact the consultation team in advance to ensure that they receive appropriate consultation advice and support before submitting information for the **cabinet forward plan**.

Consultation forward plan

Officers should ensure that any key planned consultations are included in the **Consultation Forward Plan** managed by the consultation team. This will ensure that consultations receive the appropriate advice and support of the consultation team. You can alert the consultation team of any planned consultations by completing the **consultation form at http://staffroom.hackney.gov.uk/consultation_log_form.doc** and email it to Consultation@hackney.gov.uk

Customer insight

Before deciding to consult, officers should take advantage of the rich sources of secondary data and **customer insight** already available. This is very cost effective as it is essentially desk research. Information from past consultations may provide valuable insight for your service for example:

- in preparing equalities impacts assessments
- understanding where your service is performing well and not so well
- understanding the aspirations and preferences which may provide ideas for improvements.
- understanding which groups are more and less likely to be involved in engagement exercises
- which communication methods are more effective for different groups

For further information on the different **customer insight resources** please visit <http://staffroom.hackney.gov.uk/customer-insight.htm>

Hackney Matters E-panel

Hackney Council's online citizens' panel is made up of a broadly representative cross section of 1200+ residents who are consulted 4/5 times a year on areas of strategic importance. The panel has been an invaluable to the Council in finding out how people feel on key issues that affect the borough. Copies of all the reports of previous e-panel research is available via the E-Library:

<http://staffroom.hackney.gov.uk/servintranetapps/EResearch/index.asp>

To ensure the panel continues to be representative of the borough profile, its membership is refreshed annually.

Consultation and Policy produce a research forward plan which identifies areas of research with the panel for the year ahead. This is signed off by HMT and the lead member.

If there are particular areas of research you would like considered for the panel, please email the Consultation Manager at: consultation@hackney.gov.uk. This however doesn't guarantee inclusion in the e-panel research forward plan.

This guide is specifically concerned with how the Council undertakes public consultation exercises. Part 1 and Part 2 are internal guidance for officers. They set out a framework to guide officers as to why we need to consult, to decide when they should consult, at what level and about what. We are determined to ensure that all consultations have a clearly defined purpose and scope, meet corporate standards and are co-ordinated one with another.

Part 3 sets out Hackney's standards in relation to consultation with the public, and has been made widely available.

Commitments to consultation:

Our commitment to maintain and continually improve the level of consultation is not only an aspiration it is also a requirement:

- Hackney's Constitution, Article 2 – section 2.2 alludes to the importance of consultation as part of the principles of decision-making.
 - The Council will aim to use a variety of methods to consult with the community, including direct consultation with identified stakeholders, focus groups, road shows, email contact and surveys, in addition to Neighbourhood committees and forums.
- We have other statutory requirement to consult on specific areas, such as the Road Traffic Act, the Town and Country Planning Act. A list of statutory consultations will be held by the Public Consultation Officer.
- The Localism Act has implications for planning, with developers being required to engage in pre-application consultation on major schemes. Hackney already encourages pre-application consultation on development schemes, so this does not represent a major change.
- The new statutory Best Value Guidance, issued in September 2011, has strengthened the requirement to consult by re-emphasising the original duty in the 1999 Local Government Act. You can view this guidance at:

www.communities.gov.uk/publications/localgovernment/bestvaluestatguidance

Other relevant documents that cover consultation

Hackney Compact

The **Hackney Compact** sets the consultation code which must be followed when consulting with the Voluntary and Community Sector. This is accessible via:

<http://www.teamhackney.org/compact-homepage>

Statement of Community Involvement (SCI)

The SCI states how the Council will involve the community in planning applications, as well as the Council's expectations for how developers should engage the community when preparing their planning applications. This is accessible via:

<http://www.hackney.gov.uk/ep-planning-policy-sci.htm>

What are the benefits of consultation?

Consultation

- informs people about proposed changes and/or
- involves people in decision-making.
- helps us to decide what changes we should make
- help us to find out the success or failure of what we've done
- enables us to decide on priorities for the future

External, public consultation helps us to:

- understand other people's views
- find out what people really want so we can try to meet their aspirations

- assess and improve on the quality of Council services and delivery
- where possible, achieve a consensus.

