

London Borough of Hackney  
Scrutiny Panel  
Municipal Year 2018/19  
Date of Meeting Monday, 29th April, 2019

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

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<b>Chair</b>	<b>Councillor Margaret Gordon</b>
<b>Councillors in Attendance</b>	<b>Cllr Ben Hayhurst, Cllr Sharon Patrick, Cllr Sophie Conway, Cllr Sade Etti, Cllr Richard Lufkin and Cllr Yvonne Maxwell</b>
<b>Apologies:</b>	<b>Cllr Mete Coban</b>
<b>Co-optees</b>	
<b>Officers In Attendance</b>	<b>Steve Edwards (UNITE), Glyn Harries (Unison), Marvin Hay (Unison), Sonia Khan (Head of Policy and Partnerships), Dan Paul (Head of HR &amp; OD &amp; Elections), Poppy Middlemiss (Public Health Strategist), Lee Ray (UNISON), Tim Shields (Chief Executive), Ian Williams (Group Director of Finance and Resources), Claire Witney (Community Investment and Partnerships Manager), Brian Debus (Unison), Matthew Paul (Unison) and Joanne Blackwood (Policy and Partnerships)</b>
<b>Other People in Attendance</b>	<b>Councillor Caroline Selman (Cabinet Member for Community Safety, Policy and the Voluntary Sector), Sean Canning (Hackney Community Law Centre), Nathaniel Mathews (Hackney Community Law Centre), Councillor Ian Rathbone, Yasmin Alam (Hackney Citizens Advice Bureau), Simin Azimi (Women's Refugee Association), Bethan Lant (Praxis), Amy Wilks (Shelter), Muna Yassin (Fair Money Advice) and Councillor Polly Billington</b>
<b>Members of the Public</b>	<b>25 members of the public</b>
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**Councillor Margaret Gordon in the Chair**

## 1 Apologies for Absence

- 1.1 Apologies for absence was received from Scrutiny Panel members Cllr Mete Coban and Cllr Anna Lynch. Apologies were also received from Cllr Nick Sharman and Cllr Caroline Woodley.

## 2 Urgent Items / Order of Business

- 2.1 It was agreed that item 5, the Councils review of Advice Services would be taken at item 4 (update from Group Director for Finance).
- 2.2 As Cllr Gordon would be absent for Item 5 the Review of Advice Services (see 3.2), Cllr Hayhurst would Chair this item.

## 3 Declaration of Interest

- 3.1 Cllr Patrick, was a member of the Management Committee of Hackney Marsh Partnership which received grants for advice services and was part of the recent review, so would withdraw from the room for item 5; the Councils Review of Advice Services.
- 3.2 Cllr Gordon (Chair) spoke on behalf of the Law Centre (which was part of the Advice Centres Review) at Cabinet on 25<sup>th</sup> March and would therefore withdraw from the room for item 5, the Councils Review of Advice Services. This item would therefore be Chaired by Cllr Hayhurst.

## 4 Update from Group Director, Finance and Resources - Finance and Property

- 4.1 The Chair welcomed Ian Williams. Group Director for Finance and Resources to the meeting. The Director presented two reports that had been submitted to the Panel: an Update on the Council's Property Portfolio and the Monthly Financial Position from January 2019.

### Property Portfolio

- 4.2 The paper summarised a number of developments that had taken place in the Council's property portfolio since 2012/13. The Council had made a concerted effort to invest in its assets and to ensure that these provided a return. This approach has helped to increase the income generated from the Councils HRA and General Fund portfolio. The Panel noted that rental income from HRA properties had increased from £1.6m in 2012/13 to £2.4m in 2018/19 and that rental income from General Fund Properties had increased from £1.5m to £7m over the same period. These income streams had been used to protect front-line services.
- 4.3 The Council had also been able to reinvest in properties that were previously used for corporate accommodation. For example, the Council had bought the lease for Keltan House and had re-let the property for much needed workspace in Hackney. Keltan house now generated an annual income of £1.25m to the council.

- 4.4 The council had also made a number of strategic acquisitions within the borough to enable the council to fulfil its place shaping role. For example, the council had acquired the building next to Hackney Central which would enable the council to shape and influence the future development of Hackney Central town centre.
- 4.5 A number of new acquisitions were highlighted to the Panel which included the purchase of the freehold of Sherry's Wharf. The freehold was purchased for £12.75m, which had protected the council from substantive rent increases which were planned for this (previously leased) property.
- 4.6 The Council constantly assessed the local property market to identify any properties or land which could be of strategic importance to the council. It was noted however, that there were no plans at present for further acquisitions.

#### Questions

- 4.7 The Panel requested further details on the site in Hackney Central currently occupied by Tesco supermarkets.
- In response, it was clarified that the Council had purchased the site two years ago, but this did not include the arches which were currently used by Fashion Village. In respect of progress for this development, it was noted that the council acquired the site and then granted a long-term lease to a developer to bring forward plans for the site. The developer was in ongoing discussions with council planners about development plans. It was confirmed that any income due from this arrangement had been paid to the council and represented an ongoing income stream. There were stipulations within the lease which required the developer to agree development options by certain times, which if not completed would allow the Council to exercise a different course of action.
- 4.8 The Panel sought to clarify if there were any risks posed with the Tesco site should the developer not come forward with viable plans?
- It was reported that progress had been made with the current developer and plans had progressed. Although there were still uncertainties which may impact on the broader economic climate, the facts of the matter were that the purchase of the 3.5 acres of prime development site in the centre of Hackney was a good investment for the Council and provided a significant opportunity to shape and influence development on that site.

