

Scrutiny Panel

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

Monday, 29th April, 2019

7.00 pm

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

Contact:

Tracey Anderson

☎ 0208 3563312

✉ tracey.anderson@hackney.gov.uk

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**
- 2 Urgent Items / Order of Business**
- 3 Declaration of Interest**
- 4 Update from Group Director, Finance and Resources - Finance and Property** (Pages 1 - 36)
- 5 Council's Review of Advice Services - methodology, approach and plans on evaluation** (Pages 37 - 60)
- 6 Submission from Joint Unions** (Pages 61 - 136)
- 7 Workforce – focus on equality, diversity inclusive leadership, and union engagement** (Pages 137 - 154)
- 8 Budget Scrutiny Task Groups - updates from Chairs, any implication for Commission work programmes and next steps** (Pages 155 - 156)
- 9 Work Programme 2018/19** (Pages 157 - 164)

10 Minutes of the Previous Meeting

(Pages 165 - 180)

11 Any Other Business

Access and Information

Getting to the Town Hall

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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>



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Providing oral commentary during a meeting is not permitted.



Scrutiny Panel 29th April 2019 Quarterly Finance Update	Item No 4
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Outline

The finance reports attached cover:

- Update on the Council's property portfolio
- Council's Monthly Overall Financial Position (OFP) Report – using the data from January 2019 monitoring.

The Council's Property Portfolio relates to the elements of the Council's estate that are not housing and are assets let out in return for payment. This element of Hackney's portfolio includes estates within both the HRA and the General Fund. The Council's Property Portfolio covers a broad range of assets, from Council homes to roads, schools, libraries, leisure centres, Town Halls and so on. The total value of these assets is in the region of £6bn.

This is the eighth Overall Financial Position (OFP) report for 2018/19 and is based on detailed January 2019 monitoring data from directorates. The Council is forecasting an overspend of £5,551k at year end – a decrease of £282k from the previous month.

Attending for this item will be:

Ian Williams, Group Director Finance and Corporate Resources

Action

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

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1. Update on the Council's property portfolio particularly new acquisitions and future plans for sites.

a. In this update can you outline how they will be funded and if they will be funded from rental revenues? For example Members were informed the Tesco's development would be funded from rental income - additional income from the expansion of the shopping village.

b. If this is the case, what is the forecast for the rental revenue streams?

Update on Property Portfolio:

The Council's Property Portfolio can be defined to cover a broad range of assets, from Council homes to roads, schools, libraries, leisure centres, Town Halls and so on. The total value of these assets is in the region of £6bn.

This briefing largely concerns itself with the element of the Council's estate that is not housing and that is let out in return for payment. This portfolio is managed by a dedicated Commercial Estates Team within Strategic Property Services, set up in 2010. This element of Hackney's portfolio includes estates within both the HRA and the General Fund.

The HRA assets are typically associated with council housing estates, including around 200 convenience shops in small parades which produce modest rents, but also provide convenience services for Hackney's residents. Typical tenants might be laundrettes, take-aways, and newsagents. The size of this portfolio has remained relatively static over the years, but as the Housing Regeneration team has brought forward new schemes, these have usually included ground floor space for employment uses too, for example at the recently completed development in Reading Lane.

In 2012/13, the rent earned from HRA properties was c£1.6m. In the same period, the rent earned from General Fund properties was roughly £1.5m.

In 2018/19, the rent projected for HRA properties is: c £2.4m.

In 2018/19, the rent projected for General Fund Properties is: c £7m.

The growth in HRA income is attributable largely to rental growth from existing leases via rent review, and also via lease renewals.

The growth in General Fund properties includes rental growth in the same way, via rent reviews with existing tenants and lease renewals. However, it has received a substantial boost from some acquisitions, made in pursuit of the Council's wider strategic objectives and ambitions.

Properties acquired since 2012/13 include:

Keltan House

Previously occupied by LBH, at an annual cost of c £900k, was vacated as LBH headcount reduced, and purchased from the freehold owner for c£9m. The Council was previously committed until 2033 at the earliest, under a lease originally signed by the GLC. Options were modelled including staying put, sub-letting to mitigate the rental liability for Hackney, or purchase to then let on. At the time, LBH had excellent market information, and pooling its own internal knowledge and advice from informed advisers in the market, LBH concluded that the best option would be to buy itself out of the lease and the associated liability for the coming years, and calculated that this would be viable at a purchase price of up to £10m. Fortunately the owner was a major land owner and had little local knowledge so LBH secured this building for under £10m, and has subsequently let it out as 40,000sqft of much needed workspace. The rental income for this building is c£1.25m pa. Managed workspace is much in demand in London Fields and the food and beverage offer on the Ground Floor combines a number of uses and has been popular throughout the week ever since opening.

96-98 and 100-106 Leonard Street

Both commercial buildings, principally office space, acquired to safeguard sustainable but lower cost workspace for new businesses seeking short leases while keeping Hackney secured in the growing Shoreditch zone. Investment characteristics were relatively safe as growth in demand for such space has been strong, and rents have grown more rapidly than anticipated. Yields this year 4.5%-5%. These are not high spec buildings and LBH does not have to charge the high rents that have tended to characterise the Shoreditch market of late.

17 Sylvester Road

Located at the Town Hall campus, it is strategically important and has scope for further development if required. This building is occupied by the DWP and is yielding close to 8% rental return.

333-337 Mare St

Previously in private ownership, the building is located next to Hackney Central station and has the potential to play a strategic part in the future development of Hackney Central town centre. The rental yield achieved this year is c6%. The opportunity to acquire an empty site, adjoining to the rear at 237 Graham Rd arose and LBH acquired it. This gives LBH substantial control of land adjoining the station and is enabling the Council to work with TfL on materially improving the access and passenger flows to the station which suffers overcrowding at peak times

Dalston Curve - south units

These are let to food and beverage providers. LBH was subsequently able to ensure that suitable occupiers, relevant to Dalston Town Centre would be selected, for this key, high footfall location. Secured at a modest acquisition cost, initial rental yields are higher than usual.

Dalston curve - north unit

This unit was acquired as a single lot with the south units. Negotiations with two tenants are complete, and these will open as Superdrug and Pret a Manger.

Westgate St

The Council has long been freeholder for this site in Westgate St, let on a long lease to Notting Hill Housing Association. Notting Hill HA approached Hackney to extend their lease which had run down to below 80 years, in order that they could develop the site for new homes. The Council was entitled to financial remuneration for such an extension and a valuation was undertaken. Anticipating a planning requirement for employment space on the ground floor at the time, rather than take a capital sum LBH negotiated a long lease back of the ground floor employment space. This is occupied and yielding over 15% pa, while providing much needed work space for young and creative businesses. Report went to Cabinet in the 2013/2014 Municipal Year.

51-61 Mare St

Acquired as a strategic piece of land assembly, this site adjoins the Arriva bus depot in Ash Grove. It is currently let on short leases to fund the

investment, while plans for use of key Hackney Centre Town Centre sites develop.

There have been other acquisitions made in support of Temporary Accommodation, where it has been more effective to acquire certain space than house tenants in hotels and expensive but low quality emergency private accommodation.

New acquisitions

Sherry's Wharf

This does not form part of the Commercial Estate. It was already owned by the Council in a sense, albeit it was leased. The opportunity arose to acquire the freehold on economic terms. The rent payable by the Council was £450,000, a level it rose to at the last review in 2013 from £158,500, a 283% increase. At the rent review before that it rose from £25,000 to £158,750, a 635% increase. Although the next review would not have been until 2034 there was a likelihood of another large increase in the rent payable by the Council that would have had to be funded by the HRA as a whole. The freehold has been acquired for £12.75m and the Council is now its own landlord mitigating the risk of substantial and unavoidable future rent hikes.

Future plans for sites

There are no plans to make any acquisitions at present. The Council does not run an acquisitions programme. Instead it monitors the Borough for opportunities constantly through its network of internal departments and staff, external agents, other land owners, occupiers and so on. Should sites of strategic relevance come available, they will be considered on their individual merits. The figures supporting the investment case must always be strong otherwise the proposed investment is not sustainable. While the Council's strategic acquisitions have always been acquired with a particular purpose in mind, each one has stood up well financially, often beating the projected returns substantially.

2018/19 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT (JANUARY 2019)

KEY DECISION NO. FCR P29

CABINET MEETING DATE 2018/19

25 March 2019

CLASSIFICATION:

OPEN

WARD(S) AFFECTED: ALL WARDS

CABINET MEMBER

Councillor Rebecca Rennison

Cabinet Member for Finance and Housing Needs

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams: Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the eighth Overall Financial Position (OFP) report for 2018/19 and is based on detailed January 2019 monitoring data from directorates. We are forecasting an overspend of £5,551k at year end – a decrease of £282k from the previous month.
- 1.2 This overspend will be substantially funded by the application of the unspent 2017/18 Council Tax and NNDR Collection Fund surpluses carried forward into 2018/19. It must be noted that there is no guarantee that these surpluses will continue in future years and so they must be regarded as one-off funding streams only.
- 1.3 An explanation of each directorate's forecast outturn position is detailed in the directorate commentaries below.
- 1.4 Our projected overspend primarily reflects severe spending cuts by central government since 2010 and increasing cost pressures in services which remain underfunded by the Government. These include social care, homelessness and special educational needs (SEN). The government's failure to provide any additional funding to date 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.
- 1.5 I commend this report to Cabinet.

2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 The OFP shows that the Council is forecast to have a £5,551k overspend which is equivalent to 0.5% of the total gross budget. At year end, this overspend will be substantially funded by the application of the unspent 2017/18 Council Tax and NNDR Collection Fund surpluses carried forward into 2018/19. As there is no certainty that these surpluses will continue in future years they must be regarded as one-off funding streams that can be used in 2018/19 only.
- 2.2 Where there are service overspends of a recurrent nature, and/or funding shortfalls, we have dealt with this in the growth assumptions 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 and council tax.
- 2.3 We are proposing a disposal by way of granting a 10-year Lease to 110 Church Street, Stoke Newington N16 (the Property). The Property is the former Sea Cadets building that was occupied by Annexed Ltd on a caretaker basis between 2004 and 2018. It will now be let commercially as part of the Council's ongoing work to maximise rents and increase capital values in its commercial investment estate. The Property was widely marketed by Allsop and an acceptable proposal has been received from a

Hackney based private nursery - N is For Nursery Ltd, trading as N Family Club. The detailed terms of the lease remain to be negotiated and agreed, but the lease term will be for ten years at a rent of £68,000pa with a guaranteed uplift at the end of the fifth year.

2.4 We are also proposing a freehold disposal. The Education and Skills Funding Agency (EFA) have assembled a site consisting of 21-27 Hackney Grove to develop the site as The Boxing Academy – 'providing an alternative education pathway for students between the ages of fourteen and sixteen who are at risk of exclusion'. The scheme has secured planning permission. However they had missed the fact that a small (land-locked) part of the site is owned by the Council. The EFA approached the Council to purchase the land. At the EFA's cost we had an independent section 123 of the Local Government Act 1972 compliant 'Red Book' valuation undertaken by Lambert Smith Hampton with liability to both parties. The Valuation reported a disposal price of £10,000.00 (ten thousand pounds) and we in addition negotiated that the EFA pays the Council's Legal and surveyor's costs of the transaction.

2.5 Finally, the Council is the owner of a small parcel of land extending to approximately four-square metres adjacent to 8 – 10 Long Street London E2 8HQ. Originally acquired from the GLC in 1962 for the purposes of development the land once formed part of the long since disappeared Axe Place but has never been part of the neighbouring open space at Fairchild's Gardens. In implementing their scheme the developer of 8 – 10 Long Street has encroached onto the subject land and is now seeking to acquire it. This situation represents an opportunity by the Council to dispose of an otherwise undevelopable left over and liability. The sale will be for £300,000. In consultation with the Mayor and Cabinet we are exploring how to ensure that this unanticipated funding is used to support investment in Fairchild Garden, as well as nearby Parks and play facilities that require improvements.

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

TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT JANUARY 2019

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves £k	Change from Previous Month £k
88,203	Children's Services	413	232
89,118	ASC & Commissioning	4,282	-444
33,596	Community Health	-	-
210,915	Total CACH	4,695	-212
37,361	Neighbourhood & Housing	279	6
13,816	Finance & Corporate Resources	308	-49
8,593	Chief Executive	269	-27
33,737	General Finance Account	0	0
304,424	GENERAL FUND TOTAL	5,551	-282
	Application of One-Off Funding	-5,551	n/a
	FORECAST END YEAR POSITION	0	n/a

3.0 RECOMMENDATIONS

- 3.1 To update the overall financial position for January 2019, covering the General Fund and the HRA, and the earmarking by the Group Director of Finance and Corporate Resources of any underspend to support funding of future cost pressures and the funding of the Capital Programme.**
- 3.2 To authorise the letting of 110 Church Street (“the Property”) as is shown edged red on the plan attached at Appendix 1, for a term of 10 years.**
- 3.3 To authorise the Director of Legal Services to prepare, agree, settle and sign the necessary legal documentation to affect the proposed disposal and to enter into any other ancillary legal documentation required to complete the proposed disposal transaction.**
- 3.4 To delegate authority to the Group Director of Finance and Corporate Resources to enter into a lease of 10 years, and to agree all other terms of the lease provided that the requirements of S123 Local Government Act 1972 are met.**
- 3.5 To authorise the sale of Land to Rear of 27 Hackney Grove as is shown edged red on the plan attached at Appendix 2.**
- 3.6 To authorise the Director of Legal Services to prepare, agree, settle and sign the necessary legal documentation to affect the disposal.**
- 3.7 To authorise the freehold disposal of the land at Long Street edged red on the plan attached at Appendix 3**
- 3.8 To authorise the Group Director of Finance and Resources to agree the commercial terms for this disposal.**
- 3.9 To authorise the Director of Legal to prepare, agree, settle and sign the sale agreement and transfer and any other legal documentation required to complete the transaction.**

4. REASONS FOR DECISION

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

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

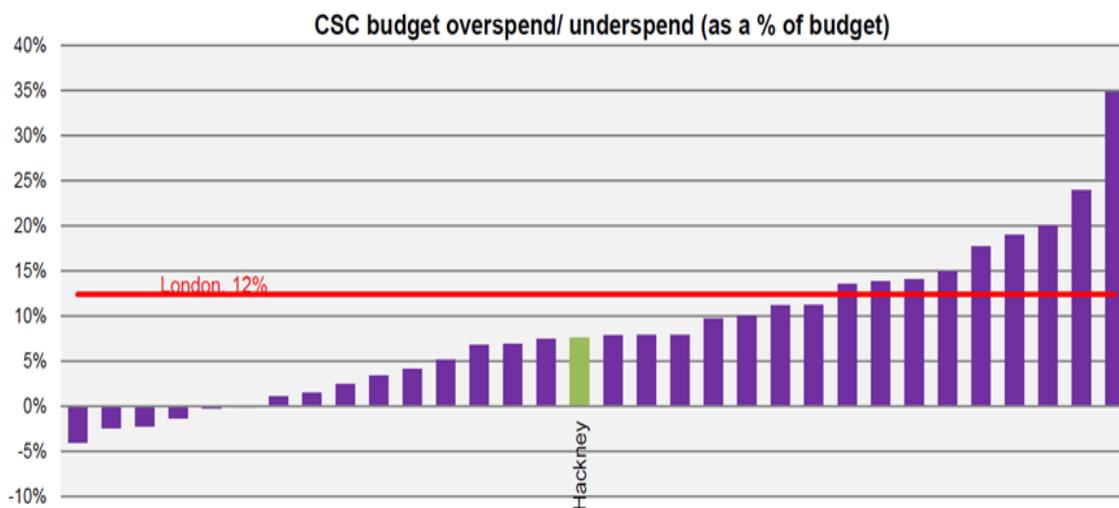
The CACH directorate is forecasting an overspend of £4,695k after the application of reserves and drawdown of grant.

Children & Families Service

Children & Families Service (CFS) is forecasting a £413k variance against budget after the application of reserves and grants. This variance is after 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 funds (NRPF).

The sustained pressure on CFS 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 year end position for 2017/18 (before the use of reserves) compared to other London boroughs for Children’s Social Care. The main budget pressures in CFS are in relation to Corporate Parenting (which incorporates budgets for looked after children placements), the Children in Need service and the No Recourse to Public Funds (NRPF) Team.



Corporate Parenting is forecasting to overspend by £691k after the use of £3,000k of commissioning reserves. Spend on Looked After Children (LAC) and Leaving Care (LC) placements is forecasted at £18,300k compared to last year’s outturn of £16,800k – an increase of £1,500k. 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 cohorts – or around 27% - are in placements costing between £1,100 and £1,500 per week. As at January, semi-independent under 18 placements have increased by 15 to 39 from 24 at the end of 2017/18.

In summary, Hackney had 341 Looked After Children and 27 Unaccompanied Asylum Seekers Children (UASC) placements at the end of January. At the end of 2017/18 there were 324 LAC and 28 UASC placements. The financial position is sensitive to the profile of looked after children - particularly residential and semi-independent under 18

placements - so spend increases tend to be disproportionate to the increase in placement numbers.

The No Recourse to Public Funds (NRPF) Team is forecast to break even after the use of £850k of reserves and is supporting 83 families who have no recourse to public funds – a decrease of 6 since last month. The main area of spend is Section 17 payments on accommodation and subsistence of £1,900k 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 cost of supporting these families first arose the Government did not provide any additional funding through revenue support grant nor special grants and still doesn't, even after it became apparent that the cost was significant for some Councils (primarily in London)

Children in Need is forecast to overspend by £352k after use of reserves. The overspend is mainly due to staffing overspends relating to supernumerary social worker posts to meet service pressures, maternity cover, agency premiums associated with covering vacant posts and these items collectively total £215k. There is an overspend in LAC incidental costs in relation to support to children in care proceedings of £345k. A contribution from the Clinical Commissioning Group (CCG) towards LAC Healthcare of £150k and a National Assessment and Accreditation System (NAAS) contribution of £50k partly offsets this overspend.