Internal consultation with staff helps us to:

- empower our staff through “involving” rather than “telling”
- involve members of staff in service delivery and planning

Who are the key stakeholders for our consultation?

Our strategic plan identifies a number of people that we will consult. These include:

- **our diverse communities**
- **Ward based committees/ forums**
- **older people**
- **young people**
- **management and staff**
- **Councillors**
- **partner organisations in the voluntary, public and private sectors** – including local statutory agencies (Health Authority and the Police), local voluntary and community sector organisations, local businesses, central government, actual and potential service users.

PART 2: APPROACH TO CONSULTATION

Consulting Internally

This consultation guide identifies the need for involvement of staff in planning and service delivery as stakeholders in the work of the Council. In the development of policy and delivery of day to day service improvements, officers should be using informal consultation at levels one and two of this guide. In relation to structural changes or major service delivery changes officers **must formally consult with staff and trade unions**.

The existing Human Resources Standards and Frameworks can be found on the intranet at <http://staffroom.hackney.gov.uk/hr-staff.htm>

Consulting externally (public consultations)

Hackney is committed to on-going consultation with the public. This consultation guide sets out good practice in engaging with the public for the purposes of how they view our services.

The document is not designed to be used for on-going client/service user engagement on a one to one basis, however the principles embodied in it, such as providing feedback, remain good practice.

This consultation guide does not over-ride any timescales or requirements for statutory consultations.

This document is not a statement of how we engage with the community in a wider sense.

Consulting...

We sometimes say we are consulting when we are not. Officers need to be clear about this when completing the public consultation form. Are you consulting and if so, what influence will that have on the outcome? Are you informing the public of a decision which is about to take place, or are you researching changes to services, rather than seeking to make a decision at this time? It may be that you are using this exercise to inform the public at the same time as consult. The table on the next page gives some examples of the different level of consultation to help you decide.

There are also different levels of consultation. Sometimes it will be taking opinions into consideration along with other issues such as the available budget, when coming to a conclusion. For the purposes of this guide this is described as **consultation**. **Involving** is consulting where the outcomes will be heavily influenced by the views of the consultees. This might be where there are a range of options which are all costed, and they have to make a decision which one they prefer. Consulting in **Partnership implies** the Council is not the only one involved in the decision. This kind of consultation might be applicable for decision taken with a partner organisation.

It is crucial to establish the level of involvement being offered to stakeholders to ensure that they are aware of what can and cannot be expected. When this is not set out clearly it leads to consultation being criticised or even failing. The level of involvement being offered will largely depend on the specific issue or circumstances under which consultation is being sought. However, we will always strive towards encouraging involvement at an early stage, and ensure that participants are made aware of what they may expect as a direct result of their involvement.

Government Guidelines on Consultation

What does the Government say we need to do when consulting?

GOVERNMENT GUIDANCE FOR OFFICERS ON CONSULTATION PROCESS

Timing: of the consultation should be built into the planning process from the start, to ensure the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage. Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation.

Purpose of the consultation: Who is being consulted, about what questions, in what timescale and for what purpose.

Consultation document: This should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain

Distribution: Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals.

Results: Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken. Feedback should be given to participants in addition to results.

Evaluation: Departments should monitor and evaluate consultations, designating a consultation coordinator who will ensure the lessons are disseminated

Consultation Standards in Hackney

When conducting public consultations, officers are expected to adhere to the principles in the Public Consultation Charter set out in Part 3 of this document. These standards also constitute good practice for the purposes of internal consultation.

A corporate approach to consultation

The consultation team provides and guidance to service areas on the best ways to deliver high quality consultations that engage residents, targeted audiences and stakeholders; and communicate activity and results.

The consultation team advises on best practice, coordinates consultation initiatives across the Council and manages Council's online citizens' panel. The team keeps a record of all corporate consultations projects in a consultation forward plan. Generally, the team

- advises on best practice
- advises on implementation
- advises departments on appropriate stakeholders for consultation
- co-ordinates and records all consultation activity within the Council
- monitors implementation of Hackney's Consultation Charter
- ensures that the results of consultation activities are published widely
- Manages the Council's online citizens' panel, Hackney Matters

Forward planning and registering consultations

Officers should ensure that any key planned consultations are included in the **Consultation Forward Plan** managed by the consultation team. This will ensure that consultations receive the appropriate advice and support of the consultation team.