#### **Agreed: The Group Director agreed to circulate a briefing with an update on the development of the Tesco site.**

- 4.9 The Panel wanted to understand if there were any immediate risks to the council's property portfolio and how the council planned to mitigate these?
- It was noted that the Council had properties relating to the HRA estate (e.g. those commercial properties under housing blocks) as well as free standing General Fund commercial properties. It was reported that there was no significant sign of occupants not being able to pay their rents, surrendering their leases and that demand for leases remained strong. In addition investment in local property such as on Dalston Lane Terrace had proved effective as not only had this restored Georgian listed properties, but commercial units had now been leased to generate additional income for

the council. A similar position was reported for units held by the council at Dalston Curve.

- 4.10 It was reiterated there had been no evident 'flight' from commercial properties in Hackney and that demand remained strong. The council had also made a significant investment to ensure that commercial tenants now had regularised leases and had standardised rent reviews. This has also helped to maintain and develop new income streams for the council.
- 4.11 The Panel questioned whether there was any potential to develop social housing in the property portfolio held by the council?
- It was noted that a development had taken place on Westgate Street where the council had been a long-term freeholder for the site. A renegotiation of the lease with the leaseholder had helped to bring forward social housing and commercial units in the development of this site.
- 4.12 The Panel wanted further information on how the space at Stoke Newington Town Hall could be maximised in any redevelopment of the site?
- It was reported that there would need to be significant investment in this building to make this commercially attractive to prospective tenants. It was agreed that the sooner the redevelopment could take place, the less of a burden this would place on existing maintenance and refurbishment budgets. Work on this project has been ongoing, but was complex given the relevant heritage issues.

**Agreed: An update would be provided on the redevelopment plans for Stoke Newington Town Hall.**

- 4.13 The Panel sought to clarify if there was an update in respect of the East Curve Garden in Dalston and the planned developments to the rear of this site.
- It was noted that this was outside the scope of this particular item, but an update could be provided to the Panel.

**Agreed: An update would be provided on the redevelopment plans for Eastern Curve Gardens in Dalston.**

#### Financial Update

- 4.14 Two reports were presented; the financial position of the Council as of January 2019 and the Capital Update. The first report continued to show that the General Fund Revenue Account was experiencing significant challenges, and that overspend of £5m was forecast for 2018/19. As a result of mitigating actions, the funding position had improved in-year.
- 4.15 It was reported that there had been successful renegotiation of the only PFI contract that the council had for the HLT/Library complex which had reduced the cost and liabilities of the council. In total £2m savings had been made in the lifetime of the contract.

#### Questions

- 4.16 The Panel sought to clarify what reduction in the variance the council was hoping to achieve through a restructure of the Learning Disability Service?
- The council had moved a long way from arbitrary budget reduction targets to a more consultative and collaborative approach to identify savings

proposals. In this instance, the council was working with the Clinical Commissioning Group (CCG) within the integrated commissioning framework to remodel the service and to establish contributions from each partner. This process had identified that the CCG should fund at least £1.9m of what the Council currently spent on learning disability services and that all parties were in negotiation to ensure that health costs were appropriately funded by the CCG. The financial position of this service should therefore improve within the current financial year.

- 4.17 The Panel noted that there was an underspend in Streetscene by £177k and sought to understand the reasons for this.
- It was reported that Streetscene is able to generate incomes through the works on local highways for local utility companies and the issuing of enforcement licenses. Thus, the £177k represents additional income above what was projected.
- 4.18 In respect of Environmental Operations the Panel questioned whether any savings could be obtained with the contract for Vehicle Repairs Operation?
- Officer reported that there were a number of challenges within the vehicle maintenance and repairs contract. The council has worked hard with the contractor to improve performance but this has proved difficult. The main issue is that this sector had continued to experience difficulties in the recruitment and retention of skilled staff. The Council was continuing to look at future options, which may include a partial in-source of this service as the current arrangements were not satisfactory.
- 4.19 In relation to HLT budget overspend on SEND and the requirement to drawdown from its own reserve, the Panel observed that this was considerably better than forecast and much less than in previous years. Was this as a result of increased central government funding for SEND announced in November 2018?
- Officers noted that a report was recently taken to Audit Committee on the challenges that the council faced to fund SEND services and the responses it had made. It was reported that SEND services had been chronically underfunded by central government for many years which had led to an estimated £1.6 billion shortfall for funding this service area. Demand would however remain high for this service, and finance officers would work with HLT to help manage this demand.
- 4.20 It was reported that there was still ongoing uncertainty for the funding of all public services as a date still had not yet been set for the public spending review. There had also been no clarity for the current spending position given the uncertainty over Brexit and the length of the current Parliament. There was also growing uncertainty at among Communities and Local Government (CLG) and Treasury officials about the Fairer Funding Review and the implications this would have for local authorities.
- 4.21 The Chair thanked the Group Director for attending and responding to questions from the Panel.

5 **Council's Review of Advice Services - methodology, approach and plans on evaluation**

Cllr Hayhurst in the Chair

- 5.1 The Chair welcomed all those in attendance for this item, and reminded those present that this was a meeting held in public, and not a public meeting, and that questions from the public would only be allowed at the discretion of the Chair and time permitting. It was also reiterated that Scrutiny Panel was not a decision-making body, and this item was to scrutinise the process for the Review of Advice Centre Services.