The Adoption Team is forecast to overspend by £105k mainly due to commissioning. The Inter Agency and allowance costs are projected to overspend by £229k. There is an overspend in staffing due to one supernumerary post, long term sick cover and undelivered savings from the delay of the Regionalisation Adoption Agency of £76k. Projected over-collection of income due to estimated Inter Agency fees and accrued Adoption Support Fund grant of £183k, and other small underspends totalling £17k partly offset this pressure.

Disabled Children Services is forecast to overspend by £107k. The overspend is attributed to a £192k overspend in homecare, a £132k overspend in direct payments, and a £54k overspend in residential respite. This is offset by a £52k underspend in Short Breaks and a staffing underspend of £22k. This is further offset by a £198k reserve drawdown.

Overspends across the service are partly offset by underspends elsewhere in Clinical Services, Directorate Management Team, Young Hackney and Access and Assessment.

Clinical Services is forecast to underspend by £395k. The underspend is primarily attributed to staffing due to two vacant posts, and non-recurrent Public Health funding towards eligible expenditure within the service.

The Directorate Management Team is forecast to underspend by £200k. This is due to maximisation of non-recurrent funding in the service.

Young Hackney is forecast to underspend by £125k. The underspend is mainly due to staffing, which are the result of a combination of factors such as late recruitment to 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. These items collectively total to a staffing underspend of £97k. Essential CCTV work at the Concorde Youth Hub including repairs and maintenance works at Shoreditch Adventure Playground has led to an overspend in premises of £90k. Commissioned expenditure is underspent by £54k due to uptake for Youth Opportunity Fund and small underspends on Connecting Young Hackney projects in the borough. There is favourable £64k of income generated from projects.

Access & Assessment is forecast to underspend by £59k. This underspend is attributed to a reduction in Section 17 activity of £88k, a staffing overspend of £60k due to two over-established staff and other underspends of £31k in transport and printing.

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 drawdown-from or contribution-to the HLT reserve and expenditure is reported 'on budget.'

HLT are forecasting a significant drawdown on the HLT reserve (between £2,500k and £3,500k), mainly due to pressures in special educational needs. Special educational needs activities are forecast to spend around £9,000k in excess of agreed budgets. Within the HLT forecast some of the SEND overspend 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.

This forecast of £2,500k-£3,500k reserve drawdown, is significantly more favourable than the previous forecast of £4,500k-£5,000k. This is as a result of additional government funding announced in December 18 (£700k) and new favourable forecasts of contingency budgets (£1,300k).

Adult Social Care & Community Health

The January forecast for Adult Social Care is a £4,282k overspend.

Care Support Commissioning (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a

£3,970k pressure. Within the forecast there is Adult Social Care Winter Pressures funding of £1,147k, and this drawdown has increased by a further £57k this month to reflect additional costs resulting from hospital discharges. The intention is that the remaining funding will continue to be released over the next few months to offset additional pressures from hospital discharges.

Service type	2018/19 Budget	November 2018 Forecast	Full Year Variance to budget	Full Year Variance to December 2018
	£k	£k	£k	£k
Learning Disabilities	14,357	18,338	3,982	2
Physical and Sensory	11,846	11,907	61	(50)
Memory, Cognition and Mental Health ASC (OP)	7,000	6,977	(23)	(190)
Occupational Therapy Equipment	740	658	(82)	-
Asylum Seekers Support	170	203	33	1
Total	34,112	38,083	3,971	(238)

The Learning Disabilities (LD) service remains the most significant area of pressure with a £3,982k overspend, which reflects a slight adverse movement of £2k on the December position.

Detailed work is 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 Healthcare (CHC) cases. £1,900k of CCG income in respect of this is reflected in the forecast but this could increase or decrease depending on the outcome of the work being undertaken with health colleagues. 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 £61k overspend, which reflects an improvement of £50k on the December position, primarily due to a reduction in activity due client passing away. The Memory/Cognition & MH (OP) position has improved by £190k, to a budget underspend of £23k. This is primarily due to intermediate/interim care costs being miscoded to Long term care services, this has been rectified and costs have been journalled to preventative services. In addition, there has been further growth in client numbers due to hospital discharges which has been fully mitigated by a release of winter pressures funding of £57k.

Discussions have been held with the service in order to develop a set of management actions to mitigate the ongoing cost pressure as a result of 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	66	733	1,772
Nursing Care	23	637	
Residential Care	20	287	
Total	109	1,657	1,772

The Care Management & Adults Divisional Support is forecasting a £704k overspend. The overall budget pressure breakdown is made up of staffing pressures of £773k 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 £69k 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 £113k. The overall position is made up of two main elements - a £232k pressure on external commissioned care services and £345k underspend across staffing related expenditure.

Provided Services position reflects a £12k overspend which is largely attributed to:

- Housing with Care underspend of £52k. The service is currently under strategic review to seek efficiencies and reduce costs without impacting negatively on service provision. The forecast includes additional resources to respond to issues raised in the recent CQC inspection, however there could be further pressures above the budget next year in relation to the inspection.

- Day Services and transport is overspent by £149k, which reflects the delayed opening of Oswald Street day centre to September 2018. In addition, the position has adversely moved by £51k this month as a result of security costs for the vacated premises at Trowbridge & Marie Lloyd.
- Meals on Wheels is underspending by £77k 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.

Preventative Services. The forecast net position remains unchanged from previous month with a £940k underspend. The variance is mainly accounted for by Median Road position of £773k underspend, with a further in year savings of £167k driven by Concessionary Fares underspend and staff related movements within the service area. The Hospital Social Work Team recognises non-recurrent funds towards supporting staffing levels needed to ensure hospital discharge targets are met.

ASC Commissioning. The Forecast position this month improved by £250k thus reducing projected overspend to £647k. The improved position recognises contribution from Public Health grant to support the Voluntary Sector mental health provision. Whilst the agreed funding provides a one-off improvement to ASC Commissioning budget position, there is ongoing challenges around Housing Related Support (HRS) service redesign and cost pressures associated with Telecare equipment costs.

HRS procurement plans are however on track to meet future savings through close working with Providers to manage expectations around delivery timelines. The savings target was revised to incorporate savings attributed to telecare charging. The decision not to 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 enough to meet the agreed savings target. New proposals around assistive technology are now being looked at and is expected to inform the charging model for service users going forward.

It is emphasised that it remains unclear whether iBCF funding will be replaced and at what level post 2019/20 as this funding was announced pending proposals for a sustainable adult social care funding solution. The implications of any loss of funding will continue to be highlighted in order that these can be factored into the Council's financial plans. This will include ensuring that it is clear what funding is required to continue to run safe services for adults.

Public Health

Public Health is forecasting a breakeven position.

The Sexual health service is delivering progress as expected to support the financial sustainability of the wider Public Health service. Current level of activity remains within budget and the competitive pricing achieved through the Pan London contract is beginning to show better value for money. There is also a progressive uptake of e-services alongside clinical service provision and both activities are subject to continuous review with commissioners to ensure sustainable future provision.

Substance Misuse prescribing cost pressures have increased as a result of supply shortages of opioid substitutes. The Public Health forecast recognises the possible cost pressure of c£80k whilst a further review with commissioners provide definitive unit cost charges due in this financial year.

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate as at January is a £279k - an adverse movement of £6k from the December 2018 position. The forecast includes the use of £2,700k of reserves, the majority of which are for one off expenditure/projects.

The major area of overspend continues to be in Environmental Operations which is forecast to overspend by £375k. This has been offset by an increase in income levels from highways licensing activities. £255k of the 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; the latest forecast is £255k and it is not expected to change significantly by year end.

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 ended October 2018. A contract extension has been agreed for 12 months with a break out clause in month 9. 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 £158k as at the end of January. The reasons for the overspend are short term costs of £22k while Land Charges

systems are being updated, and a Building Control service deficit £80k. There is also a risk that Planning application fees may not cover the cost of the Development Management service (£56k Shortfall). Income in Planning and Building control is highly dependent on development activity in the Borough. The service expects the risk to be lessened by expected increases in the volume of major applications and related Community Infrastructure Levy (CIL) receipts during the latter part of the year. Where demand for planning and building control services does not improve then management the level of staffing within the service as activity is linked to income generating work. The Building Control service is also looking at resources employed in chargeable work, ensure costs are fully recovered.

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

Streetscene is forecast to under spend by £177k as there is additional income from Highways related activities. This is due to the increasing number of developments across the borough and increasing number of Highways licenses.

The Housing General Fund is forecast to underspend by £52k. This is due to staff savings within the Travellers team and additional income relating to dwelling rents, which have been forecast based on actuals received to date.

Regeneration is forecast to underspend by £24k which is mainly due to staff vacancies within the Housing Strategy and Policy team earlier in the year. All posts are now occupied.

Income relating to the new Private Sector Housing Licensing scheme is forecast to be higher than initial expectations for this financial year, but the overall estimated income figure the 5-year licensing period remains unchanged. This year's surplus will be used in future years where income levels are expected to reduce.

The directorate forecast includes the use of £2,700k reserves. £946k of this is using grants and/or income received in previous years and £1,503k 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 £308k after reserves, which reflects pressures in Facilities Management and Property 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 £269k after forecast reserves usage.

Policy, Strategy & Economic Development is projecting an underspend of £164k against budgets relating to contribution to Hackney Healthwatch and London Council Grant Subscription.

Venues overspend has improved from last month. It now has an overspend of £110k. This has been due to utility costs associated with Hackney House which had previously been estimated, being charged in January at a lower cost than the estimate (£20k) and an improvement of income generated by Clissold House (£10k). The service is looking at options to improve the profile of Hackney House and generate more income. It is also expected that continued business growth at Hackney Town Hall will improve the situation further in this and future financial years. However, some of this overspend is due to an increase in business rates at Hackney House, which is currently subject to Transitional Relief but is facing steep annual increases. In the light of this, an options appraisal is being carried out looking at the Council's future tenancy of Hackney House

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

The drawdown from reserves will be used to cover the costs of apprentices and to contribute to overspends in Clissold House.

The combined Legal & Governance Service are forecasting to overspend by £173k on their budget after reserves drawdown of £56k from the Legal Services Childcare Lawyer reserves which was set up to help with increase in childcare cases.

The overspend reported in Governance is primarily due to Internal Printing Recharges estimated at £36k which has no budget and £73k is for two over-establishment Governance Services Officers needed due to increase in activities and with the other covering for maternity and an unfunded Team Manager's post previously funded by HRA.

Human Resources & Elections is projected to overspend by £102k after a reserve drawdown of £942k and additional Matrix Rebate of £129k which is unbudgeted.

The overspend mainly relates to issues with unbudgeted expenses of data provision work of £102k by Equiniti for the 2017/18 pension benefit statements

4.6 HRA

The HRA is forecast to come in on budget.

Income

Dwelling rents additional income of £444k is due to lower RTB's than expected and additional rents from the extension of Housing Association leases. Income from Leaseholder charges for services and facilities is

projected to be £422k over budget but this is offset by the increase in leaseholder insurance within supervision and management.

Additional income within charges for services and facilities is due to the recovery of the installation charges of digital TV, however this is the last year that the income will be collected.

Expenditure

There is a repairs and maintenance overspend of £818k which is due to an increase in reactive repairs and client (staff) function which is the subject of a restructure and Delegated Powers Report. This is compensated for by an underspend in the painting programme. Special services are forecast to underspend by £250k, which is due to a reduction in utility costs and Supervision and management is underspending due to a reduction in pension charges. However, this is largely offset by an increase in leaseholder insurance.

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.

On the property lease proposal (set out at 2.3), Strategic Property Services explored development options for the site in 2016. Due to a) the physical nature of the building, b) the restricted site area and c) planning restrictions on use and massing, any proposed development was considered too risky and of insufficient financial benefit to take on as a project, particularly in light of already stretched resources. The Council could have considered a sale of the Property and an offer was received from a developer for the freehold. However, this would not have assisted with the Council's strategy to increase income. Further, if the proposed letting proceeds, the value of the Property as an investment asset will be higher than the development value that was offered.

The Council also received a proposal for a joint venture, where the developer would add and retain two or three residential stories to the building and hand back the lower commercial floors to the Council upon completion of the works. This option was rejected, as it would have brought risk around the potential to let the lower floors in 2/3 years' time, reduced the commercial floor space, and would have removed any future potential for the Council to develop the site itself if the commercial market conditions dramatically change.

With regards to the proposed property disposal (set out at 2.4), if the Council does not sell the land, this will probably lead to a situation where the Boxing Academy Scheme would have been compromised but could have proceeded. However, there is nothing else that the Council can practically do with the land and so if we don't sell, we would lose the capital receipt

With regards to the proposed property proposal (set out at 2.5), if the Council does not sell the land, we will be left with land which is otherwise undevelopable left over and liability.

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of January 2019. 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 Resources' financial considerations are included throughout the report.

8. COMMENTS OF THE DIRECTOR OF LEGAL

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

8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:

- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices and monitor compliance with them.

- (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 8.3 Under the Council's constitution although full Council set the overall budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Council's 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
- 8.5 The property lease proposal as set out at 2.3 above, must be for the best consideration that can reasonably be obtained in order to comply with Section 123 of the Local Government Act 1972. The Council's Strategic Property Services have evidenced the benefits of the disposal in financial terms and, with regard to comparables in the area of similar types of buildings, the anticipated financial benefits to the Council clearly represent the best consideration attainable at this point
- 8.6 On the proposed property disposal set out at 2.4, the terms of the transaction are acceptable with the independent valuation ensuring the Council's best consideration obligations under section 123 of the Local Government Act 1972 have been complied with. There is also the risk that after 10 years of continuous use The Boxing Academy would be able to prove possessory title of the land without a requirement to make any payment to the Council.
- 8.7 With regards to the property disposal set out at 2.5, This is a disposal of land acquired for development purposes within the General Fund and the Interim Director of Strategic Property Services has confirmed that the disposal will comply with the best consideration provisions of s.123 of the Local Government Act 1972.
- 8.8 All other legal implications have been incorporated within the body of this report.
- 9.0 COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES**
- 9.1 The proposed letting as set out in 2.3 is the result of a comprehensive three months marketing campaign by an established agency in the East London property market. The proposal is the best all round offer the Council has received as a result of this campaign. A minimum ten-year lease is required by the proposed tenant due to the level of investment that will be made in

the fit out of the building and set up costs of the business. The key benefits of the letting are:

1. **Income.** The offer of £68,000 per annum is the best achievable rent having openly marketed the property through a reputable letting agent. The lease is for 10 years, without a break, securing a sustained rental income stream with a fixed increase at the end of the fifth year.
 2. **Asset value.** The tenant is well financed and expected to provide a good covenant once its business becomes further established. The tenant will invest substantial capital funds into the property to provide a high-class nursery fit out, with extended floor area and roof play area. This will substantially increase the investment value of the asset.
 3. **Non-commercial opportunities.** The tenant has submitted a report to the Council's Economic Regeneration team in response to the Menu of Opportunities. This sets out its intentions around creating job opportunities and providing apprenticeships for Hackney residents; working towards London Living Wage; engaging with schools and colleges; working with the community; and respecting the environment.
- 9.2 With regards to the disposal set out in 2.4, this small rectangle of (garden) land approximately 15 m² is land-locked with no independent access by the Council. I recommend to cabinet the disposal of the Land to the rear of 27 Hackney Grove in the sum of £10,000.00 plus costs accordingly.
- 9.3 On the disposal set out at 2.5, The sale price agreed must meet the best consideration requirements of s.123 of the Local Government Act 1972 however as this sale will be by necessity by private treaty to the encroaching developer the sale price agreed will be verified for compliance with statute by an external valuer

Appendices:

- Appendix 1 - Map of 110 Church Street, Stoke Newington N16
- Appendix 2 - Map of 21-27 Hackney Grove
- Appendix 3 - Map of 10_Long Street London E2 8HQ

Report Author	Russell Harvey – Tel: 020-8356-2739 Senior Financial Control Officer russell.harvey@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Ian Williams – Tel: 020-8356-3003 Group Director of Finance and Corporate Resources ian.williams@hackney.gov.uk
Comments of the Director of Legal	Dawn Carter-McDonald – Tel: 0208-356-4817 Deputy Monitoring Officer Interim Head of Litigation and Commercial dawn.carter-mcdonald@hackney.gov.uk

**Comments of the Director
of Strategic Property
Services**

Chris Prichard – Tel: 0208-356-3700
Director of Strategic Property Services, Finance &
Corporate Resources
chris.pritchard@hackney.gov.uk

Cabinet

25 MARCH 2019

**2018/19 OVERALL FINANCIAL
POSITION, PROPERTY DISPOSALS
AND ACQUISITIONS REPORT
(JANUARY 2019)**

KEY DECISION NO. FCR P29

Appendix 1

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Cabinet

25 MARCH 2019

**2018/19 OVERALL FINANCIAL
POSITION, PROPERTY DISPOSALS
AND ACQUISITIONS REPORT
(JANUARY 2019)**

KEY DECISION NO. FCR P29

Appendix 2

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These are the notes referred to on the following official copy