Officers must consider what consultation is needed for papers being considered by cabinet. Cabinet produces a forward plan outlining major decisions that it is intending to take over the next three months. This is updated monthly. Each item indicates:

- who is to be consulted before the decision is made
- how the consultation will take place
- who can be contacted with comments
- the dates of any consultation

All public consultations (whether or not there is an associated cabinet decision) must be registered centrally with the Consultation Team.

You can alert the consultation team of any planned consultations by completing the **consultation form** at http://staffroom.hackney.gov.uk/consultation_log_form.doc and email it to Consultation@hackney.gov.uk

PART 3 HACKNEY'S PUBLIC CONSULTATION CHARTER

This Charter sets out six standards. It is our aim that these standards should underlie all public consultations carried out by Hackney Council.

The Six Standards

When we carry out a public consultation we will:

1. Say what and why

- say what it is we are consulting on and clarify which, if any, elements of the proposal or document are for information only and not for consultation; ie to identify which level of consultation is appropriate. (Where there is more than one element in the proposal or document the consultees will be invited to comment on the individual elements as well as the overall proposal).
- give the reasons why we are consulting on the issue or proposal
- spell out the options for action or the range of possible decisions
- provide background material where appropriate
- check that the background material is accurate and complete to the best of our knowledge and ability
- use plain language in consultation documents

2. Say who

- explain which people and which groups are being consulted this time, and why these individuals or groups were selected (for example: "this proposal particularly affects people living in Haggerston")
- give the name and telephone number of a contact who can answer questions about the consultation

3. Say how

- describe how we will consult on this issue – for example a public meeting; a postal survey; an electronic survey; a consultative conference; a set of focus groups; publication of a document for public comment
- where practical, work with stakeholders to plan the consultation process itself
- endeavour to give enough time for every 'consultee' to consider the issues properly, and consult with the rest of their group if they represent one. If the voluntary sector is involved the desirable minimum consultation period is 12 weeks
- indicate whether there will be an exception to the general rule, that replies to consultations are treated in confidence, and only reported in aggregate (e.g. 70% of respondents welcomed the proposal, 20% were opposed and 10% were undecided)
- abide by the provisions of Data Protection legislation regarding information collected

- use competent, trained staff or contractors to carry out the consultation, or where appropriate train members of a particular community to consult with that community.

4. Tell you about it

- publish a list of forthcoming consultations, including start and finish dates, on the Council's website (www.hackney.gov.uk). **Consultation finder** lists all our consultations in one place, making it easier for people to access.
- We publicise consultations and their results via the Have Your Say section of Hackney Today.
- tell you in advance whether you can expect an individual reply (sometimes we are overwhelmed by the volume of replies and cannot reply individually)
- say when and how we will publicise the results of the consultation
- publish the results of the consultation as soon as possible after the closing date, recognising that the Council's formal response to the consultation will not generally be published until a later date
- tell the people who took part in the consultation the overall results and the results for individual elements where applicable – and make this information available to others

5. Use the results

- use the results of the consultation to inform the decisions the Council makes and thus to improve service delivery
- acknowledge the input made by the participants
- explain to the interested parties how the consultation influenced the decision

6. Be inclusive

- formally assess the extent to which it is appropriate to use or provide:
 - signers
 - other language interpreters
 - translators
 - alternative formats such as Braille, large print or audio tape to enable more people to take an informed and equal part in our consultations. This will include information on how a translation may be obtained, and where there is a demand, an interpreter will be arranged for meetings.
- recognise the particular needs of people with physical or learning disabilities, including the use where possible of meeting rooms with inductive loops
- recognise the needs of faith groups when participating in consultation
- use other appropriate means to make our consultations inclusive
- abide by any provisions of the Youth Parliament in respect of consulting children or young people; the Older People's Council in respect of older people, the Compact when consulting with Voluntary and Community Organisations, the Neighbourhood Committees in relation to relevant consultations and the Tenants' Compact in relation to consulting tenants.