Hackney Council

- 5.2 Sonia Khan, Head of Policy and Partnerships outlined the purpose, process and outcomes of the Review of Advice Centre Services. The key points from this presentation are outlined below:

- The model for the review of advice centres was agreed at Cabinet in October 2018, and that the decisions taken within that review were endorsed by Cabinet in March 2019. The panel noted that the total budget for advice centres had been protected, therefore decisions taken about budget allocations to individual advice centre providers was based on the outcomes of the open competitive process and not as a requirement to achieve savings from this budget.
- A 'Systems Thinking' approach had been used to review Advice Centre provision as this focused on the perspective of clients and front-line services rather than a top-down approach.
- Until 5 years ago there was no framework for funding advice centres. Funding until then was provided in two ways: grants and an open competitive process. In 2014/15, funding levels for advice services had been maintained and were ring-fenced. A policy objective framework had been developed to support advice centre provision.
- A review of advice centres had also been undertaken at this time which involved advice providers, but did not assess advice given in-situ. When grants were awarded in 2015/2016, it was apparent that there was not a collective view of the client experience of local advice services and that this should be incorporated in to future funding decisions. Therefore, a Systems Thinking approach, which placed the service user at the heart of the review, was endorsed by Cabinet in January 2016.
- The process for the Systems Thinking review had been agreed with advice centre providers and Advice UK were commissioned to lead the review. The review covered six key lines of enquiry: the customer experience, client flow, timeliness, activity demand, reach and workforce. The first phase of work commenced in August 2016 and involved talking to providers and clients as well as observing advice sessions and reviewing case files.
- In February 2018, a wider set of providers (not just ones that were already funded) were invited to participate into Phase 2 of the review. A very similar process was adopted to Phase 1, except that the Council stepped back and invited providers to work together and to observe practice. This led to the development of the new advice model which was shared with providers in September 2018. Cabinet endorsed the new model in October 2018, at this stage providers were asked to submit proposals based on this new approach in November 2018. Proposals were assessed by scoring

and through face to face interviews. As a result of this process, the Council was confident that it had a pool of organisations that would continue to work together to further develop advice service provision in Hackney.

### Questions

- 5.3 The Panel sought to clarify what was meant by the allocation of grants based on need rather than merit.
- In response, it was noted that if the process awarded grants purely on the basis of points given for the proposal, it would have been possible that some communities or sectors would be without advice provision. The redesign of the process ensured that there is adequate coverage across the borough that could respond to local needs.
- 5.4 The outcome of this process was that there were now a greater number of smaller advice service providers within the new funding model. The Panel was concerned this would impact on the sustainability of the advice sector.
- Whilst sustainability is clearly important, it was noted that the purpose of the new model was to develop local advice provision which was balanced and reflected local needs, which to date had been missing. The aim of the new model was to develop a network of provision which was sustainable for the future, rather than on the sustainability of any one individual organisation. There was however transitional support available for those services not funded to the value of their proposals.
  - There was also increased demand for local advice services, a trend which had continued for a number of years. The new model of provision was in part developed in response to this increased demand, as this process would help to identify new ways in which providers could work collaboratively to respond to the increasing levels of need.

### Hackney Community Law Centre

- 5.5 Sean Canning made a presentation on behalf of the Hackney Community Law Centre. A summary of the key points from this presentation is given below:
- HCLC worked in good faith with the Systems Review and engaged with the process as required. HCLC had reservations about the process however, in particular whether the methodology understood the nature of the work of HCLC in Hackney's advice landscape.
  - In feedback from the assessment, it was suggested that HCLC did not offer wrap-around support or a person centred approach to help clients. It was suggested that the HCLC provided legal advice in the social context of a clients' needs. HCLC helped people to solve local resident's problems through such legal interventions that may help to prevent homelessness, stop people from losing their immigration status or losing their job. Many of these legal interventions were carried out in partnership with other local agencies.
  - It was suggested that the advice centre review had also failed to take into account the cuts to the Legal Aid budget which had been ongoing since 2013 and had severely impacted the HCLC.
  - It was generally recognised that HCLC was a specialist legal advice service within the borough, and the systems review had not fully understood this role within its funding process, in particular how it supported high profile test cases.
  - It was suggested that as just two local authorities had implemented a Systems Thinking approach (Portsmouth and Nottingham), this would imply

that Hackney was embarking on a review of advice centre provision for which there was insufficient empirical evidence to indicate that this may be an effective approach.

#### Citizens Advice Bureau

- 5.6 Yasmin Alam from the CAB made a number of points in relation to the advice review in Hackney which are summarised below.
- The CAB has been working with the Council to support the advice needs of local residents for a number of years. In 2019, the service helped almost 24,000 people. The CAB welcomed the Systems Review as demand for advice services had been growing and a new way of managing demand was needed.
  - The research which had come out of the Systems Review process had been very useful to the CAB as it had brought new analysis to the way it operated and had helped the organisation to move forward.
  - The outcome from the review process was that the CAB had received an approximate £100k cut in its grant, which was substantial and had meant that the organisation has had to make reductions to its services. Hackney CAB had reduced its service from 4 days to 3 half-days.
  - CAB indicated that it would continue to work with the Council and other partners to manage the impact of this, to continue the research and learning of how local residents used advice services. This would take careful management as a lot of people were coming through the doors of CAB which would need to be redirected across the system.
- 5.7 How does the Council intend to evaluate the new Systems Thinking approach given the lack of empirical evidence to support it?
- In response, it was noted that the empirical base for this advice model was rooted in the local research and analysis of the local advice system which was undertaken in collaboration with local advice centres. This research had formed the evidence base for the new model. The Cabinet Member indicated that whilst the model may have only been rolled-out in a relatively small number of authorities, systems review processes were relatively common place and had been used to help reshape provision in response to cuts in Legal Aid and other austerity measures.
- 5.8 How will the Council measure the effectiveness of the new approach to advice services?
- In response, it was understood that the new grants framework had a clear purpose: 'help me solve my problems and regain independence by giving the right advice promptly'. Performance measures were set within this ethos which went beyond traditional measures (how many people accessed the service and how many appointments offered). The new approach offered a more nuanced assessment which included quantitative data (number of people trying to access, accessed or turned away from services), demand measures (e.g. preventable demand) and capability measures (e.g. why people re-attend). These measures would provide the Council and local advice service providers with a more detailed understanding of how well the local advice system was working and what might be needed to further improve it.
- 5.9 How does the Systems Thinking approach evaluate HCLC spending many hours on one particular case, which whilst only supporting the needs of one

local resident, may have positive benefit for many thousands of others nationally who may be in a similar position?