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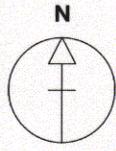
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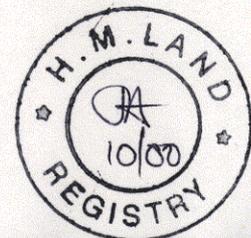
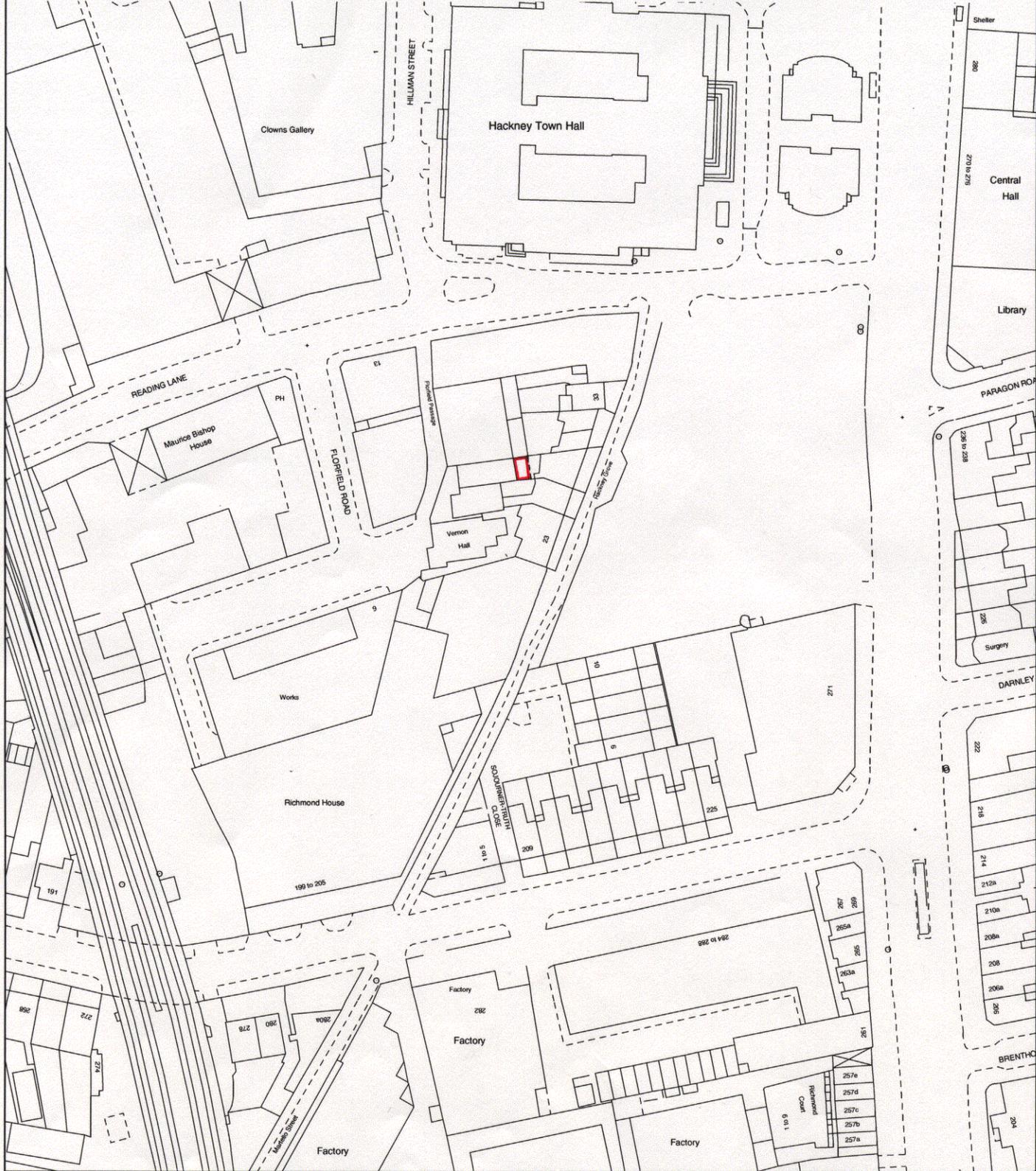
HACKNEY

ORDNANCE SURVEY MAP REFERENCE:

TQ3484NE

SCALE **1:1250**

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Cabinet

25 MARCH 2019

**2018/19 OVERALL FINANCIAL
POSITION, PROPERTY DISPOSALS
AND ACQUISITIONS REPORT
(JANUARY 2019)**

KEY DECISION NO. FCR P29

Appendix 3

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OS OpenMap Local

NORTH

Scale: 1:1250 at A4

Hackney

Land at 8 - 10 Long Street

LBH Ownership edged red - for identification purposes only

Ref: 13 February 2019

Page 35

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<p>Scrutiny Panel</p> <p>29th April 2019</p> <p>Item 5 - Council's Review of Advice Services – reasons methodology, approach and plans on evaluation</p>	<p>Item No</p> <p>5</p>
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OUTLINE

Through ringfenced funding within its Voluntary and Community Sector Grants programme, the Council provides funding for organisations providing advice services in the borough.

This is allocated to organisations following an application process. Funding levels for advice services covering the period 2019/20 – 2020/21 were protected, remaining at £770,000¹.

Allocations of advice funding for this two year period have been finalised. This is through Cabinet having agreed allocations recommendations based on the new assessment framework, in its meeting in March 2019.

This item has been scheduled for a broader discussion item on the reasoning for the review, its approach, the experiences of some of the services and organisations involved with it, the views of advice experts towards the methods used, and arrangements for monitoring the impact of the revised model over the funding period.

Lead Council Officers for the review will be in attendance for the item, along with a number of the advice provider partners who collaborated with it. It is hoped that representatives of other organisations which have followed similar approaches to reviews of their advice services, and relevant specialists on advice provision, will also be in attendance.

The paper enclosed has been provided by the lead officers for the review.

ACTION

Members are asked to review the paper enclosed in advance of the meeting. Following opening comments from guests, they are invited to ask questions within a panel discussion.

¹ The total grant increased to £890,000 in 2019/20 with an additional £120,000 ringfenced for advice services delivered in health settings. This replaced a service commissioned by Public Health

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The systems thinking approach to reviewing advice services- a report to Scrutiny Chairs' Panel

**Sonia Khan, Head of Policy and Partnerships
April 2019**

Summary

This report provides further details and context around the advice grant funding decisions that were taken by Cabinet in March 2019. These decisions are the result of an open competitive grants process based on a model for advice that was co-designed with the sector. The budget for advice has been protected from cuts; so any changes to funding levels of individual organisations are not linked to having to achieve savings. Funding for advice in 2019/20, and specifically for legal advice, remains at the same level as in previous years. However, through the open competitive grants process, some organisations, including the Hackney Community Law Centre are receiving a smaller share of the budget than previously, and there are other providers, already firmly based in Hackney, who will also now be funded to deliver legal advice.

The model for advice was informed by a systems thinking review which was initiated in 2016, when decisions about advice funding for 2016-19 were taken. The systems thinking approach was chosen because it was a method that would help us really understand what was going on in advice, from the clients' and from a frontline perspective. It was also a method which would fully engage the advice sector rather than imposing a top down service review. Advice providers were active participants in this review, and were encouraged to learn and implement what they learnt on an ongoing basis, as well as working with us to then inform the new model for advice. The Council was also an active participant, seeking to learn from the process about the way we fund and commission and about the ways that our systems create demand on the advice sector which could be preventable.

This report sets out:

- The background context for the systems thinking approach
- The rationale for adopting a systems thinking method
- The first phase of work and the learning from this
- The second phase of work and how the learning informed the co-production of the new advice model
- The Advice Model from 2019 and the assessment process
- Next steps

1. Background

Advice funding before 2014

Before 2014, Hackney's Advice Provision had, for some years, been funded in two ways. The Hackney Community Law Centre and East End CAB received specialist grants, outside of the competitive grants process and other providers received funding through the open competitive grants programme. In 2012, for example, funding for advice totalled £470,000, comprising £350,000 awarded through

specialist grants and £120,000 to other providers over and above this. The number of organisations awarded grants through the open competitive process and the total funding for advice therefore varied from year to year. This meant that there was no guaranteed level of provision nor were we providing a specific policy framework or focus that set out what we wanted from a service, the specific needs and how we expected people to work together.

Ring fencing of advice and review of advice needs

2014/15 marked a step change from this approach. £770,000 of funding was ringfenced for social welfare advice and all advice providers were asked to compete through an open competitive process. This was in part driven by the need to ensure that advice and support was available to residents to support them through a changing external landscape, which included government cuts and changes to legal aid and benefit changes brought about by welfare reform.

In 2015, with the new arrangements bedding in, a review of advice needs was carried out, to provide more of a policy understanding of what was driving need and how these needs were met. The review found that there was a significant amount of demand driven by errors in the wider system (e.g. benefits claims), that much of advice was “crisis management” because people presented so late, that there was a shortage of advice underpinned by the expertise to deal with specific issues e.g. debt and immigration and that there was limited insight into the quality of what was being offered. We spoke to advice providers and stakeholders who worked closely with advice providers, and we built a very sound understanding of advice needs, which remains very useful and valuable today. However, we did not look at what was delivered, the systems behind that or the thinking that informed it.

As a result of this review, the Council put in more dedicated officer support, to ensure that we had a strategic overview of provision and could develop ongoing working relationships with providers to understand demand and respond to emerging trends.

2016-19 funding arrangements

The review also informed the new funding specification for 2016 onwards. This identified features which are still reflected in the advice model for 2019. We wanted to fund advice that was person centred and started with the issues that were most important and pressing for people, focusing on resolving problems, building the capabilities of individuals to resolve problems, addressing system failures and responding proactively to external trends. We said we would measure progress based on whether issues were resolved rather than individual transactional measures e.g. appointments.

However when we came to award grants for 2016/17 the assessment panel concluded, that we (the Council and providers) did not have a sufficient level of collective understanding of how things were working out for people needing and using advice services, many of whom would be vulnerable, disempowered and had little voice or influence over any of the systems that are impacting on their lives. Advice providers were telling us that people needed a more involved type of help and support and there was a need for greater collaboration and join up. But we did not see this fully reflected in proposed approaches to delivering advice. We could see that the external

context would continue to be unforgiving for vulnerable people, following years of austerity, changes to benefits and housing policy, combined with hikes in housing costs, low wages, increased job insecurity as well as the increasingly more hostile environment for immigrants and new regimes in the public sector, which were leading to errors. From this, we were convinced that, as grant funders of advice, we couldn't just stand still and monitor the grants we had just awarded. In fact we were worried that this would create a "compliance culture" in which providers focused on standards and targets, without us all stepping back and understanding what we could do differently.

So in January 2016, our Cabinet report on advice funding said that we would ask all advice providers funded by the Council to participate in a systems review to explore demand and to understand the best ways to work with clients to resolve issues. This was intended to build on and explore further, the broader review carried out in 2015 by looking at what was actually being delivered and the wider systems around this that impact on advice services, rather than relying on performance data or meetings with providers.

2. Adopting the systems thinking methodology

Before commissioning the review, we spent some time developing the approach with advice providers, explaining why we needed to do this, sharing proposals, asking for feedback and discussing the rationale. This was on the agenda for our initial funding agreement meetings in February 2016. We then shared a paper for discussion and comment. The paper talked about:

Undertaking demand analysis (assessing how and why customers access a service) using qualitative methods, focusing on frontline delivery. Identify what is 'value demand' and how much is preventable or 'failure demand'. May include

- Observation in reception and triage
- Sitting in on interviews
- Understanding the processes/pathways which lead to the visit, including pathways/hand offs from other organisations

All underpinned by seeking an understanding of what is important to the customer and to what extent this is met through the service

Establish to what extent services are meeting demand and where demand (particularly preventable demand) is being created.

Undertake process review(s), to be scoped, based on results of demand analysis. Assess how processes, procedures and service design contributes to, or fails to reduce preventable demand

Adjustments to process design / other areas of provision on a trial 'test and learn' basis

This paper was informed by systems thinking work, including work in the advice sector, the whole systems work that had informed the Munro Review and the findings of the Future of Public Services Commission which advocated for a design approach and a rethink about how we meet rising demand. This helped us focus on some key aspects that we would want the review to understand and unpack:

- The needs and experience of the person needing advice
- The frontline worker perspective

- The institutional / management thinking that was shaping the system everyone was working in
- The wider systems and complex forces forces around advice
- How demand was viewed and managed

This paper informed a brief for external advisory support. We were clear that we needed a methodology that prioritised a high level of first hand experience of advice and frontline insight, and examples were provided of other reviews that had taken a systems thinking approach. We set out key lines of enquiry (see appendix 1), and invited respondents to set out the method and approach they would take. We interviewed three providers and selected the charity Advice UK. Our contract was subsequently topped up with additional investment through funder [Lankelly Chase Foundation](#).

Advice UK were chosen because the “field work” that they proposed in response to the key lines of enquiry was very detailed and prioritised activities which would help us understand clients’ lived experience and journeys through the advice system. They also stressed the importance of funders / commissioners and advice providers being directly involved in the process of review and observation. This was not arms length “consultancy” done to providers - Advice UK were going to upskill and empower Council staff and advice providers to work together to build a shared understanding of what was going on. This was a very compelling way to try to embed and sustain any learning from the process. From the outset, we were clear, and this was explicit in their proposal, that they were taking a systems review approach but that the specification “doesn’t lend itself to a full-fledged Vanguard Method intervention.”

Advice UK began their first phase of work in autumn 2016 with workshops and individual meetings with providers. They talked through the limitations of traditional approaches to service reviews, which did not challenge the “thinking” about a system that is under review, and made the case that without changing our thinking, change can not be sustained. This is illustrated in this Figure 1.

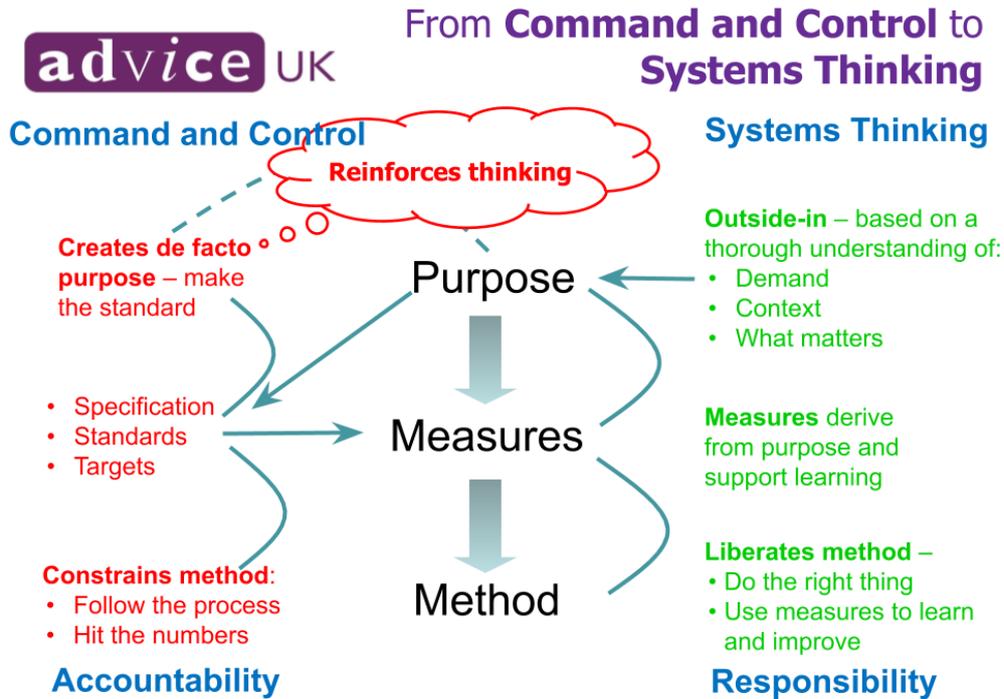


Figure 1 - from Command and Control to Systems Thinking

They also encouraged providers to think about the whole system around advice and identify the wider changes that are needed to develop better advice, as illustrated in figure 2.

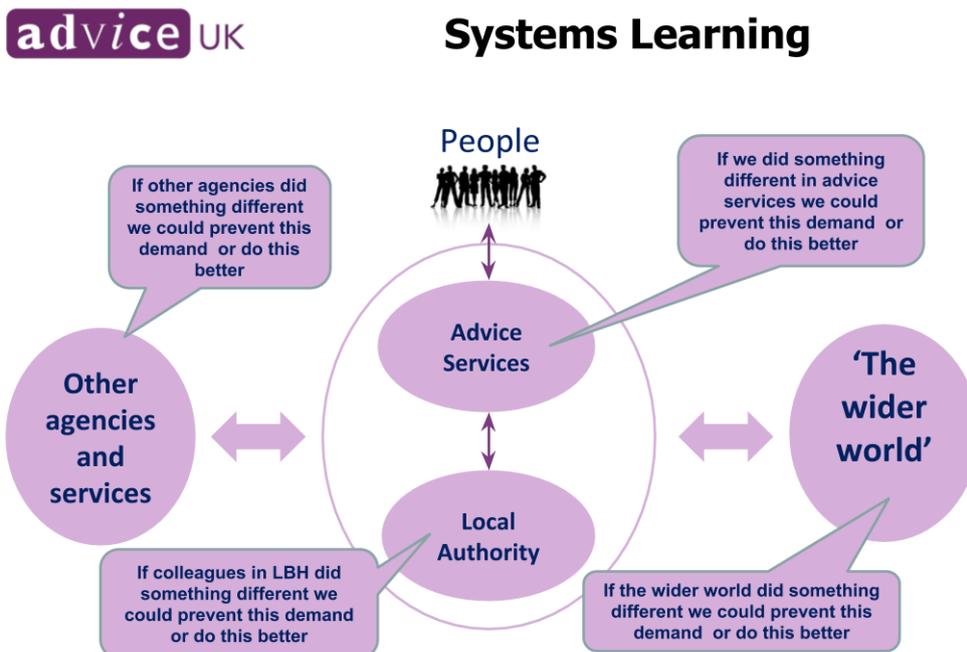


Figure 2: Thinking about the wider system

They asked everyone to be mindful of the following:

- “Unlearning” is difficult as it challenges our thinking
- Leaders must lead the process, but involving people from different roles brings a wider perspective to the learning and helps in implementing change
- The speed and extent of change are in direct proportion to the depth of involvement of leaders across the system
- The consultant role is mentor, coach and facilitator not researcher
- There’s no project plan – it’s an emergent process built on reflective studying and we follow the data and learning
- We’ll take some wrong turns but that’s how we learn what works

Throughout both phases of work, observations and reviewing case histories

3. The first phase of work

Initial meetings with all the advice providers was followed by a period of observing and learning. Over the first few months of 2017, we (Council officers, advice providers and Advice UK) talked to people in waiting rooms, observed sessions and reviewed hundreds of case files to understand what matters to people accessing advice and our capability to respond. Clients could choose whether they were observed or not, guidance about confidentiality was provided along with a guide on observation.