Type of Consultation	When to use it	Explanation	Example 1	Example 2	Example 3	Appropriate Timescale
INFORMING	Where a decision has been taken and consultation is not required.	Telling local communities what the Council plans <i>ie an information exercise</i>	Managerial decisions on how to progress. (Should ideally follow 2)	An election has been called and the public have to be informed of the dates and times of the election.	Outcome of Ombudsman complaints.	As soon as possible
RESEARCHING	Where information is being sought to help to make a decision.	Gathering information on opinions, attitudes and priorities to inform decision-making.	Asking staff for ideas about the best way to achieve an outcome.	We want to find out how the public would prefer to access Council services so we conduct a poll.	Annual tenant survey - Postal survey sent to every tenants and leaseholder.	Timescale relevant to decision timescale
CONSULTING	Where views will be taken into consideration when making a decision	Obtaining views on proposals or initiatives and taking them into account when decisions are made. This might be:				
		a) Discretionary	Asking a Scrutiny Committee to look at a decision or policy before it is sent to Cabinet.	Postal survey on rent sent to tenants.	Cross departmental agreement on a policy affecting the whole authority, such as implementation of IT	Eight to twelve weeks
		b) By agreement or Compulsory	Trade Union negotiations on redundancies.	Best value performance consultation required by the Government.	On a statutory plan required by Government.	12 weeks
INVOLVING	Where the outcome will be heavily influenced by the results of the consultation.	Working with consultees to find solutions, or where a range of possible options are on offer and the outcome is to choose one of the options.	Discussing with neighbourhood committees about specific changes that relate to their area.	Consultation with residents on the transfer of estates to a social landlord.	The outside of a community centre needs to be repainted. A choice of colours are available.	Where a statutory decision is required, up to 12 weeks
PARTNERSHIP	Where we are taking a decision with others	Initiating joint working and decision-making with the local community and other stakeholders.	Taking decisions about commencing services such as the drugs action partnership with the Health Authority.	Deciding with our partners whether to accept or reject applications that are made for funding through the Neighbourhood Renewal Fund.	New structure of joint management in Mental Health Services	Appropriate to decision to be made, normally at least eight weeks.

Table A: Guidance for officers on level of consultation and examples. Please note these are not definitive. If you are in any doubt about devising a consultation, please contact the Consultation Manager on 020 8356 4342



Form for logging up-coming consultations

Please complete this form *prior* to undertaking consultation activity and return to the Consultation Team using the contact details at the end of the form. This information will better help us to support your project and help you towards a meaningful outcome.

1. Contact details				
Name				
Job Title				
Department	Double click to pick a department			
Email				
Extension				
2. About the planned consultation				
Name of this consultation:				
What are you consulting on?				
Why are you consulting?				
The purpose of the consultation is to (please tick all that apply):				
Inform <input type="checkbox"/>	Research <input type="checkbox"/>	Involve <input type="checkbox"/>	Consult <input type="checkbox"/>	Partner <input type="checkbox"/>
What questions do you want responses on:				

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Are there any parts of the consultation that are not up for public debate? If so please state.

3. Who are you consulting with?

Think about your target audiences. To ensure your consultation is inclusive you will need to list the groups you think you will need to target, then research contacts for organisations and clubs you can use to access them. The Consultation Team can help with this process. Contact to make sure all the necessary groups are made aware of your consultation.

Who are you consulting with? (please state below)	Contact/organisation name if any	Method of consultation (for e.g. survey, focus group, event etc)
j		

4. How are you going to consult?

How are you going to get answers to your questions? And will you use the same method for different groups of people? Think about how you would like to gather peoples' opinions and describe as best as you can in the table below.