- In response, it was noted that the Council funds HCLC for legal advice, and although it might not fund it for what could be considered strategic litigation, it would be open to discussions and negotiations as to how this could be resourced within the new funding model. It should be noted that the current system of monitoring which is based on appointments would also not recognise the value and benefit of strategic litigation.
- The Cabinet Member emphasised that the new model of advice provision would not be a dilution of the service, and that local residents would still be able to access specialist legal advice through a wider range of agencies. Therefore, local residents would be able to access specialist legal advice through Shelter (for housing concerns) and Praxis (for immigration concerns).

### Praxis

5.10 Bethan Lant, Advice Manager from Praxis (which works with vulnerable migrants across London) made the following points about the Systems Thinking review Hackney.

- Praxis was not involved in any of the early consultation processes for the new advice systems approach as they were not funded by Hackney at that point. Praxis was funded from October 2017 to March 2019 to work with front line services to provide 2nd tier advice on immigration issues, support the management of complex cases and to provide training to front line teams.
- Praxis was interviewed as part of the advice review process for its views on the advice service landscape in Hackney. The key points from this was the demand for advice in the local system was very high and that local services were struggling to meet local needs.
- Praxis itself had reviewed its own service through the Vanguard method and was therefore familiar with the principles and ethos of the Systems Thinking approach. Praxis was encouraged that Hackney had taken a step back to analyse how local demand could be met through new and different ways through the local advice system.
- Praxis applied for a grant under the new advice centre model and had been granted funding to provide advice in partnership with Hackney Migrant Centre. Praxis was looking forward to working in Hackney alongside other providers to continue to improve the quality of its work through the Vanguard method.

### Fair Money Advice

5.11 Muna Yassin made the following points in relation to advice centre review process and the new funding system.

- Fair Money Advice (FMA) had not been funded by Hackney through the mainstream grants programme, but has been delivering debt and finance advice in Hackney for over 10 years. FMA offers advice at an emergency stage for clients but also seeks to provide advice at a much earlier point to help prevent the onset or escalation of financial problems.
- FMA joined the advice systems review process at Phase 2. It was apparent within the review that there was a range of needs in the community where some residents needed to be signposted, whilst other more vulnerable residents needed more holistic support to manage their financial concerns.

- FMA provided specialist regulated advice, therefore had qualified and experienced staff delivering intensive and impactful services. It was important that clients had choices and can access services as and when they are needed (remote, in-person). FMA received about 10-15 referrals for specialist debt advice each week from CAB, this figure has continued to grow.
- FMA have supported the Systems Review process as this incorporated a very holistic assessment of where clients receive advice, the nature of advice provided and their preferred settings for this to take place. Understanding these issues helped providers to better plan and shape advice, which can assist in more preventative work and prevent issues from escalating.
- As an advice agency, there was an obligation to work with clients and their needs over and above what funders might expect that agency to do. FMA was therefore encouraged that Hackney had adopted a people centred approach to develop a new model for advice centre provision.
- It was accepted that the new approach to advice provision in Hackney would not be an easy process and that this would be an evolving system. What was important however, was that it was a learning system where providers, both collectively and individually, would collect data that would help them to better understand advice provision in Hackney.

#### Questions

- 5.12 How does the new model of advice provision ensure that people get advice at the right place and minimise instances where people may be passed around the system?
- Officers responded that even prior to the new model being introduced, people currently arrived at the wrong place for advice. There was an option to commission a one-stop shop in the new process but this would have created another level of transaction and interaction within the system before people got the help that they needed. By providers working together in the new system, there was a way to improve the points of entry into the system and to ensure that advice was provided where people most need it and to minimise onward referral. This process would evolve and improve within the new system.
- 5.13 The panel sought to clarify why advice providers were not informed until February about the funding outcomes within the new approach to advice systems in Hackney? Should this not have been done sooner to help providers prepare?
- In response, officers noted that this was grant funding and not contract funding. Therefore funding was provided at fixed term intervals and there was no guarantee that money would continue. Funding was initially for two years and this process was extended for a further year to help introduce this new system, therefore providers were aware of this process and the timeframe for funding.
- 5.14 What was the difference between 'value demand' and 'failure demand'?
- The Panel understood that an external failure demand was where something had gone wrong and that demand for advice was driven by failure somewhere else in the system (such as an error within another department such as the Department for Work and Pensions). An internal failure demand (created by the advice service) would be a client having to

chase an action that an advice service should be doing for them. Value demand was where someone entering the advice system isn't trying to correct some other error in the system.

5.15 How had HCLC worked collaboratively with CAB?

- Officers from HCLC indicated that this relationship had been very positive particularly over the two-and-a-half years of this exercise. It was noted that a lot of people had accessed CAB with housing problems and both agencies had worked together to develop a triage and more streamlined process to respond to this need. It was noted that Legal Aid to local residents had declined by 75% to £150k, this was why it was important to have local authority funding to supplement this loss of income.

Women's Refugee Association

5.16 Simin Azimi made the following points in relation to the new advice system:

- The Women's Refugee Association (WRA) had been supporting residents in Hackney for 25 years and until recently had not been given a grant by the council. For many years, the range of organisations that had been funded had not varied that much.
- The WRA also supported the Systems Thinking approach, as the organisation has used this approach for many years to provide holistic support to its clients. Using client's views and perspectives of services was critical to developing an effective service that was responsive to need. Service collaboration was also central to this approach to ensure that there was a package of support available to clients that can help meet their needs.
- Systems Thinking also involved teaching clients to think for themselves and to help them become more independent. In this context, Systems Thinking was about what the client can do for themselves as well as how advice services can support the client.
- Although WRA would only receive half of the grant for what it applied for, it was nonetheless supportive of the Systems Thinking process which led to this funding decision.