This work helped us to think about the purpose of advice from the perspective of the people who were seeking help and as a result of the analysis of data and the learning gained through observation.

In June 2017, a very well attended session was held at the CAB, co-facilitated by advice providers, to consider the findings to date. We looked at the journey that people seeking advice were on, which was inevitably messy and complex, but sometimes made more so, by the way they were engaged or the way services were managed or funded (see figure 3).

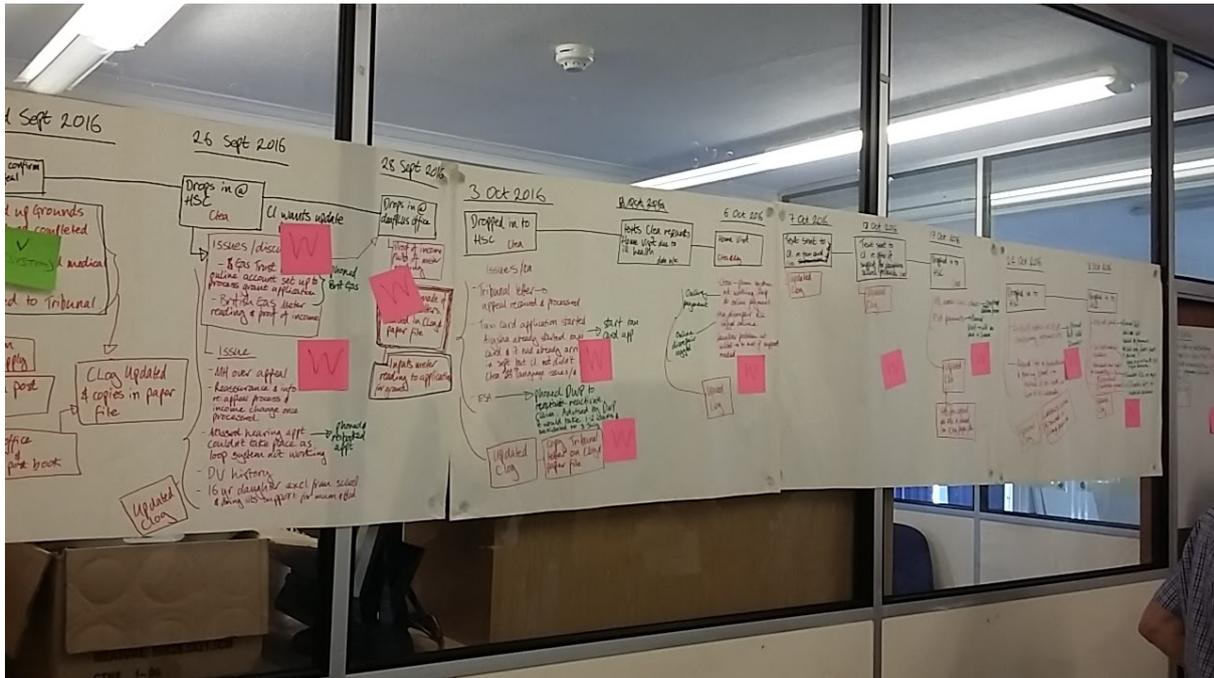


Figure 3: an illustration of the customer journey through advice

In the session we discussed opportunities to change the way we helped people: focusing on what “matters” for them, not trying to categorise people into predetermined boxes, so not hearing what they want or need. We also talked about making the experience smoother for people, avoiding passing people to different services, putting more expertise on the frontline so that people got the help they needed straight away, putting in place the right measures of success to enable us to question, challenge and learn and bringing leaders closer to frontline activity. We also heard about two working trials (“experiments”) that put in place different ways of working in response to what providers had learnt. We shared a set of new measures which could help us better understand what is going on in advice and also shared a working set of design principles (figure 4).

- **Citizens set their own priorities**
 - We work alongside people to find out what matters to them, and learn how to deliver exactly and only that
- **Only do the value work**
 - We work to understand the causes of failure and waste in our own service and the wider system, and to switch them off
- **Work flows through the system**
 - We seek to understand how the work works, what gets in the way and how to stop it
- **Single-piece flow**
 - We work to remove all hand-offs and pull expertise when required
- **Pull not push**
 - By understanding what matters to people, we design to meet demand and focus on delivering what matters, rather than what our own or funders' thinking dictates
- **Best resource on the frontline**
 - We learn what expertise we need to respond most effectively to predictable demand, and how to quickly connect service users with the person / people who will help them solve their problem
- **Change is based on knowledge**
 - We work to thoroughly understand our system outside-in, using data gained in the work to question, challenge and learn
- **The role of leaders is to act on the system**
 - We work alongside frontline staff to support them to improve the work – **in the work** – and act to remove the system conditions that hinder improvement

Figure 4: emerging design principles shared in June 2017

For the rest of the year, we encouraged funded advice providers to experiment based on what we had learnt and to test the new purpose for advice. The experiments had to be rooted in addressing what we had learnt through studying, understanding the problems described above that we were trying to solve, using measures to maximise our learning and thinking about how to build on our findings.

4. Summarising our findings from the first phase of work

In January 2018, we shared an update within a [Cabinet Report on Grants](#). A more detailed update was then shared with our top tier of directors and the Mayor and Cabinet and was [publicly](#) shared with the Integrated Commissioning Board who were keen that our work informed thinking and planning about health and wellbeing. These detailed findings had been shared with advice providers during the second half of 2017. This is a summary of what was in those reports.

Findings about experience of the advice system

Mapping people's journeys through the system shows that people don't always know how to access services and when they do triage and signposting lead to repeat visits. Subsequently the service they receive is often fragmented and unable to support them to learn about and navigate systems for themselves. Advice is sometimes transactional, looking at the presenting problem only. However people experiencing social welfare law problems rarely face a single problem, particularly those experiencing severe and multiple disadvantage who, by definition, face a complex mix of issues impacting, amongst other things, on their housing; benefit entitlements and claims history; their physical and mental health and wellbeing; their capability to interact with impersonal service provision and remote decision-making; and discrimination in various forms. The mapping showed that it could take a long time to reach resolution, spanning many months and that the journey could be messy. This reflected the complexity of people's needs, and the ways that problems could compound and escalate. However in reviewing the journeys, it was clear that there

was a great deal of waste, with time being spent responding to systems failure and preventable demand.

There is also a perceived distinction between what is characterised as “generalist” and “specialist” advice. We found that these functional specialisms are meaningless in the context of people’s lives and create perverse service designs. So the potential for arriving at the “wrong” front-door and not being able to access the help required is significant, whilst at the same time amplifying the perceived demand on services as individuals have to re-present to see different specialists.

Demand

As stated above a key feature of this method is to listen and record what people are asking for in their own terms when they approach a service. The reason for doing this is that if demand is categorised and analysed to fit into existing “boxes” it can create a “distortion.” The effect of this distortion is twofold: firstly it impacts on behaviour on the frontline, meaning that frontline workers can be seeking to categorise people into pre-determined ‘boxes’ and so do not effectively hear what they actually want and need; secondly, it leads to standardised service responses that fail to take into account what really matters to people.

Analysis of verbatim demand of what people asked services to do for them showed that welfare benefits and destitution / financial hardship are the two biggest drivers for people seeking advice. Debt is also one of the key factors with people presenting with problems such as issues with rent arrears, utilities bills and bailiffs. Consideration of welfare reforms and the roll out of Universal Credit is therefore central to the redesign of current advice services as well as the design of a future funding model.

The review has found that the capacity of advice services is constrained by failures within a range of public services and the impact these cause both in driving excessive levels of demand into advice services, and in making it difficult for the advice services to themselves establish communication and resolve these problems. 66% of the preventable demand above was created by external agencies.

Purpose

An important element of the initial phase was to encourage participants to think clearly about the purpose of their service from the perspective of the people who seek help from it. Based on what we have learnt through observations, demand information and what matters to residents, a new working definition of a purpose for advice services has been agreed:

“Help people solve their problems by promptly giving the right advice, support and knowledge”

We have also started to look at the way the grants are managed, prompting a more relational approach to contract management. The way we measure the grants needed to change to look at access, demand and capability. These new measures would enable us to understand how well the service is achieving its purpose in supporting people to manage and avoid future crisis rather than just to benchmark or measure performance.

Feedback from experiments – findings so far (as of autumn 2017)

Citizens Advice

The experiment at Citizens Advice looked at the gateway model they use. The purpose of the Gateway is primarily assessment of whether the service can help and, if so, the correct point in the service to refer to. As part of the experiment an initial conversation was held with people presenting to understand their demand/need in the context what matters to them and what would make their life better. This helped to identify and initiate the work that was of value that would help them move towards this, rather than just dealing with the presenting issue. This also enabled the adviser to work in a relational rather than a transactional way.

An experienced advisor was also available during Gateway hours to offer a fuller service. In addition for four of the experiment days, a solicitor or experienced advisor from the law centre was also on site to offer advice should the need arise. Outside of the experiment if legal expertise is needed people are 'handed off' through a referral system.

We found that people waited on average just under 22 minutes to be seen, as opposed to the normal average wait for Gateway of 3 hours and 7 minutes, and in only 19% of cases were people signposted out of the service compared to 39% in a gateway session. The learning also suggested that fewer follow-up appointments might be needed if more capacity is available on the front line.

Law Centre Staff

Law centre staff co-located at Citizens Advice and staff fed back that this has worked very well from the client's perspective where issues are addressed as fully as possible without having to refer to other services or through numerous appointments.

Learning from the initial experiments

We identified a number of findings to continue to explore:

Resolution – the focus on trying to achieve 'resolution' for people at the earliest stage has generated questions about what is meant by "Help people solve their problems" in the context of Hackney's advice services. For advisers involved in the experiment, the majority of whom had not previously been involved in the systems review, resolution related only to addressing the presenting problem, whereas true resolution for the individual relates much more to the underlying issues they face, whether personal, systemic or structural. These questions relate fundamentally to purpose and will be subject to further exploration as experimentation proceeds in the coming months and services move towards redesign.

Frontline skills / experience – there was general agreement that the frontline role, whilst incorporating sufficient advice experience to address immediate issues, should not necessarily be an expert caseworker. There are practical challenges in trying to resolve issues at the first visit, not least the difficulty in contacting public agencies such as DWP, which can use significant amounts of capacity that could be more usefully applied elsewhere. What is crucial in the initial interaction is to begin to build the trusting, purposeful relationship with the individual that will be the foundation of a successful interaction. Citizens Advice is exploring the development of different volunteer roles and the holistic, supportive approach currently practised by the HAS

consortium will also be central to the development of a different, more relational way of working from the first point of contact.

The impact of restricted access – much of current design of advice services (and indeed most public services) is focused on rationing demand: on creating barriers to entry and signposting away to another service whenever possible. Studying demand shows that the inevitable result of this is simply to amplify demand across the system: if people can't access the help they need they re-present at different points in the system, their problems getting progressively worse until they have a major impact on resource that can no longer be ignored. For example, the experiment at Citizens Advice suggested that offering open access would stop creating queues and that individuals' attendance, given the opportunity, would potentially be staggered across the working week, although it would take time to shift people's learned experience of needing to arrive early to access a queue.

This presents challenges to the service given the multiple funding streams that contribute to advice provision and their individual requirements, which make the allocation of staff time less flexible, but there are opportunities to train and deploy volunteers differently in order to free up access, which should both improve the service for residents and free up capacity.

Whole system experiment – to date, experimentation has been limited to exploring access within a tightly constrained system. The next phase of the work should explore the potential for advice services to take a fully co-ordinated, whole system approach to supporting local residents, whereby the initial focus is to build a productive and trusting relationship with an individual, to understand their context, their assets and any obstacles they face, and to co-design the wide-ranging options that would help them move forward towards their view of a good life. The unprecedented level of co-working between advice organisations in this review provides a positive foundation for such a collaborative approach.

The impact of external failure demand – there is no doubt that the capacity of advice services is constrained by the failure of a range of public services and its impact both in driving excessive levels of preventable demand into advice services, and in making it difficult for those advice services to themselves establish communication and resolve problems. In Hackney, further links are being forged with the local authority, with a view to collaborating to address the preventable demand that emanates from council services. With the roll out of Universal Credit, we have developed a plan to identify and mitigate impacts.

5. Towards a new advice model

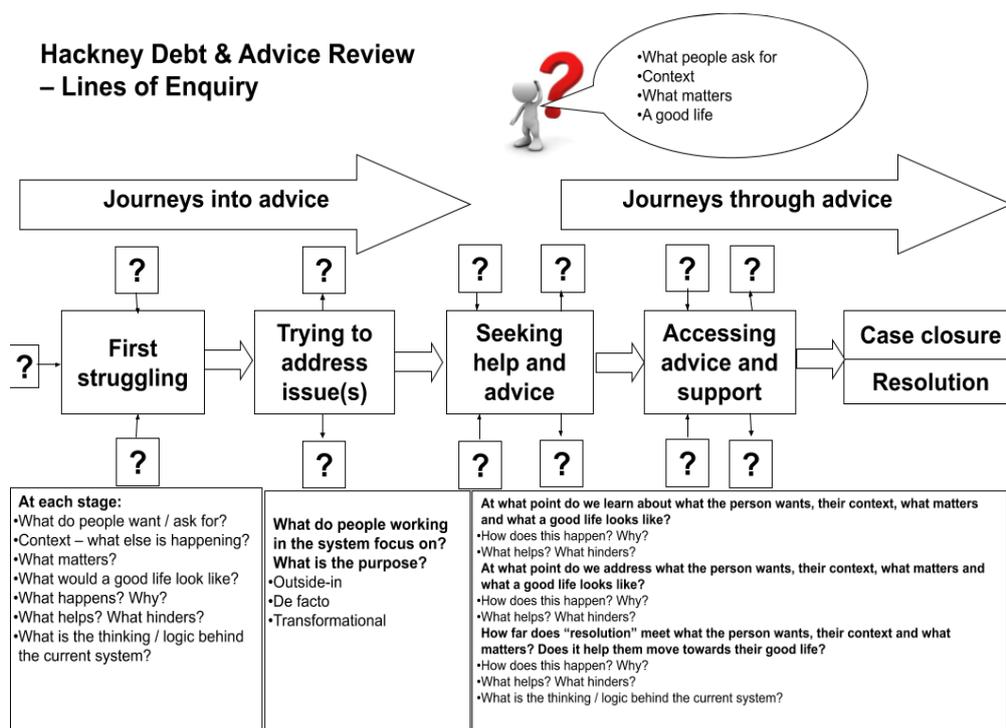
From February 2018, we invited a wider set of providers to get involved, to ensure that the wider system of advice was also reviewed and that there was plenty of opportunity for providers to design the new model as transparently as possible. We also went back out to tender to seek an adviser who could work with us to support the process.

This phase was launched through a workshop and then providers were supported to observe what was going on in their own services and in each others' services over spring and early summer 2018. In June 2018, a review session was held and all the observation data collected was shared, anonymously to inform discussions about

demand. Providers were asked to consider this data in the context of their own systems:

- What have I been learning about my own organisation about how well we currently do what matters and why?
- What helps? What gets in the way?

Providers were then asked to continue to work collaboratively with other providers to map client journeys to better understand what is happening. Each provider was supported with a follow up meeting to help set this up. We convened a meeting in July to go through these journey maps, looking at points in the journey where there had been missed opportunities, where things were passed back to the customer, or passed on to other agencies.



We also held a smaller workshop in July with a number of providers who said they were interested in working with us to develop the purpose. Other providers started to develop the qualitative measures for the final framework. The revised purpose and measures, were then sent to everyone for comment. The reason we put so much emphasis on purpose was to ensure we were responding to what our clients needed, rather than what institutions were set up to deliver. This purpose then underpins the principles for the new service, helps shape what we measure and provides a focus for what we value and what we deliver. In September, in advance of the Cabinet report, we called advice providers together again and held a workshop to introduce the new framework. At the end of this workshop we offered some ways that different providers

could really reflect on how successfully to respond to the new framework, by continuing to apply the systems thinking approach, and offered to work alongside them on this if that would help.

6. New Advice Model

Launch of new advice model

This went to Cabinet in [October 2018](#), having highlighted this upcoming decision in a Cabinet report in [June 2018](#). In October's report, we set out the approach and what we have learnt. We reported that:

The learning from the review has shown those involved that the overarching principle of advice services should be understanding residents' demand in context (not just the presenting issue) and delivering what matters to them. In order to do this an integrated advice system is needed that provides clear, simple and open access, including those residents who face barriers to accessing services, and which minimises hand-offs between advisers and providers. All those involved in advice provision need to take a shared responsibility for system learning and continuous improvement. 4.14 The Council and advice providers will continue to work collaboratively.

We outlined the principles for a new advice grant framework:

Responsive - provision of timely and accurate advice that residents have confidence in. Understanding demand and providing an appropriate level and type of service to meet the variety of need presented. Learning - continuous learning and improvement are integral to how the service operates, with a focus on learning what matters to residents and how to do exactly and only that. High quality - advice and support are provided in a welcoming and respectful environment and the process is as convenient and smooth as possible, enabling residents to quickly access the help, advice and support they need with minimal hand-offs, internally or to other agencies

Professional - employing suitably qualified, recruited and trained staff, who possess both the technical advice and legal knowledge and the interpersonal skills to engage positively with residents to fully understand and meet their needs.