We will carry out this consultation using the following methods:

Method (please select from the list below)	Further details if already known (date, venue, times, locations, quantity required etc)
Please select item	
Please select item	
Please select item	
Please select item	
Please select item	
Please select item	
Please select item	
Please select item	
Please select item	

5. About the consultation

We will carry out the consultation over a period of	weeks	
Between the dates:	/ /	and / /
The results of the consultation will be published in the following way(s):		
We will publish the results by:	/ /	
The Council will make a formal decision on the outcome by:	/ /	
6. Equalities: <i>Your consultation needs to be accessible to all sections of Hackney. This includes disabled users and users with English as a second language. Think about how you can accommodate the needs of all groups of people into your consultation.</i>		
Is this consultation linked to an Equalities Impact Assessment (EIA)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If 'yes', please specify, if 'no', please give reasons for not completing an EIA.		
Please leave details here about how you intend to make sure your consultation is fully accessible. (For example, translations, large print, Braille etc).		

Please send your completed form to:

Consultation Team, Chief Executive's Directorate
 London Borough of Hackney
 Mare Street, London E8 1EA
Email: consultation@hackney.gov.uk
Telephone: 020 8356 4342/ 7527 / 7528



Scrutiny Panel 9th October 2018 Item 9 – Mayor’s Question Time	Item No 9
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OUTLINE

A key element of the Scrutiny function is to hold the Mayor and Cabinet to account in public as part of Cabinet Question Time Session.

The Mayor’s Question Time is the responsibility of Scrutiny Panel.

The Mayor is given advance notice of three topic areas which will be the focus of the questions and the Panel agreed the following for this session:

- 1. The progress on implementation of the 2018 Manifesto commitments**
- 2. The financial resilience of Hackney Council**
- 3. The impact of Brexit in Hackney.**

Here is the minute of the last year’s session with Mayor Glanville on 11 December 2017

<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=30458>

Attending for this item:

Mayor Glanville

ACTION

Members are asked to give consideration to the response and ask questions.

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Scrutiny Panel 9th October 2018 Item 10 – Work Programme	Item No 10
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OUTLINE

Attached is the updated work programme for the Scrutiny Panel for the year. Please note that this is a working document.

ACTION

Members are asked to note the report and make any comments or amendments as necessary.

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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
Mon 16th Jul 2018 Papers deadline: Wed 4 th July	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance update to cover: <ol style="list-style-type: none"> 1. A forward look at the outlook for local government finance with the main variables and headlines as well as risks? 2. Information about how well placed the Council is to adjust to the new business rates regime?
	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
Tue 9 Oct 2018 Papers deadline: Wed 27 th Sept	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance update to cover: <ul style="list-style-type: none"> • Overall Financial Position report • Capital works programme report • Budget scrutiny areas of inquiry
	Cabinet Question Time Mayor Glanville	Chief Executive's Directorate Mayor's Office Ben Bradley / Tessa Mitchell	CQT session with the Mayor. Three topic areas which will be the focus of the questions for this session: <ol style="list-style-type: none"> 1. The progress on implementation of the 2018 Manifesto commitments 2. The financial resilience of Hackney Council 3. The impact of Brexit in Hackney.
	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"> 1. How the council consults and when is

Dates	Proposed Item	Directorate and officer contact	Comment and Action
		Communication, Culture and Engagement Polly Cziok, Director and Florence Obinna, Consultation and Engagement Manager	there a legal obligation for a formal consultation? 2. What is the average response rate for consultations, who responds and what are the equality issues? 3. What is the cost for consultations and what tools do we use? 4. How does the E-panel fit in? How does it influence decisions and how transparent is it? 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? 6. How does Scrutiny and ward forums fit into the picture? 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?
	Budget Scrutiny	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	SP to set up and agree the Budget Scrutiny Task Groups
	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
Mon 21st Jan 2019 Papers deadline: Wed 9 th Jan	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance Update to cover: <ul style="list-style-type: none"> •
	Chief Executive Question Time	Chief Executive's Office Tim Shields / John Robinson	Question time session with the Chief Executive will cover: <ul style="list-style-type: none"> •
	Sustainable procurement policy		TBC
Mon 1st Apr 2019 Papers deadline: Wed 20 th Mar	Quarterly Finance Update	Finance and Corporate Resources Directorate Ian Williams	Finance Update to cover: <ul style="list-style-type: none"> •

Proposed work items not scheduled in the work programme

Suggestion	Suggestion from	Description of item
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 SP Chair	<i>The Council is launching a new Sustainable Procurement 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.

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