Shelter

5.17 Amy Wilks from Shelter made the following points about the advice systems review in Hackney.

- Shelter was one of a number of agencies that took part in the public tender for this grant and was pleased to be successful in being able to deliver advice and support to residents in Hackney.
- Shelter had also taken a Systems Thinking approach within its own organisation and undertaken a very similar client centred review of its service. Shelter was also encouraged that Hackney had also taken this approach and pleased to be part of the review.

Questions

5.18 After having heard from other advice services, where does HCLC feel that it sits within this advice landscape?

- Officers from the HCLC reported that it has operated in Hackney for many years and has provided legal expertise which it hoped had enhanced the value of other local services. This could be a direct referral from another organisation but also provide guidance on legal issues for these organisations. It was suggested that the review had reached a point

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where a line had been drawn between the legal work and the social context of the client. In many cases it is very difficult to distinguish one from the other (e.g. a discrimination case brought on mental health grounds). It was suggested that work undertaken by HCLC had also saved approximately £9.5 million in 2018 in direct and indirect costs. Thus, taking funds away from this specialist legal advice service may not be the best approach.

- From the Council's perspective, it was reiterated that no 'line had been drawn' between legal advice and the social context of clients to drive a reduction in the allocation to the HCLC. There had been no reduction in the level or the value of legal advice provided within the new advice landscape as this was being funded to the same level as in the past, it was just that other providers were now providing this alongside the Hackney Law Centre.

5.19 What transitional support is available to organisations that have lost funding within this process and is this recurrent or one-off funding? (From the public) How can HCLC prepare for the future and what guarantee does it have that there will not be further cuts down the line?

- The Council responded that a transitional fund was planned for this financial year 2019/20 which was agreed by Cabinet in 2019. Therefore, the council would work together with HCLC to ensure that this service was supported and protected, but also to give the organisation some capacity to work with the council to help it adapt and fit into the new advice provision landscape. Therefore, the council would keep this position under review until the end of the next financial year (2020/21). In terms of the future, it was recognised that this was the start of the development of the new model of advice centre provision and that services would continue to collaborate to further develop and refine provision so that it would meet client's needs. If council budgets remain as expected, it was noted that funding for the advice budget would remain the same for next year (2020/21).

5.20 A request was made for the additional questions submitted in advance to the SP Panel to receive an answer from Council officer. (From the Public)

- The Chair advised the additional question would be sent to officers to receive a written response.

5.21 The acting Chair thanked all the representatives from the council and local advice agencies for attending and responding to questions from the Panel.

**Agreed: The additional questions submitted by the public to the Scrutiny Panel would receive a written response from LBH Officers.**

## **6 Submission from Joint Unions**

6.1 Cllr Gordon resumed as Chair of the meeting. The Chair welcomed representatives from Joint Unions to the meeting. The Unions had written to the Panel to highlight concerns with the Councils process for dealing with workforce and work place issues, with particular reference to discrimination and bullying. The Joint Unions submitted a report and made a number of recommendations.

6.2 The Chair informed the meeting the Union would be recording the meeting.

Joint Union Presentation

6.3 The Joint Unions (Unison, Unite and GMB) withdrew their support for the independent investigation into bullying and harassment. The attached report highlighted the Joint Union concerns and recommendations for action arising from this investigation. The following provides a summary of the key points from the presentation.

- It was suggested experiences of bullying and harassment were not isolated within the call centre but other similar experiences had been recorded elsewhere across the Council. Bullying, harassment and discrimination in the workplace has continued to affect an unacceptable number of staff.
- Whilst the Joint Unions believed that the Council was not racist, it was suggested that further work was necessary to improve equalities in the workplace. It was acknowledged that the Council would be rolling-out diversity training for managerial staff and had recently launched its Inclusive Leadership Programme.
- The Joint Unions believed that proposals put forward by the Council did not go far enough in responding to their concerns and had therefore made a number of recommendations for improvement (see section 2, page 64 of the submitted report).
- It was noted that Unions were in the process of surveying their membership and consulting shop stewards to further identify instances of bullying, harassment and discrimination across the council. Initial findings had revealed problems in reporting incidents, staff not being taken seriously and fear of retaliatory action by managers.
- Although a staff survey was undertaken in October and November 2018, the results of the Staff Survey had not been released and the Joint Unions looked forward to this data being released promptly.
- It was pointed out there was over representation of black and other minority ethnic groups in lower pay scales of employees. Conversely, there was an over-representation of black and minority ethnic staff in cases of disciplinary action. It was suggested that similar issues were being noted in the incidence of suspensions among black and other minority ethnic groups.
- The importance of staffing and workforce statistics was highlighted to the panel and it had been recommended that disciplinary data should be carefully monitored to establish any trends or patterns among those staff affected.
- The Council had made a number of service improvements and initiatives in response to the Commission for Racial Equality report (p123-34 of agenda pack). In this pamphlet the council recognised the importance of analysing workforce data and scrutinising the impact of corporate decisions on staff.
- The workforce profile from 2017/18 indicated that 4,300 staff were employed by the council, though this data did not include agency workers. This report also suggested that the council did not centrally coordinate or monitor data on grievances (e.g. how many are made, how many upheld and the grade of officers making these). Whilst the council recorded protected characteristics of staff, this was not recorded for grievances or other disciplinary behaviour.
- At the end of 2018/19 there were 835 agency staff who were not recorded in the staff profile. There was also no record of the protected characteristics of agency staff, though the Unions own analysis demonstrated that the majority of staff were of black ethnic origin. It was suggested that agency workers were used for excessively long periods of time masking the need for full time permanent staff. It was suggested that agency staff were also treated differently; they were treated with less respect, and had limited employment

rights. A model agency worker protocol was submitted to the Panel which would allow proper monitoring of agency workers.