Flexible - a service that can offer and/or draw on a variety of responses to different needs including non-advice support

Enabling - supporting residents where possible to increase their confidence and resilience to be better able to deal with future problems

Collaborative - working with other agencies to share and act on learning about what works in the provision of advice, and seeking to address and reduce the causes of demand for advice.

Accessible - a service that has open access including to residents who face barriers to accessing services.

We launched the [new framework](#) on 8th November 2018, with a clear purpose for advice which was "Help me to solve my problems and regain independence by promptly giving the right advice and support" along with principles which had been shared in the Cabinet report of October 2018. The framework set out a range of

measures that sought to better understand and continuously learn from what was happening in advice, and from whether the service was delivering against its purpose and principles:

Quantitative Measures

Number of people trying to access the service (by type of demand)

Number of people accessing the service (by type of demand)

Number of people who abandon (by type of demand) and reason

Number of people turned away (by type of demand) and reason

Demand Measures

% Value demand

% Preventable demand (external) and source

% Preventable demand (internal) and reasons

Capability Measures

We also wanted to better understand capacity issues, for example understanding the number of repeat visits and reasons, the % signposted or referred elsewhere and reasons, time taken from first contact to meeting the person who can help, and the end-to-end time- first contact to resolution.

Qualitative measures

Qualitative measures will help us to determine how far the service is able to deliver what matters and solve a person's problem.

In this document, we set out clear timescales for the process and dates for interviews, and for when we would advise providers of the outcome. The document stated that we would undertake a vulnerability review for any organisations that were put at risk by the funding decision.

Assessing providers and awarding grants

We asked providers to submit written responses to a range of exploratory questions to test and understand how they would organise provision, in line with the purpose, principles and measures. The assessment process comprised of the following:

Scoring: Applications will be scored against the organisation's understanding of the purpose and principles that underpin the advice framework and their ability to apply them to the new service. This process will consider whether we have the right landscape of services to meet the purpose for advice. Scoring was done by 3 officers from Policy and Partnerships and Public Health against a consistent template.

Reference group: Colleagues from a wider set of services had the opportunity to feed into the process by reviewing a summary of the applications and agree on clarification questions for the interview.

Interviews: These were based on a consistent set of questions based on the application forms as well as specific questions for applicants based on their proposals and approach to purpose. There was a panel made up of officers from Policy and Partnerships, Public Health and one of the systems thinking advisers, along with support from Corporate Programmes.

The application and interview process has provided a pool of organisations that the Council can be confident will continuously improve the advice service in the borough and will provide a comprehensive landscape of advice, as well as those where further development might be needed but where they provide an important role within the existing advice landscape. Rather than allocate grants just according to the merits of each application decisions by officers are beginning to shape advice service to meet need. We wrote to all providers with the outcome of the assessment process on 1st February and said “If you are an organisation currently in receipt of an advice grant from the Council please note that the amount you receive may be reduced as we will be funding more organisations than previously. You may wish therefore to consider the implications of this for your organisation now and take appropriate action.”

Meetings to discuss decisions, based on the breadth and type of provision needed and to share indicative allocations took place from mid February. The Cabinet report published in March 2019 identified the organisations that would be funded and recommended the decision in regards to the final award amounts is delegated to the Director of Strategy, Policy and Economic Development. The recommendations include a transition fund for three organisations where there is a risk to the organisation from the funding decision. The final amounts that are being awarded in 19/20 are shown at appendix 2.

7. Next steps

We are now in quite an intensive process of working with providers to put the new service into practice. Because this is a new approach, that we are committed to getting right, we are going to hold review meetings at providers’ premises every other month, in order to share learning and address emerging issues in the service or wider system, this will include observing in the work to learn together, as the new service will be based on a principle of shared responsibility between the Council and providers.

We will also hold quarterly meetings for the whole advice service. We appreciate that there are a broad range of providers who have been funded and that some providers are receiving a lower level of funding than previously. However the level of grant funding has been maintained and the level of grant funding for legal advice has also been maintained. Neither is this about fragmentation- Hackney is a diverse borough with very diverse needs. By working together and continuing to see advice as a shared responsibility between advice providers and the Council we can provide the seamless service that our residents deserve.

We also recognise that we need to continue to build the capacity and skills of the local sector to work this way and will also be investing in local umbrella organisation Hackney CVS to work with providers to support advice providers to learn from residents’ experiences and their journey through advice. This is our way of reviewing how well the service is working and replaces traditional performance management; the measures of success we have put in place seek to understand who is accessing services and who is not able to, what is driving demand and how their needs are met. We are committed to using these measures, not to make judgements about advice providers, but to ask how well the system is working. The measures are likely to change as we learn more.

We understand that this is a very different way of working and that we are all having to 'unlearn' traditional approaches and methodologies for meeting 'demand' and the way we deliver services that have been adopted and used by public services for many years. It is requiring us all to stand back and challenge our assumptions, expectations and our attitudes towards our roles and each other. However the work undertaken by partners so far has demonstrated how traditional approaches are failing residents and how public services have constrained providers to deliver limited outcomes for residents that can easily be measured and quantified, as opposed to working together as a whole system to ensure that they provide what residents really need.

Appendix 1: Key Lines of Enquiry Table from the 2016 systems review brief

Topic	Line of Enquiry	Suggested Activity
Customer experience	Process mapping: what are the typical customer journeys? To what extent are advice providers delivering 'what matters most' to customers?	<ul style="list-style-type: none"> · Tracking cases · Observation · Interviews with advice providers

Flow	<p>What are the typical experiences/service interfaces of customers prior to, and following, contact with advice agencies? What are the referral processes What are the signposting processes? To what extent does the 'flow' of customers through the service help or hinder (preventable) demand management?</p>	<ul style="list-style-type: none"> · Tracking cases · Observation · Interviews with advice providers
Timeliness	<p>How is triage performed? Are there opportunities to resolve more cases at first contact and/or improve efficiency of the triage process?</p>	<ul style="list-style-type: none"> · Tracking cases · Observation · Interviews with advice providers
Activity	<p>What is the balance between preventative work and casework? What is the balance between individual and group sessions? Are there opportunities to improve the content and balance between activities in response to findings re: outcomes and customer experience?</p>	<ul style="list-style-type: none"> · Service plans and data

<p>Demand</p>	<p>To what extent are services meeting demand How much of demand is 'value demand' and how much is preventable or 'demand failure'?</p> <p>Value demand: complexity of cases or complexity of personal circumstances? Failure Demand: Is demand rising as a result of public service failure or poor design?</p> <p>Avoidable Demand: Is service demand arising from certain behaviours that could be changed?</p> <p>Excess Demand: Are citizens accessing services they don't strictly need?</p> <p>Preventable Demand: To what extent is demand arising from causes which could have been addressed earlier? These could be complex root causes like mental health issues</p> <p>Co-dependent Demand: To what extent is demand unintentionally reinforced by service dependence?</p> <p>Where is demand (particularly preventable demand) being created?</p>	<ul style="list-style-type: none"> · Tracking cases · Observation · Analysis of monitoring data
<p>Reach</p>	<p>Are the advice services reaching Hackney diverse communities? What are the barriers to reaching different community groups? Are there opportunities to improve the reach of the service? Do services understand and address in their provision equalities considerations and the multiple vulnerabilities of clients</p>	<ul style="list-style-type: none"> · Analysis of service user data

Workforce	<p>How are cases split and managed between specialist and generalist advisers? Is there opportunity to reduce hand-offs? Are there opportunities to improve efficiencies in how the workforce is deployed?</p>	<ul style="list-style-type: none"> · Interviews with advice providers · Tracking cases · Observation
Outcomes	<p>To what extent are the customers 'root issues' addressed? Is the service actively managing demand, and reducing preventable demand where possible? To what extent have customers' capabilities and resilience to resolving similar issues in the future been achieved?</p>	<ul style="list-style-type: none"> · Tracking cases · Observation · Interviews with advice providers

Appendix 2 - funding of advice - 2019/20

The new decisions are implemented in May 2019 and so details of the one month extension are shown, followed by the 11 month allocation and then the transition funding.

	<u>Advice Grants - total allocation 19/20</u>	
Advice Grant - 1 month extension	East End CAB - 1 month extension	£30,831
	Hackney Community Law Centre - 1 month extension	£16,916
	Breakthrough (Deaf - Hearing Integration) 1 month extension	£9,376
	Agodus Israel - 1 month extension	£850.00
	City & Hackney Carers Centre - 1 month extension	£1,275
	Derman - 1 month extension	£922
	NLMCC - 1 month extension	£992
	Sub-total - 1 month extension	£61,162.00

Health-1 month extension	SAFH	£10,000.00
subtotal		£71,162.00
Advice Grant - 11 month service	Hackney Chinese community centre	£11,530.00
	CAB partnership	£240,169.00
	Hackney Community Law centre	£105,417.00
	Day-Mer	£10,659.00
	Praxis	£33,666.00
	Breakthrough Deaf-hearing integration	£129,716.00
	Shelter	£46,267.00
	Age UK East London	£60,194.00
	Agudas	£9,350.00
	Fair finance	£28,600.00
	HCVS - development support	£32,083.00
		Sub-total - advice grants
Health-11 Months		
	CAB partnership	£55,000
	Age UK East London	£55,000.00
	Sub-total health	£110,000.00
Transition fund	Hackney Community Law centre	£50,000.00
	Day-mer	£7,876.00

	Hackney Chinese community centre	£7,124.00
	Sub-total - transition fund	£65,000.00
	Advice total spend	£953,813.00
	Advice budget	£770,000.00
	Public health	£120,000.00
	Transition	£65,000.00
	Advice budget 19/20	£955,000.00

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Scrutiny Panel 29th April 2019 Item 6 - Submission from Joint Unions	Item No 6
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OUTLINE

Item 7 on the agenda will see an item on Hackney's workforce, focusing on diversity and equality, enabling supportive and inclusive leadership by managers, and communications channels between senior leaders and the unions.

The Council recognises three Unions as representing staff members in the Council; Unison, Unite and GMB. These are known as the Joint Unions.

There are established mechanisms for engagement between the Council and the Unions (including Local Joint Committees and Council Joint Committees).

However, given the workforce item mentioned above, the Joint Unions have asked that they be given opportunity to present to the Scrutiny Panel and to provide a paper. The subject matter is that below:

"The joint trade unions wish to raise our continuing concern regarding how the issues of discrimination and bullying have been and are continuing to be dealt with by the Council. The joint trade unions also wish to make a number of recommendations"

ACTION

Members are asked to review the paper enclosed in advance of the meeting. Following opening comments from guests, they are invited to ask questions.

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JOINT TRADE UNIONS

17TH APRIL 2019

CLASSIFICATION:

Open

“The Joint Trade Unions wish to raise our continuing concern regarding how the issues of discrimination and bullying have been and are continuing to be dealt with by the Council. The Joint Trade Unions also wish to make a number of recommendations”

1. INTRODUCTION

- 1.1. On 26th February 2019 the Joint Trade unions UNISON, UNITE and GMB (the TU's) withdrew their support from an independent investigation into bullying and harassment in the Councils housing call centres.
- 1.2. On withdrawing their support, the TU gave assurances to its respective memberships (and those who perceived that they too had been victims of bullying and harassment) that they would instead be launching their own investigation based on the information that they had contributed to the investigation and evidence they had compiled following complaints from their membership and beyond.
- 1.3. The publicity of the independent investigation empowered staff from across the Council to discuss their various grievances around bullying and harassment with the TU's. It is now clear that the issue of bullying and harassment and discrimination isn't isolated to the housing call centres, rather it is a shared experience from staff across the Council.
- 1.4. The Council have now acknowledged that there are indeed issues of bullying, harassment and discrimination in a "*a large organisation such as Hackney*" and that newer managers may be more prone to this; the Council has undertaken to embark on diversity training for its managers and have recently launched an inclusive leadership programme that should see the recruitment of corporate equality champions. However while the TU's welcome the steps management have taken to address the concerns of staff they also believe that these do not go far enough.

2. RECOMMENDATION(S)

The TU's recommend that:

Workforce Statistics

- 2.1.1. That the Council immediately re commit to centrally recording detailed statistical data on the grievances, disciplinarians, capability and suspensions including but not limited to the protected characteristics of the effected staff in all processes under these policies both formal and informal
- 2.1.2. That the Council immediately commit to centrally recording detailed statistics in relation to staff secondments, promotions and training.

Agency Workers

- 2.1.3. That the Council's workforce profile is updated to include the information on agency workers.
- 2.1.4. That the model agency/casual worker items presented to the Council Joint Committee on 3rd October are adopted (Appendix E)
- 2.1.5. That the Council adopts a policy for agency workers, including but not limited to a mechanism to report grievances to the Council

(acknowledging that agency workers are not employees of the Council) but with a commitment to ensuring that the matters complained of are made known to the Council, with a commitment that appropriate actions are taken against any staff found to be at fault as well as steps to be taken as a result of their experiences.

- 2.1.6. That the Council commit to reviewing their internal recharge arrangements for the recruitment of permanent staff (in some cases costing over £5000 per role), to ensure it is not more lucrative *for budget holders to recruit temporary workers as against permanent staff.*

Corporate Policies and Procedures

- 2.1.7. That the Council review their policies taking into consideration the positive work they did into the early 00's and in addition to the diversity training announced for all managers, the Council actively take step to:
- 2.1.8. Immediately re-establish the Equalities Sub Committee to look into the statistics forming an updated workforce profile.
- 2.1.9. Extend the reach and scope of their inclusion champions to form an executive board made up of the champions, trade union representatives and corporate representatives that feed into the scrutiny group
- 2.1.10. Empower members to take an active role in all appeals, and that the policies and procedures are amended to allow members to "call in" matters of concern.
- 2.1.11. Ensure that all policies with a route of appeal have a final route of appeal to members.
- 2.1.12. That the Council re-establish the independent referral unit.
- 2.1.13. That the Council re-establishes the Employment Tribunal Panel and records details of the protected characteristics of claimants.
- 2.1.14. That information in respect of employment tribunals (and the protected characteristics of those involved) are shared with the TU's as part of the LJC process or are released annually as part of the workforce profile.

3. JOINT TRADE UNIONS INVESTIGATION INTO BULLYING AND HARASSMENT IN THE COUNCIL

- 3.1. The TU campaign to lobby the Council into launching an independent investigation into bullying and harassment in the Council call centre resulted from complaints by members in that service. The TU's were also aware of one employee of staff from that area going to the tribunal (there have now been two employees from this team seeking recourse in the employment tribunal).

- 3.2.** As a result of the TU withdrawing their support from the independent investigation the TU put the Council and its TU members on notice of its intention to launch its own investigation, the joint trade unions have interviewed its stewards, compiled a number of witness testimonies and are surveying TU members as well as the wider workforce in relation to their experiences. It is expected that the final report will be released at the end of April 2019. A provisional summary of the investigation findings is set out below:
- 3.3.** The unions were aware and continue to be aware of the over reliance of agency workers in this team (the scrutiny committee itself having probed the number of agency staff in the neighbourhoods and housing directive). However the numbers of agency staff working across the organisation as a whole are a concern for the TU and our members (See Appendix A).
- 3.4.** Stewards in the respective TU's reported instances of bullying and harassment and summary terminations in the call centre. TU Members reported a culture of fear where staff were scared to speak up for fear that their employment would be immediately terminated and any opportunities to join the organisation on a permanent basis thwarted.
- 3.5.** Stewards have reported that even where permanent opportunities are made available many staff who apply are often unsuccessful despite being in post (albeit on locum basis) sometimes for years. Some members have recounted seeing staff escorted out of the call centre or being summarily suspended from workplaces.
- 3.6.** These fears were not limited to the experiences of staff in the call centre alone; agency workers across the organisation expressed dismay about being in post for extended periods then ultimately being unsuccessful in securing the role when subsequently advertised.
- 3.7.** Some former staff have reported that where they have lodged grievances with their employers (their recruitment agency) these don't appear to have been investigated by either their employer or by the Council notwithstanding that the matters complained of have implications for permanent staff and the organisation as a whole.
- 3.8.** Where matters are reported to recruitment agencies temporary contracts are terminated. It has been acknowledged by the Council that where agency staff roles are terminated there is a corporate policy not to re-engage the terminated member of staff, in effect blacklisting members of staff who in some instances have genuine complaints.
- 3.9.** Since the launch of the campaign staff from across the Council in all directorates have approached the TU about their concerns about bullying and harassment in the organisation.
- 3.10.** Some staff have advised the TU that they have experienced both direct and indirect racism, other staff report being verbally harassed and bullied over sustained periods of time with little or no action taken by management.

- 3.11. Black and visibly ethnic staff despite years of scrutiny continue to be over represented in the lower pay scales. TU members believe that there are more black and visibly ethnic agency staff and that they are more likely not to be able to secure permanent posts.
- 3.12. The TU's recognise that the majority of disciplinary action taken against its membership are against black and visibly ethnic staff and that the majority of its membership on suspension are black or visibly ethnic.
- 3.13. The Council's corporate equality workshops, its local government peer review and the testimony of TU members and the wider workforce show that there is a genuine perception that visibly ethnic minority staff are more likely to face disciplinary action and or redundancy. Ultimately there is a perception that the Council are gentrifying its workforce and as a result visibly ethnic staff are being marginalised in place of younger white staff.
- 3.14. The TU are also concerned about the number of suspensions in the Council as well as the length of time in which staff are suspended. Some members have reported being on suspension for over a year. The TU's are aware of instances where staff have been suspended for elongated periods with no case to answer.
- 3.15. Member have consistently complained about the length of time it takes for grievances and disciplinary investigations to be completed.
- 3.16. The TU are actively assisting its members in taking up grievances both individual and collective specifically focused on bullying and harassment.