- It was suggested that a sum of up to £5,000 was recharged to departments to pay for the recruitment of permanent staff which meant that it may be more cost efficient to recruit temporary workers against permanent staff.
- Joint Unions were disappointed that they had to withdraw support for the independent investigation into bullying and harassment. It was suggested that staff do not have confidence in the policies and procedures for dealing with claims of bullying and harassment given that their concerns stemmed back a number of years. A new objective process was needed to monitor and assess complaints against managers.

### Questions

- 6.4 The Panel noted that there were established channels through which the Union engage and involve the council, and requested an update on how effective these channels had been in progressing the concerns outlined above. The Panel also sought to clarify what outcomes it hoped to achieve from this meeting.
- It was reported that Unions meet council representatives through the General Committee and met with the Head of Human Resources on a monthly basis and the Mayor on a quarterly basis.
  - The agency workers motion had gone through all these channels without any formal response from the council. That meant that almost 1,000 staff were not recorded within the staff profile of the council.
  - In addition, Unions had also requested data from the council in respect of grievance and disciplinary monitoring, which to date, had also not been provided. The Unions had asked the council for this 9-10 months ago at Local Joint Committees. Without this data, there was little prospect of progress between the Union and the management as this provided the evidence for their respective positions.
- 6.5 The panel sought to understand how many cases of harassment and bullying they had identified thus far?
- The Joint Unions were working together on this and compiling a joint report. The Unions were also undertaking a survey and would release a report of all these findings and its own data when this was ready in the coming weeks. It was highlighted that in terms of agency staff, many of these were not members of the union so may not even come forward.
- 6.6 In addition the Panel wanted to know more details about the investigations undertaken by the Union and what the outcomes of that investigation were?
- This investigation focused on staff working within the housing call centre, and not exclusively on agency staff working there. There had been serious allegations made in this service which had still not been satisfactorily resolved. It was also reiterated that staff felt scared to be involved in the formal investigations or even to take out grievances such as described in the papers.
- 6.7 In terms of outcomes, the Panel wanted to know what actions the Union wanted the Council to take, to bring them back on board?
- The Union cited the letter attached as appendix B which set out why the Unions withdrew from the independent investigation into bullying and harassment. This also set out what reassurances the Union were seeking. The most significant stumbling block was the appointment of an internal

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manager to lead the review and the perception that it was management's view the managers in the housing call centre had not committed any wrong doing whilst the investigation was still ongoing. The Unions could therefore not re-join the independent investigation whilst there was some element of presumption in the outcome of the review.

6.8 The Panel enquired if there was further data the Union had to substantiate the positions made in the paper. Did the Union keep data on the protected characteristics of its members? Was the Union involved in the appointment of the independent investigator?

- In response, Union officers noted that whilst individual incidents which led to the Union withdrawing from the independent investigation may appear trivial, cumulatively these were important.
- In terms of the appointment for the investigator for the independent review this was discussed with the Union and they were aware of a list of potential appointees which the council was to appoint from. Whilst the Unions had no issues with the recruitment process per se, it did have significant reservations about the outcome in which an existing manager within the service area (which was under investigation for bullying and harassment) was appointed.
- It should be noted that the Unions embark on joint approaches to the solution of work force issues which may risk its own reputation amongst its members. It must be understood that members of the union may be mistrustful of the management and therefore wary of cooperative working arrangements between the Union and the management. The Union withdrew from the independent review when it had no further option, as workers themselves indicated that they were withdrawing from the investigation process as they had no faith in the council conducting this investigation fairly. This was the main reason why the Unions withdrew from the independent investigation.
- In terms of statistics, the Union confirmed that it did hold data on the protected characteristics of its members.
- The Unions emphasised that members should be more involved in the appeals process. It was noted that in the past, it was possible for disciplinary disputes to be heard by members as a final appeal, but this had now ceased. It was felt that this was a very valuable process, and it was therefore recommended that the final process of appeal to members should be reinstated.

**Agreed: The Joint Unions to provide the data to support the points made in the report about the number of cases reported to the Unions for harassment and bullying.**

6.9 What other councils operate a member's appeal process. How does this relate to decisions taken by an independent investigator?

- It was noted that a number of neighbouring boroughs have a final member appeal process including Enfield and Hillingdon. The Unions indicated that it was very important to maintain the link between the members and council staff. Further details would be sought of the number and nature of such member enquiry processes used at other boroughs.
- In relation to this investigation, it was known that the independent investigator was a consultant which was probably at some considerable cost to the council or the local taxpayer.

**Agreed: The Unions would make enquiries about member appeal processes in other London Boroughs.**

- 6.10 Can you explain how the £5,000 external recharge is applied to departments in the recruitment process and how this may impact on the employment of the permanent staff?
- The Unions responded that currently, departments were recharged up to £5,000 to cover the costs of staff recruitment. This is taken from the budget of the service area. The Unions suggested that this was a disincentive to recruit permanent staff as there were no associated recruitment cost for agency staff. The Unions indicated that this process should be reviewed to minimise the number of agency staff that were used by the council.
- 6.11 Should the council trial the suspension of the £5,000 recharge in a department which has a high use of agency staff to see what impact that this had on the pattern of recruitment?
- The Council responded that it was always looking to reduce agency spend, but this was a complex issue as this fee is levied to fund the operation of the corporate function of recruitment. As £750k was needed to fund the recruitment team each year, if the recharge was not applied this sum would need to be found elsewhere in the organisation. Further thought would be needed by the council to ascertain if there was a viable alternative mechanism to fund this service.
- 6.12 To conclude, the Unions noted that whilst there was an official body for them to meet with the management of the council (the CJC), in their view this had not functioned effectively for a number of years. The CJC was a requirement of the council constitution which should be chaired by Unions and Members, yet it was suggested that no Director or senior manager had attended any of these meetings in recent years. The purpose of this CJC was to provide a forum where Unions could bring issues of importance to the attention of the Council and it was therefore an important part of local democratic accountability. It was therefore recommended that members and the Council should reassess the role of CJC to ensure that this was working effectively.
- 6.13 The Chair thanked the Union representatives for attending and for making their case to the Panel. It was noted that this was an ongoing situation and that a number of reports relating to the independent investigation would soon be published. It was noted that the Scrutiny Chairs would be deciding on their work programmes shortly, and would discuss if and how to take this work forward into 2019/20.

**7 Workforce – focus on equality, diversity inclusive leadership, and union engagement**

- 7.1 The Chair introduced Tim Shields (Chief Executive), Sonia Khan (Head of Policy & Partnerships) and Dan Paul (Director of Human Resources) in attendance for this item.
- 7.2 The Chief Executive highlighted a number of issues relating to the wider context for this work in Hackney.

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- The council delivered a wide range of services 24-7 which included the provision of social care services to its most vulnerable residents and the management of over 20,000 local homes. The council also operated an effective street cleansing service, supported a number of award-winning parks and hosted a wide range of cultural events for the community.
- The most recent resident's survey reported that 73% of local people were happy living in Hackney and trusted the council which was above the national average.
- Despite the pressures on local government at this time, the council was still moving forward and continued to build new homes and new schools as well as improving the boroughs parks and other infrastructure.
- The council is also at the forefront of new developments, such as integrated commissioning between health and social care services. Similarly, the council is setting up a housing company and an energy company.
- Despite bringing both children's and housing services back in house, the council has reduced the number of management staff across the organisation which has helped to protect front line services.
- The requirement to innovate and reform in response to the central government cuts to local government funding has meant that the council is very busy. In this context, staff were required to work more efficiently and smarter.
- The expectations of the council from local residents had also increased.
- The Council employed the largest number of apprentices among other London boroughs and also offered placements and work opportunities for people with special educational needs or a disability. 85% of participants in the apprenticeship programme were from BAME backgrounds.
- In the context of the above, staff were provided with training and development opportunities as well as a wider package of support and benefits.
- In addition, it was important that all staff were engaged and contributed to the council's vision of being the best local authority employer in London. 90 staff participated in developing this vision for the council and all staff were consulted.

7.3 Sonia Kahn, Head of Policy and Partnerships is also the equalities lead for the council. This work ensured that the council had appropriate strategies and plans in place to respond to its equalities duties. The council also approved the Single Equalities Scheme in 2018 which focused on inclusive leadership and workforce diversity.

7.4 The attached report provided an overview of the key equality issues for the council which included:

- Under representation of BAME and disabled staff at senior levels;
- Under representation of disabled staff at all levels;
- Under representation of Charedi community at all staff levels;
- Variations in workforce diversity between directorates;
- Lower rates of staff satisfaction among disabled and BAME staff members in the last three surveys.

7.5 Five work strands had been established to respond to the equality issues identified (at 7.4) these included:

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- Organisational development, promoting equality and diversity – coherent training programme which promotes equality and diversity for staff and managers;
- Communications –ensure all staff are aware of the council's commitment to equality;
- Improving the employee journey for disabled staff –removal of organisational barriers which inhibit the recruitment and progression of disabled workers;
- Inclusive leadership – to ensure that senior managers understand and value inclusive leadership to help develop workforce diversity;
- Tackle the lack of diversity (disabled and BAME staff) at senior levels.

**At the request of the Chair, those present agreed to take forward the remaining agenda items beyond the 22.00 standing orders time limit.**

- 7.6 The overarching aim of this work was to create an environment and culture where all staff feel supported and can thrive, irrespective whether staff were new to the organisation or their grade. The council has established a number of performance measures to assess progress to these goals which were documented in the report.
- 7.7 Work had already begun in responding to the challenges identified. There would be compulsory on-line training to all managers within the organisation (c.700) and face to face meetings with Heads of Service to ensure that this key staff group were aware of and supported cultural competencies and diversity issues across the borough.
- 7.8 The Council has commenced the Inclusive leadership programme and was seeking to recruit between 30-50 people across the organisation. Those staff selected would receive training and development to run the inclusive leadership programme.

#### Questions

- 7.9 Members of the panel raised concerns about the disproportionality of children from black and other minority ethnic background in the care system, who are under achieving at school and even amongst those who have been excluded. Despite the over-representation of black and other minority ethnic children and young people in the services that the council operate, there was still evidence that all white assessment panels were operating. Whilst there had been some encouraging developments (such as the appointment of a young black man to lead the Young Black Men Project, it was felt that much more could be done.
- It was noted that work had only just begun and that the proactive work had yet to begin within this programme. It should be noted that this was a complex and constantly evolving situation which would require more than one solution, and thus the programme would seek to develop a basket of responses to improve workforce diversity and progression.
  - It was also reported that a task group of BAME staff was considering workforce issues, including the possibility of positive action (e.g. where two candidates are tied to recruit where there is a gap in demography) or general occupational requirements where this can be restrictive depending on the nature of the work.