4. BACKGROUND

4.1. Independent Investigation

- 4.1.1. This report has been prepared in consequence of the TU's withdrawing their support for the Council's investigation into the housing call centres. The background below was first set out in our letter of 26th February 2019 to the Council's Senior Management Team (Appendix B)
- 4.1.2. In April 2018, following meetings with a senior HR officer the TUs, formally approached senior managers requesting that the Council launch an independent investigation into the current working practices in the Call Centre.
- 4.1.3. The TU's were aware of complaints from a number of staff in the Call Centre (both members and non-members) who allege that they had been victims of bullying, harassment and discrimination from management (the allegations) (The highest profile being that of Ms Natasha Johnson).
- 4.1.4. Several examples of the serious allegations were provided to the senior management team. However, despite briefing officers in advance and the serious nature of the concerns, no response was received from either addressee of the letter sent in April 18. When the

TU's eventually got to sit down with the Council in June 2018, our concerns had been passed down to a less senior officer,

- 4.1.5. Despite the numerous serious allegations, initial calls for the investigation to be independent were resisted. Dismissing the allegations the TU's were advised that *if* there were issues of bullying and harassment it was the Council's preference that these be investigated internally.
- 4.1.6. From the outset it was it appeared that because of the successive failures of management to recruit permanent staff (culminating in an over reliance on temporary staff without job security); as well as the experiences of both former and current staff, some staff affected were fearful of management; many staff have approached all TU's advising that they perceive themselves vulnerable as a direct result of the management culture operating within the Call Centre.
- 4.1.7. After a joint dispute was lodged with the Council in July 2018 and a joint TU public protest on the Town Hall steps in September (where the TU's concerns were brought to the attention of Councillors), matters were then brought to the Councils Directorate (Local Joint Committee) and Corporate (Council Joint Committee).
- 4.1.8. In early October 2018 some 6 months after the TU's original request (and against mounting pressure from the TU's) the Council agreed to an independent investigation into the working practices in the Call Centre. However, because of the publicity the TU's had attracted through protest and discussions amongst our members staff from across the Council began to speak out about their experiences.
- 4.1.9. The TU's were advised unilaterally that a former employee at Lambeth Council (the Investigator) (a post held by the investigator for almost 7 years) was to be instructed to undertake the investigation, notwithstanding that Lambeth Council had itself been caught up in its own discrimination, bullying and harassment row.
- 4.1.10. In November 2018 after extensive coverage of the TUs concerns in the local media the Council called in the Investigator to discuss terms of reference with the TUs. From the outset the TUs identified that there were some issues that could potentially preclude staff from contributing to the investigation. It was fundamental to the TU's that all staff who sought to contribute to the investigation could do so in confidence and impartially as it was recognised that around 70% of staff in the call centre were agency workers.
- 4.1.11. Terms of reference were agreed between the Council, the TU and the investigator in November 2018. Following a meeting with Cabinet Members the participants in the investigation was enhanced to include former employees of the Call Centre and a letter was sent to all staff confirming what had been agreed in anticipation of staff briefings lead by the Senior Officers of the Council and the TU's.
- 4.1.12. Despite the TU's drawing the Council's attention to the serious allegations and working with both management and the investigator to

agree terms of reference that took into account the sensitivities and perceived vulnerabilities of some of those who may considered making contributions, the TU's were concerned that:

- The contact in the letter to staff referred to a named officer, appointments were to be made by email only, the named officer was away for some time, no arrangements were made to inform staff of alternative arrangements for contact.
- Staff reported to the TU's that they were advised that they were unable to book a session with the investigator as all slots had been allotted and there was no assurances given to staff of additional slots up and until the TU's made representations
- There was an unacceptable delay in setting up the external investigator email address; the email address that was set up identified the external investigator as the Head of Building Maintenance, an internal Senior Management position.
- The investigator was not made aware of several statements passed to management by the TU's until the TU's met with the investigator despite the Councils assurances to do the same and other staff being caught up in directly related disciplinary processes

4.1.13. The TU's were advised of serious allegations in connection to a member of the management team in the Call Centre cautioning staff about how they contribute to the investigation

4.1.14. These concerns were immediately reported to the Council, despite assurances given by senior officers at staff briefings that all contributions to the investigation would be treated confidentially and impartially the TU's concerns were again passed to management to look into the concerns reported to the TU's.

4.1.15. The investigating managers confirm that they carried out an impromptu visit to the Call Centre whereupon they were advised by a senior member of the Call Centre management team of officers in the team of the manager who is alleged to have interfered with the investigation. Only those staff identified by the senior manager were spoken to, the majority of staff were not spoken to. Alarming this appears to have taken place on the floor of the Call Centre.

4.1.16. The investigation managers subsequently adjudged that no formal action needed to be taken and closed their investigation. Following concerns raised with the council senior management team about the decision to close the investigation it appears that the investigation was reopened, although the investigation again did not extend to the original complainants, the TU's.

4.1.17. Despite both UNISON and UNITE both independently raising their concerns in relation to interference in the investigation neither TU was asked to take part in either investigation or asked to provide further

information about the allegations that had been reported to the respective TU's by staff in the Call Centre.

4.1.18. The TU's have no faith in the exercise the Council carried out in response to the TU concerns nor does it appear that the Council are taking the investigation into the alleged interference with witnesses seriously. Regrettably, to staff working in the Call Centre and to the TU's, the Council's failure to launch a proper investigation has done nothing but serve to confirm the growing unrest amongst staff and lack of confidence in the Council's ability to investigate themselves impartially.

4.1.19. In mid-February, in the midst of the 1st stage of the 4 staged investigation with agreed terms of reference to determine "*if among other things there is evidence of bullying, harassment, intimidation or discriminatory behaviour by managers or staff, whether there is evidence that staff concerns were not being appropriately dealt with by managers and whether there is evidence of inappropriate management practice within the Contact Centre*"; the Council confirmed the internal appointment of a manager in the Call Centre to a senior management role.

4.1.20. Notwithstanding the terms of reference the Council continued to recruit to the senior management post internally from the current management team in the Call Centre. No notice was given to the TU's of the appointment and no justification was given to the TU's to explain the timing of the recruitment and or why (given the agreed terms of reference) the appointment has been made from the pool of senior managers in the Call Centre prior to the investigation being concluded.

4.1.21. These concerns were immediately brought to the attention of the Council's Senior Leadership Team and relevant Cabinet Officers. Alarming despite the investigation being far from concluded and in the face of various assurances from the Council that contributions to the investigation are confidential a senior member of the Council's management team at a recent meeting about TU concerns openly disclosed to the TU's that there were no issues relating to the internal recruit. The TU withdrew their support from the investigation on 26th February 2019

4.2. Hackney Workforce Profile

4.2.1. The 2017/18 work force profile (Appendix C) identifies that the Council employed some 4355 staff on 31st March 2018. The Council has confirmed that the workforce profile does not include agency workers.

4.2.2. In the last quarter of the 2018/19 financial year there were some 835 agency workers working for the Council that are not accounted for in the workforce profile, as such it is difficult to ascertain this group's protected characteristics. The TU's encounter with agency staff give an overwhelming indication that the majority of these agency workers are black. Directors are also able to recruit consultants that may not be

reflected in the Councils total agency figures, as a result the true work force is not reflected in the workforce profile.

- 4.2.3. The Council does not centrally record statistics in relation to grievances (i.e. how many are lodged, how many are upheld, how many are rejected and the grades of the officers/work places making the complaints), nor do the Council centrally record the number of disciplinarys taken against staff.
- 4.2.4. There is some data held within group directorates in relation to grievances and disciplinarys where HR have been involved in the process but the true number of matters adjudged to have been dealt with informally under both processes is unknown.
- 4.2.5. The Council keep data in relation to suspensions these are sporadically shared at some Local Joint Committees.
- 4.2.6. Of all the workforce statistics held by the Council only the workforce profile identifies employees protected characteristics, the information about protected characteristics in as much as they relate to grievances, disciplinarys and suspensions is unknown.
- 4.2.7. No information appears to be held about the protected characteristics of staff placed on capability, promoted or undertaking secondments or of staff that have taken the Council to the Employment Tribunal.

4.3. Hackneys History and Staff Experiences of Bullying, Harassment and Discrimination.

4.3.1. The Council has acknowledged and accepts that there were serious issues of discrimination in the past, it was acknowledged that these issues were both direct through actions of its staff and senior officers and indirect through the application of its policies, procedures and processes. The Lincoln Crawford report was published in autumn 1997, relevant excerpts have been set out below:

4.3.2. The Council commissioned Lincoln Crawford to:

“investigate racial discrimination at the Council in response to factual and statistical information which suggested that racial discrimination could be widespread within the Council and had been experienced by some staff over many years.

The sources of the information which led to this view were the Council's own workforce statistics relating in particular to discipline; the number of complaints to the industrial tribunal of race discrimination, and the concerns of the Commission for Racial Equality (CRE) which had itself received many complaints of racial discrimination from black and Asian staff employed by the Council.

In 1983 the CRE's found race discrimination in housing allocations as a result the Council set up a Race Relations Unit, and mounted a huge publicity campaign to recruit visible minority staff. This initiative was

underpinned by procedures for recruitment which sought to eliminate discriminatory practices in recruitment.

Accordingly, Race Relations Advisers were required to approve personnel specifications and to sit in on every interview, to ensure that visible minority applicants were given an equal opportunity to obtain employment by ensuring that irrelevant matters were not taken into account, that decisions were not based on subjective judgement, that questions to candidates were along similar lines irrespective of race, and that the interview was based on what skills were required for the job.

The creation of the Race Equality Unit coupled with a huge and very successful campaign to recruit visible minority staff, ensured that the Council did not just pay lip service to equal opportunities in recruitment.

A review of the existing procedures was carried out and in December, 1994 a new recruitment handbook was published which made certain amendments. Amongst them, it was no longer necessary for the equality advisers to approve the personnel specification and no longer necessary for them to sit on selection panels.

In the past the Council shared the names of 600 mainly African employees with the then Immigration and Nationality Department (IND) of the Home Office on the ground that they were illegal immigrants. The allegation was unfounded, but the cloud of suspicion remained.

However, none of those responsible for disclosing the names of the employees to the Home Office unsolicited were ever dismissed or disciplined, whereas visible minority staff, including Africans, continued to be severely disciplined for the slightest mistake.

The attitude of some managers towards visible minority staff was that they were not good at anything but should be blamed for everything. As a result a culture developed, "the blame culture", whereby their work was more carefully scrutinised and every mistake seized upon. Where they were senior enough to give advice, their advice was regularly challenged and if anything went wrong, it was their fault not the manager's. No individual should be expected to work under such pressure.

*But above all, no disciplinary action was taken against those managers responsible for discriminating against visible minority staff in the way they disciplined them. **I therefore recommend that regular monitoring of disciplinary action against all staff should take place and, whenever there appears to be a high level of action taken against a particular group or individual, this fact should be immediately drawn to the attention of the relevant Executive Director, whose responsibility it would be to bring it to the attention of the Chief Executive.***

However despite the procedure, grievances from visible minority staff remained outstanding for many months. Some grievances were not investigated at all, and if the complainant was alleging race discrimination against a manager, it was very likely that some form of disciplinary proceedings would be issued against the complainant, whether or not there was a basis for it.

*In order to deal with any problem there must be a recognition that the problem exists. I am satisfied that in Hackney race discrimination towards the visible minority workforce existed. This was clearly evident by the fact that **visible minority employees were the last to be promoted, were often located at the lowest point in their grades, had more disciplinary action taken against them than white staff and almost all the complaints to industrial tribunals came from them.** The Council was often found guilty of race discrimination and criticised by industrial tribunals. Yet, nothing was learnt from such findings and nothing was done to rid itself of this awful disease. **A mentality developed that managers were to be supported at all cost, even when they were in breach of Council's policy.***

*Visible minority staff who went to a tribunal for redress were seen as trying it on, with money as their motive. When the tribunal found the Council guilty of race discrimination, the tribunal was biased. Decisions against the Council were to be fought on any technical ground, however flimsy. **And where the Council was ordered to pay compensation - sometimes very substantial - the Hackney residents picked up the bill (it is not clear from the evidence whether members were aware of this).** So it went, on and on, no heeding of advice, no one accepting responsibility, no clear line of accountability, no overall legal strategy to ensure that the Council avoided such a terrible charge and bad public image.*

4.4. Action for Racial Equality: Our Commitment to you

- 4.4.1. As a result of the Lincoln Crawford report the Council adopted a number of initiatives that recognised the importance of analysing its work force and scrutinising its decisions. The Council sought to put in place arrangements that would rebuild staff confidence in the Councils working practices, policies and procedures.
- 4.4.2. Importantly the Council also acknowledged that role that Council members could play in helping the organisation meet its commitment to staff following the Lincoln Crawford Report.
- 4.4.3. The 1999 pamphlet for staff detailed the Councils 5 year plan (1998 – 2003) (Appendix D) it recognised:
 - *“to eliminate discrimination, we need good managers who are competent to manage within a multi-racial organisation. To kick start the process, we’re commissioning a management development programme which will ensure our 600 managers and supervisors have the skills and the right attitude for the job”*

- *“The local unions and black and visible minority staff groups will have direct access to the scrutiny group to ensure their voices are heard. We are committed to involving staff and their representatives as widely as possible in tackling racism in the organisation.”*
- *“to stop equalities being marginalised, the equality action plans will be monitored by the main Council committees as well as by the equalities subcommittee. Councillors will also be given the chance to develop their awareness of equal opportunities.”*
- ***“Monitoring is essential if we are to know whether we are succeeding or failing to make the difference. So we are putting in place effective monitoring systems which will be reported to the scrutiny group and executive board”***

5. OBSERVATIONS

- 5.1. It is disappointing to all that the TU’s were forced to withdraw their support for the independent investigation however what is clear is that issues highlighted back in 1996 ring true some 23 years later. The TU’s outlined their concerns in connection to the Council appearing to protect management in the call centre
- 5.2. The initial findings of the TU investigation demonstrate that as was the case 23 years ago staff do not have confidence in the grievance process. Their remains a perception that managers are treated differently to staff.
- 5.3. Without the Council allowing an objective mechanism for reviewing complaints made by staff against managers (seeking to address the genuine concern of prejudice in managers investigating managers) staff and managers are unable to have faith in the Council’s processes.
- 5.4. What is clear is that the Council has shown a commitment to tackling issues of discrimination, bullying and harassment. This was the case in 1983 with the establishment of the Race Equality Unit and in 1999 with the commitments set out in the Action for Racial Equality pamphlet. However what is also clear is that in abandoning the frameworks that are put in place to remedy discrimination, bullying and harassment, the issues return; this was the case in 1996 having abandoned the measures put in place in 1983 and appears to the TU’s to be the case in 2019 having abandoned the commitments to staff pledged in 1999 and forming the basis of the Councils 5 year action plan.
- 5.5. The Lincoln Crawford report and the positive steps taken by the Council to address its findings were in part a consequence of the Councils statistical data in recording protected characteristics in relation to grievance and disciplinary. In not recording protected characteristics the Council is in effect silencing any probe into how its processes and procedures affect different layers of its workforce.

Report Author	Joint Trade UNIONS 17 th April 2019
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AGENCY WORKER NUMBERS FOR TRADE UNIONS

	Accounting Period		Accounting Period		Accounting Period		Accounting Period		Accounting Period		Accounting Period	
	01.01.16 to 31.03.16	01.07.16 to 30.09.16	01.01.17 to 31.03.17	10.07.17 to 30.09.17	01.10.17 to 31.12.17	01.01.18 to 31.03.18	01.04.18 to 30.06.18	01.07.18 to 30.09.18	01.10.18 to 31.12.18			
DIRECTORATE												
Chief Executive's	47	54	46	30.2	28.4	28.4	24.5	23.3	22			
Finance & Corporate Resources	224	210	177	149.2	149.4	172	175.5	176.5	167.4			
Neighbourhoods & Housing		302	338	379.2	377.1	413.4	417.6	422.6	395.9			
Childrens, Adults & Community Health		249	264	234.4	233.1	243.9	242.2	257.4	249.8			
Hackney Homes Ltd	147											
Health & Community Services	229	2										
Housing	12											
Children's & Young People	172	2										
Legal, HR & Regulatory Services	54	3										
TOTAL	885	822	825	793	788	857.7	859.8	879.8	835.1			

Please note: The number of agency workers for each accounting period, relates to the number that worked, not the number of post covered. Therefore, one post could have had multiply agency workers covering it during an accounting period (particularly in Home Care, Waste and Parks).

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Dear Tim/Mayor Glanville,

We write in connection to our on-going concerns in relation to bullying, harassment and discrimination in the Neighbourhoods and Repairs Contact Centre (Call Centre) and Complaints Team, also following our recent meetings with the Chief Executive (CEO), Director of Housing (DoH), Divisional Head of Tenancy and Leasehold Services (DHoTLS) and after briefing the Head of Mayor and Cabinet Office.

The recognised Trade Unions of Hackney (UNISON, UNITE and GMB) hereby put the Council on notice of our formal withdrawal from the joint investigation into allegations of bullying and harassment in the Neighbourhoods and Repairs Contact Centre.

After careful consideration and for the reasons set out below the Trade Unions have been left with no alternative other than to withdraw from the process.

We do not have confidence that the Council has seriously taken on board the concerns of staff in the Call Centre nor that they have taken seriously the call by staff and the Trade Unions for an independent investigation.

BACKGROUND

1. Trade Union Complaints of Bullying and Harassment

In April 2018, following meetings with the Head of HR and Operational Development (HoHR), UNISON, UNITE and GMB (the TUs), formally approached the HoHROD and the Group Director of Neighbourhoods and Housing (GDNHH) requesting that the Council instigate an independent investigation into the current working practices in the Call Centre.