- The council was also using a co-production approach with staff through the focus groups to ensure that the responses developed were aligned to the expectations of staff.
- 7.10 The Panel suggested that some long serving staff may have the experience, but whose transferable skills (e.g. IT, data handling, interviewing) were not as polished as more recently recruited staff. The Panel therefore sought to understand what could be done to support staff who had been in post many years but had not progressed and advanced within the organisation, in particular how the staff appraisal system was used to develop the workforce?
- The Unions also suggested that it would be a valuable exercise to assess the diversity of the workforce before and after a restructure to ensure that this continued to reflect the demography of the local community.
  - The Council responded that the Inclusive Leadership Programme would help to address these issues. It was also noted that the council supports a secondment process where staff can take employment in other areas of the business of the council to expand and develop their skills.
  - The Council also noted that interview training was available for all staff and had developed a network of coaches to support staff development. This enabled the council to place staff with appropriately trained and qualified staff to help advance their career. There was also a comprehensive and easy to book suite of training programmes available to support staff development.
- 7.11 Union representatives sought to understand how council restructures impacted on long serving and experienced staff, as there was a perception that such staff could be laid-off and given redundancy packages at significant cost to the council when this money could be better spent retraining or developing staff to enable them to adapt their roles within the restructured service.
- The Council responded that it was completely transparent on the protected characteristics of those staff impacted by council restructures and published all this data.
- 7.12 The Panel noted the importance of collecting data on protected characteristics for all disciplinary procedures and wanted to understand what work had been undertaken to improve the councils understanding of this issue?
- The Council noted that this was an ongoing issue which required some sensitivity. Whilst it would be useful to collect data on the protected characteristics of staff involved in disciplinary procedures, the council had to be mindful of protecting the identity of those involved.

## **8 Budget Scrutiny Task Groups - updates from Chairs, any implication for Commission work programmes and next steps**

### Waste and Recycling Review Group

- 8.1 Cllr Billington the Chair of the Waste and Recycling Budget Task and Finish Group updated the Panel on the progress of the group. The key points are summarised below:
- The BTFG had spent time exploring the financial implications of the new Energy Recovery Facility in Edmonton, which would replace the existing plant processing the Council's waste as it was reaching the end of its life.

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- The plant would be financed via 'menu pricing' by the 7 boroughs (including Hackney) which made up the North London Waste Authority. This meant that the amount boroughs were required to pay was determined by the volume and profile of waste each produced borough (e.g. recyclables, residual waste, green waste).
- Increased waste costs could be mitigated by reducing residual waste, and increasing levels of recycling. Increasing recycling rates was therefore a significant driver.
- The Mayor of London's Environment Strategy required boroughs to submit Reduction and Recycling Plans (RRPs) which sets out how the individual boroughs intend to contribute to the London wide recycling targets. Modelling for Hackney predicted a recycling level of 33% by 2020 (currently at 27.5% in 2018/19).
- Although it would be challenging for the council to reach this target, there were a number of developments which could assist they included; improved estate recycling, development of re-use hubs, and the development of a municipal energy company.
- The Council continues to be a high net producer of residual, unrecyclable waste which is more expensive to process and would need to identify ways to reduce this and minimise future costs.
- Hackney's Reduction and Recycling Plan will be submitted to Cabinet in June which will set out a broad direction of travel for driving up recycling rate in Hackney. The Task Group is and will be monitoring and reviewing the RRP as it is developed.
- A third and final meeting of the BTFG is planned that will involve a visit to an estate where recycling improvements have been delivered.
- The output of the group will be a short paper. This will set out the Group's support (or not) of the RRP, and any recommendations related to the plans / options / areas for exploration set out in it.

#### Integrated Commissioning

- 8.2 Cllr Maxwell, the Chair of the Integrated Commissioning BTFG the panel on the progress of the group. The title of this work 'putting the City and Hackney pound for best use to support mental health'. The key points are summarised below:
- This was a complex picture for whilst demand for mental health services had grown, there were numerous agencies involved in supporting such services, some funding of which was ring-fenced.
  - The BTFG wanted to look at the whole client journey through the mental health system, in particular focusing on those early interventions and support which may reduce more costly later interventions.
  - The BTFG has met with service representatives East London Foundation Trust and Commissioners (CCG). Questioning has focused on whether the borough is targeting spend where it will have most impact.
  - At the next meeting other providers such as Core Arts, MIND and other voluntary agencies will be invited to assess what areas of service provision should be prioritised and would achieve best outcomes.
  - The report would go to Scrutiny Panel in July.

#### Children's Centres

- 8.3 Cllr Conway from Children's Centre Task and Finish Group updated the panel on the progress of the group. The key points are summarised below:

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- The work of the Early Years BTFG has focused on Children Centres. A subsidy of over £6million is provided by the Council to support childcare provision across 21 local Children Centres.
- Although £500k of savings have been identified through a restructure of fees, additional efficiencies of about 10% are required from this budget to ensure financial sustainability of the service for the three year period 2020/21-2022/23.
- The Task and Finish Group has been looking at an options paper developed by HLT which has outlined a number of different proposals through which this saving can be achieved.
- The Task and Finish Group is providing challenge to these proposals and assessing what impact different proposals will have on the service (e.g. service accessibility, reach to vulnerable families).
- The Task and Finish Group had already visited and talked to staff at 3 children's centres and a further 3 visits are planned.
- The Task and finish group has also invited participants from other local authorities and the national children centre evaluation team to future meetings. This evidence will provide the Task and Finish Group with comparative assessments and an overview of how children centres are evolving elsewhere.
- The work is due to complete in June 2019 and would report to this Panel in July 2019.

## **9 Work Programme 2018/19**

- 9.1 The work programme item, including a discussion of the new work programme for 2019/20 was deferred until the next meeting.

## **10 Minutes of the Previous Meeting**

- 10.1 The minutes of the last meeting were approved.

## **11 Any Other Business**

- 11.1 None.

Duration of the meeting: 7.00 - 10.20 pm