The TU's were aware of complaints from a number of staff in the Call Centre (both members and non-members) who allege that they had been victims of bullying, harassment and discrimination from management (the allegations).

Several examples of the serious allegations were provided to GDNHH. However, despite briefing the HoHROD in advance and the serious nature of the concerns, no response was received from either addressee of the letter sent in April 18. When the TU's eventually got to sit down with the Council in June 2018, our concerns had been passed down to the DoH .

Despite the numerous serious allegations, initial calls for the investigation to be independent were resisted. Dismissing the allegations the TU's were advised that *if* there were issues of bullying and harassment it was the Council's preference that these be investigated internally. Our calls to consider suspending certain individuals fell on deaf ears, which only emboldened managers to further mistreat staff.

From the outset it has been made abundantly clear to the TU's that the experiences of both former and current staff mean that some of those staff affected are fearful of management; they have approached all TU's advising that they perceive themselves vulnerable as a direct result of the management culture operating within the Call Centre.

The TU's already collectively had serious concerns with the way the UNITE Shop Steward and Equalities Rep, Natasha Johnson had been treated in that work area following her complaints of bullying and discrimination. In retaliation, we believe, Natasha was disciplined and later sacked by Hackney Council who were found to be in breach of Data Protection law (by Lambeth Council) as part of their case against Natasha.

After a joint dispute was lodged with the CEO in July and a joint TU public protest on the Town Hall steps in September 2018 (where the TU's concerns were brought to the attention of Deputy Mayor and Lead Cabinet Member for Housing among other politicians), matters were then brought to the Councils Directorate (Local Joint Committee chaired by the DoH) and Corporate (Council Joint Committee chaired by the Lead Cabinet Member for Employment and Skills)

2. Agreeing Terms of Reference and Appointment of Independent Investigator

In early October 2018 some 6 months after the TU's original request (and against mounting pressure from the TU's) the Council agreed to an independent investigation into the working practices in the Call Centre.

The TU's were advised unilaterally that the former Director of HR and Strategy and Organisational Development at Lambeth Council (the Investigator) (a post held by the investigator for almost 7 years) was to be instructed to undertake the investigation, notwithstanding that Lambeth Council had itself been caught up in its own discrimination, bullying and harassment row.

In November 2018 after extensive coverage of the TUs concerns in the local media the Council called in the Investigator to discuss terms of reference with the TUs. From the outset the TUs identified that there were some issues that could potentially preclude staff from contributing to the investigation. It was fundamental to the TU's that all staff who sought to contribute to the investigation could do so in confidence and impartially; these protections were necessary given 3 in 4 staff in this area are on insecure temporary contracts, largely female and BAME, as well as being amongst the lowest paid staff in Hackney.

The Investigation

Terms of reference were agreed between the Council, the TU and the investigator in November 2018. Following a meeting with the Mayor, the participants in the investigation were enhanced to include former employees of the Call Centre and a letter was sent to all staff confirming what had been agreed in anticipation of staff briefings lead by the CEO, GDNHH, DoH and TU's.

Despite the TU's drawing the Council's attention to the serious allegations and working with both management and the investigator to agree terms of reference that took into account the sensitivities and perceived vulnerabilities of some of those who wished to make contributions, the TU's were concerned that:

- The contact in the letter to staff referred to a named officer, appointments were to be made by email only, the named officer was away for some time, no arrangement were made to inform staff of alternative arrangements for contact.
- Staff reported to the TU's that they were advised that they were unable to book a session with the investigator as all slots had been allotted and there was no assurances given to staff of additional slots up and until the TU's made representations
- There was an unacceptable delay in setting up the external investigator email address; the email address that was set up identified the external investigator as the Head of Building Maintenance, an internal Senior Management position.
- Despite it being agreed by Management that a number of directly related disciplinary investigations/cases and witness statements involving serious allegations of discrimination/racism were to be passed to the investigator in September 2018, the investigator was not made aware of these until after the TU's met with him in February 2019.

Even with this catalogue of basic errors at best fundamental flaws at worst, the TUs persisted with the investigation process.

Alleged interference with Investigation

On January 30th the TU's were advised of serious allegations in connection to a member of the management team in the Call Centre cautioning staff about how they contribute to the investigation

These concerns were immediately reported to the Council, despite assurances given by the CEO and GDNHH at staff briefings that all contributions to the investigation would be treated confidentially and impartially the TU's concerns were again passed to the DoH who tasked the DHoTLS to look into the concerns reported to the TU's.

The DHoTLS confirms that he carried out an impromptu visit to the Call Centre whereupon he was advised by a senior member of the Call Centre management team of officers in the team of the manager who is said to have interfered with the investigation. Only those staff identified by the senior manager were spoken to, the

majority of staff were not spoken to. Alarming this appears to have taken place on the floor of the Call Centre.

The DHoTLS subsequently adjudged that no formal action needed to be taken and closed his investigation. Following concerns raised with the CEO about the decision to close the investigation it appears that the Council are now reviewing that decision. Despite both UNISON and UNITE both independently raising their concerns in relation to interference in the investigation neither TU was asked to take part in the investigation or asked to provide further information about the allegations that had been reported to the respective TU's by staff in the Call Centre.

The TU's have no faith in the exercise the Council carried out in response to the TU concerns nor does it appear that the Council are taking the investigation into the alleged interference with witnesses seriously. Regrettably, to staff working in the Call Centre and to the TU's, the Council's failure to launch a proper investigation has done nothing but serve to confirm the growing unrest amongst staff and lack of confidence in the Council's ability to investigate themselves impartially.

Internal Recruitment to Management Position in the Neighbourhood and Housing Directorate

In mid-February, in the midst of the 1st stage of the 4 staged investigation with agreed terms of reference to determine *if among other things there is evidence of bullying, harassment, intimidation or discriminatory behaviour by managers or staff, whether there is evidence that staff concerns were not being appropriately dealt with by managers and whether there is evidence of inappropriate management practice within the Contact Centre*; the Council confirmed the internal appointment of a manager in the Call Centre to a senior management role (the internal recruit).

Notwithstanding the terms of reference the Council continued to recruit to the senior management post internally from the current management team in the Call Centre. No notice was given to the TU's of the appointment and no justification was given to the TU's to explain the timing of the recruitment and or why (given the agreed terms of reference) the appointment has been made from the pool of senior managers in the Call Centre prior to the investigation being concluded.

These concerns were immediately brought to the attention of the CEO and Mayor and Cabinet office. Alarming despite the investigation being far from concluded and in the face of various assurances from the Council that contributions to the investigation are confidential **the DoH in a recent meeting about TU concerns openly disclosed to the TU's that there were no issues relating to the internal recruit.**

Next steps

Taking into account what has been set out above we have been forced into a position where our members and the staff in the Call Centre have absolutely no confidence in the Council's ability to seriously and impartially investigate the allegations of bullying, harassment and discrimination in the Call Centre. The Council appear unable to hold staff accountable when there are complaints or come to any meaningful conclusions despite the background to the investigation and the seriousness of the allegations. Worst of all, staff are continuing to suffer intimidation and indignity on a daily basis.

The TU's will join the lobby of Hackney Council on the 27th of February at 7pm where the community are also asking what the Council is doing to tackle bullying and racism in the Council. Since the unions brought the issues of the Call Centre to the public's attention via our petitions, protest and the local press, we have been inundated with staff complaints from all across the Council.

As a result of the Council's failure to instil confidence in the staff, TU's members have now contacted the TU's to advise that they have already or are considering withdrawing their testimony, these concerns were communicated to the CEO and the Mayor and Cabinet Office.

In a joint report sent to Councillors on 31st October last year, the Trade Unions publicly said that '*Hackney Council management have created a crisis affecting its workers, service users and residents that it is presently either unable or unwilling to solve.*

Unfortunately, by Hackney council's actions and inactions this is exactly the situation the Trade unions feel we are in.

The Council's existing policies & procedures are clearly insufficient in protecting staff from abuse and mistreatment, whilst the extensive use of insecure agency contracts supports a culture where staff are disposable and bullying behaviour festers.

The trade unions are now consulting with members on what our next steps should be. Although a last resort, we do not rule out balloting our members for potential strike action.

It is deeply saddening and disturbing that faced with an opportunity to address the damaging allegations brought before it, the Council has instead consistently undermined the process and are perceived by the TU's, its members and staff as having prejudged the outcome of the investigation before it has been concluded.

Yours Sincerely,

Hackney UNISON

Marvin Hay (Joint Branch Secretary)

Glyn Harries (Joint Branch Secretary)

Matthew Paul (Housing Convener)

UNITE

Steve Edwards (Housing Convener)

Hilary Fairman (Corporate Representative)

GMB

Lee Ray (Corporate Representative)



Employee Profile

2018

Introduction

This report is part of a framework that supports the equality and diversity strategy. The Council recognises that knowing its workforce is an important part of meeting its aspirations, and complying with its statutory responsibilities.

Why we monitor

As well as being an integral part of performance management, robust monitoring systems allows the Council to highlight possible inequalities, investigate the underlying causes and remove any unfairness or disadvantage in the delivery of services, recruitment and employment. Monitoring also allows us to check systematically and ensure that the Council's equality policies are working.

This commitment is also underpinned by the Mayor's three priorities as set out in the Equality and Cohesion Policy 2013:-

1. Improve services and increasing opportunities for all, raising the life chances of the most disadvantaged
2. Making sure the Council is high performing and efficient
3. Providing effective Community Leadership and involving the whole borough in what we do

The report provides workforce information across the protected characteristics.

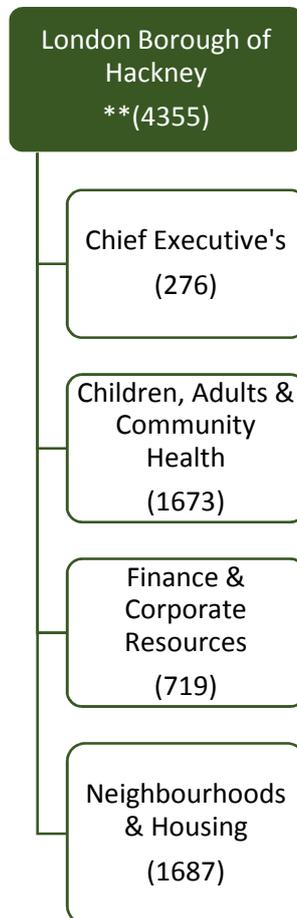
The data provided is a snap shot as of 31st March 2018.

Additional context 2017/18

- Data in the report excludes elected members; Ad-hoc Election employees and Shoreditch Our Way staff.
- The Council changed HR systems since the 2016/2017 reporting. There are no obvious inconsistencies, however, minor variations are possible.
- Implementation of the 2015/16 Voluntary Redundancy Programme ran into 2016/17. This accounts for the reversed picture on redundancies, when comparing the figures for 2016/17 and 2017/18. In 2016/17, redundancies were predominantly voluntary.
- The 2017/18 Workforce Profile Report encompasses statutory Gender Pay Gap reporting.
- The 2017/18 Workforce profile Report encompasses BAME Pay Gap for the first year.

Our Workforce*

The council is structured into 4 divisions, with Hackney Learning Trust being part of the Children, Adults & Community Health Directorate. The information provided is a snapshot of 31st March 2018.



*Data in the report excludes elected members; Ad-hoc Election employees and Shoreditch Our Way staff.

**The Headcount is a snapshot as at 31/03/2018

1. Borough and Council Demographics

Age

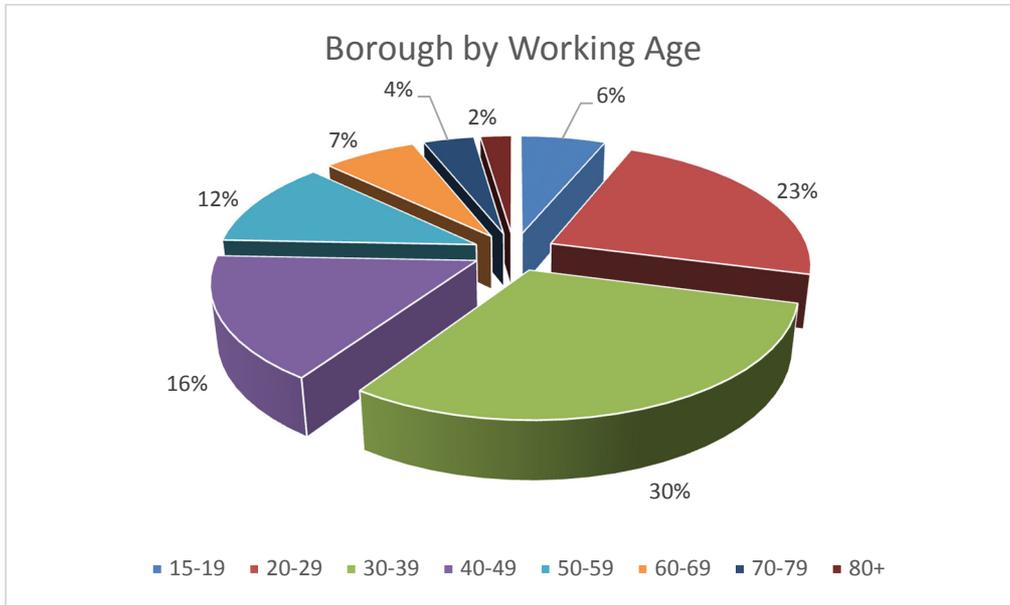


Chart 1.1: Borough by Working Age

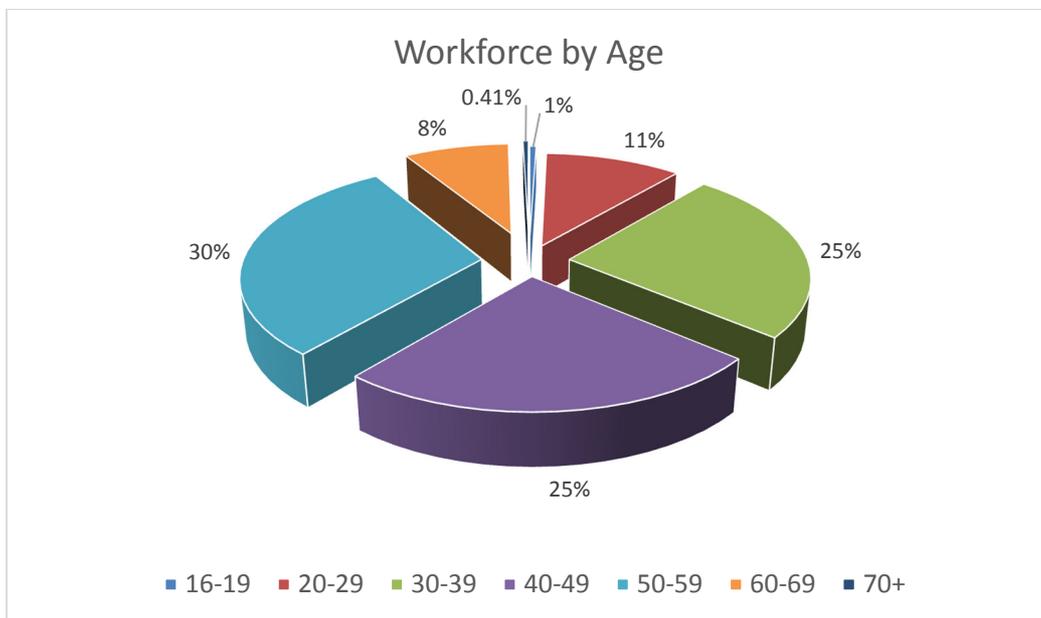


Chart 1.2: Workforce by Age.

Gender

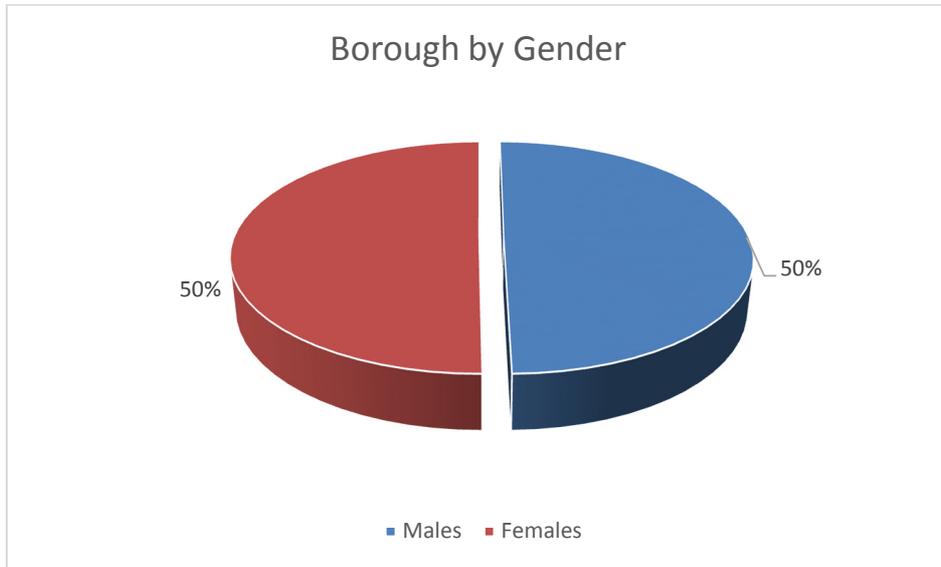


Chart 1.3 Borough by Gender

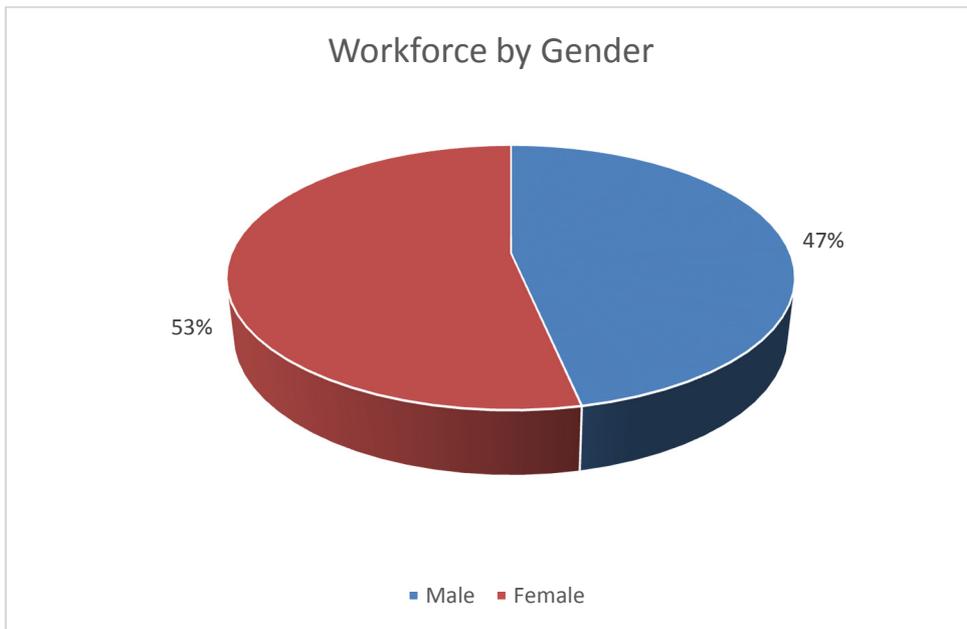


Chart 1.4: Workforce by Gender

Ethnicity

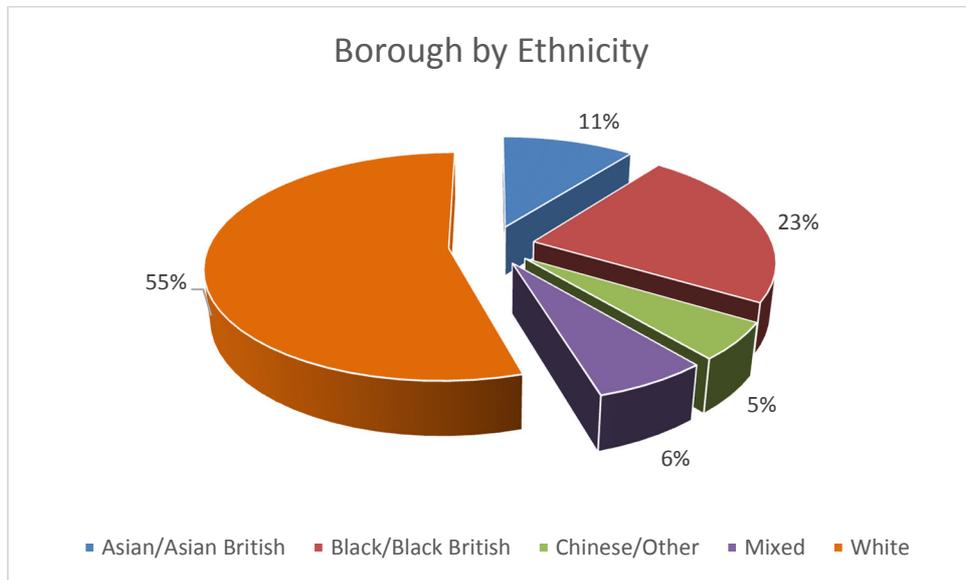


Chart 1.5: Borough by Ethnicity

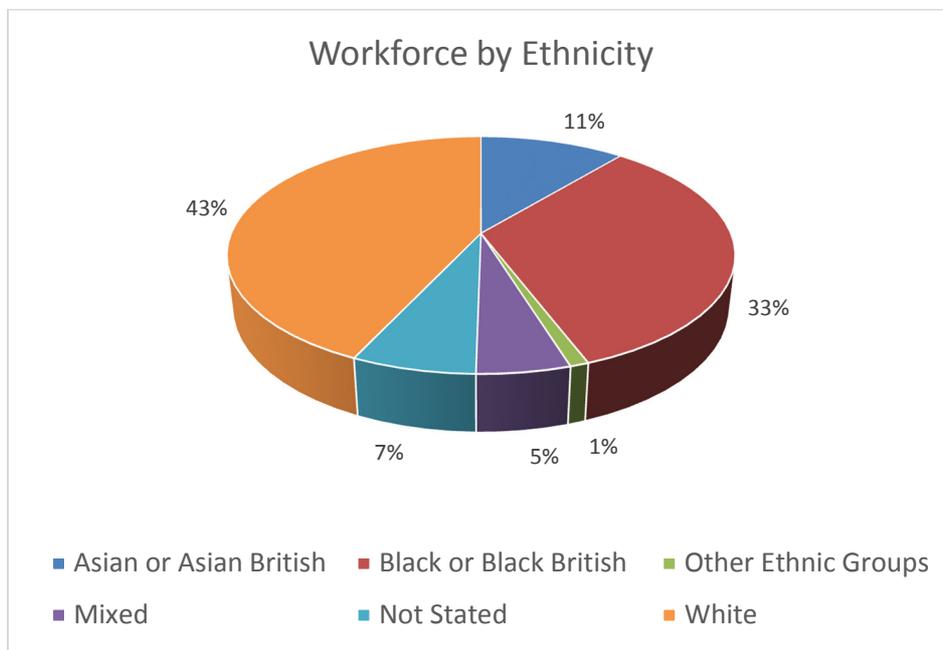


Chart 1.6: Workforce by Ethnicity

Religion/Belief

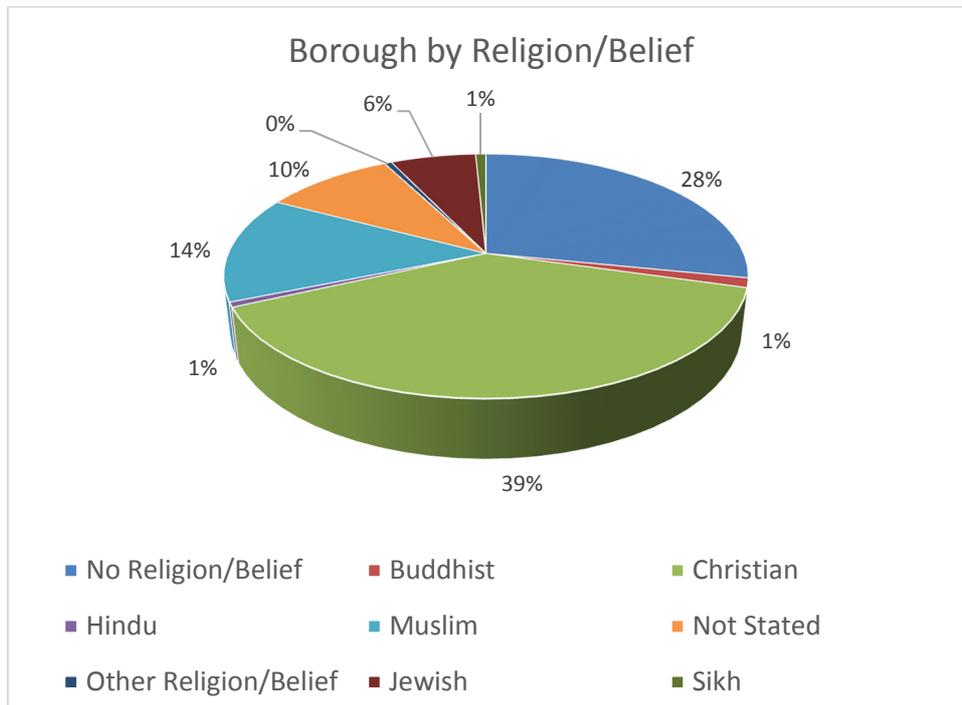


Chart 1.7: Borough by Religion/Belief

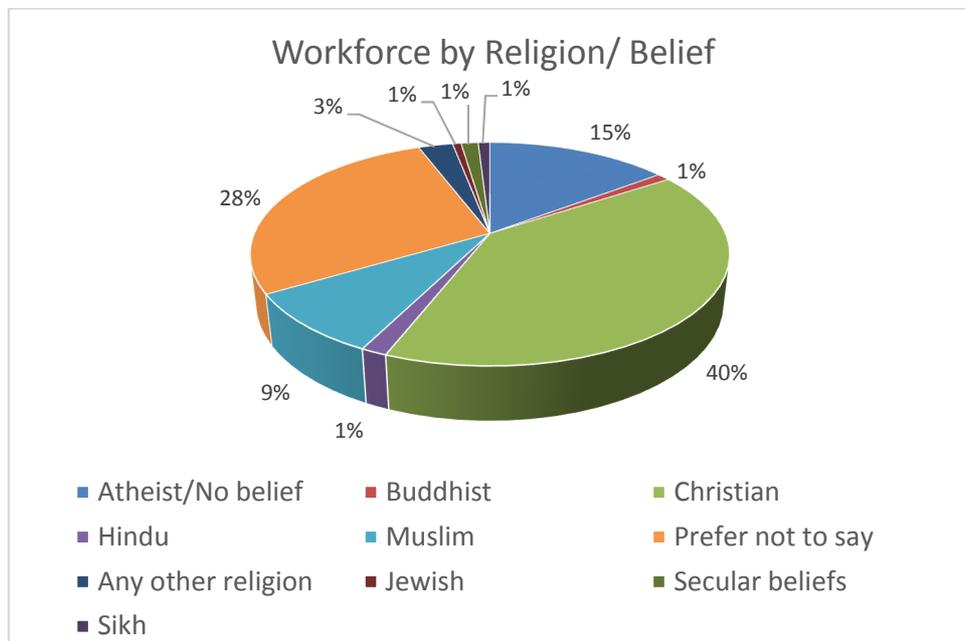


Chart 1.8: Workforce by Religion/Belief.

Disability

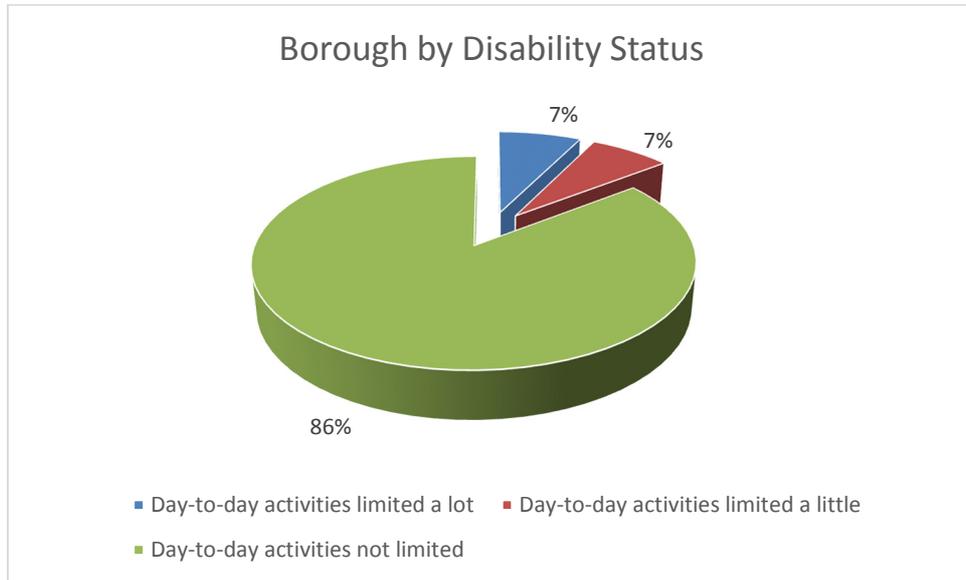


Chart 1.9: Borough by Disability Status

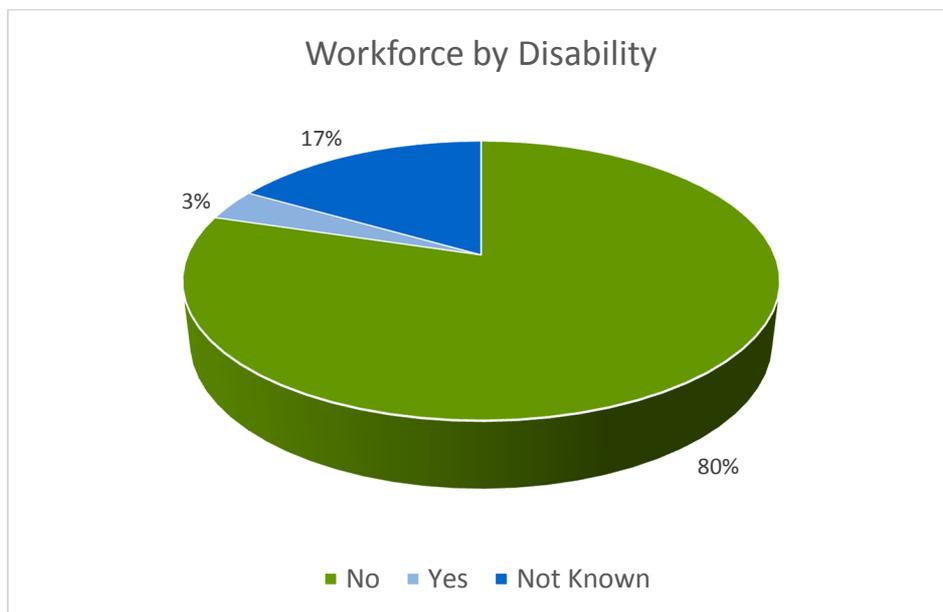


Chart 1.10: Workforce by Disability

Sexual Orientation

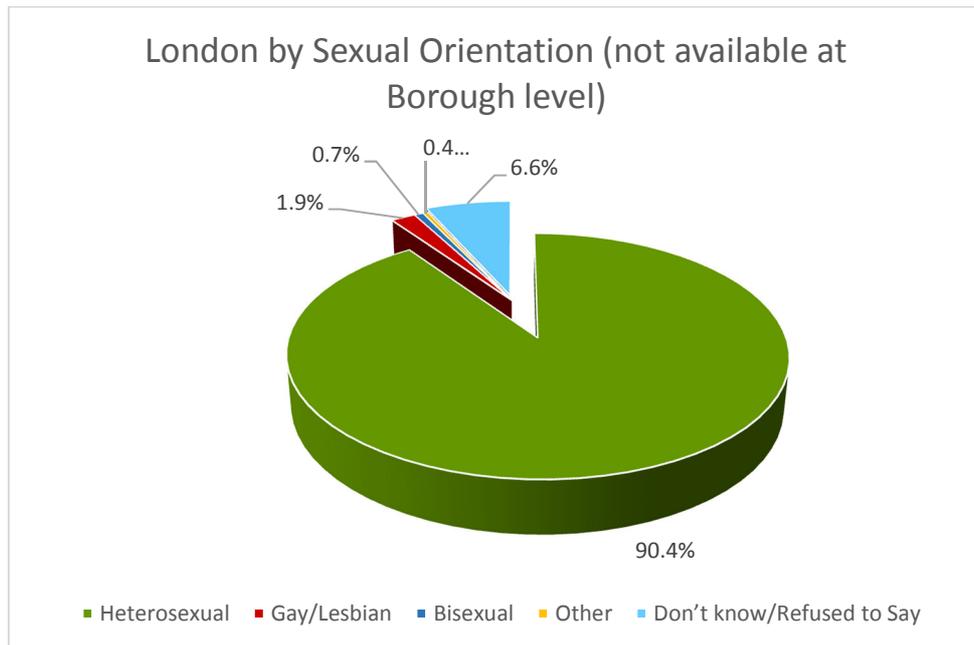


Chart 1.11: London by Sexual Orientation

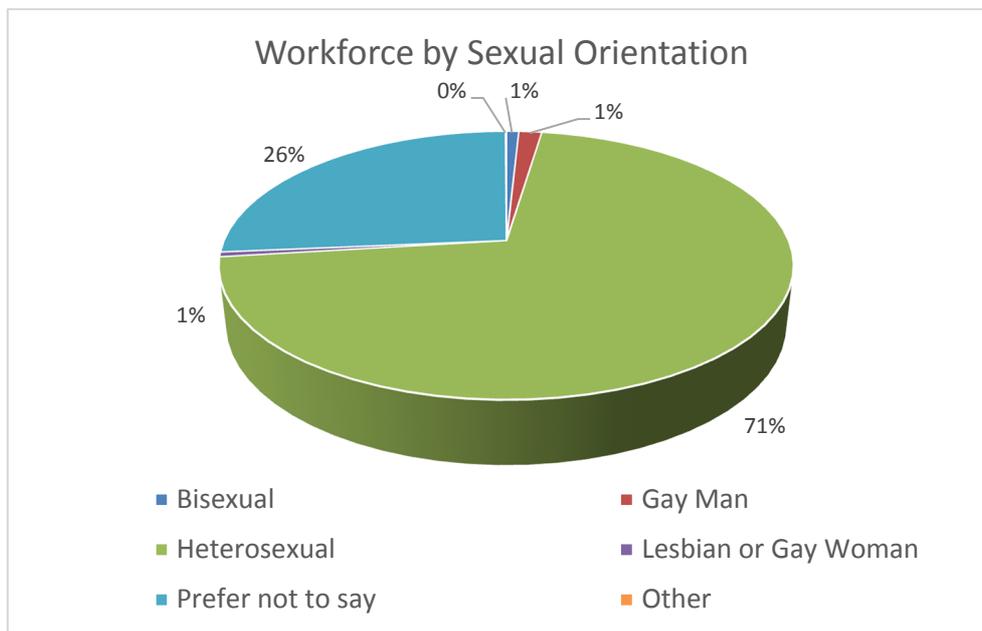


Chart 1.12: Workforce by Sexual orientation.

Summary

The council is committed to delivering a first class service to the community of Hackney. By reflecting the demographic composition of the community the council is best positioned to do this.

The council has a diverse age range across its workforce.

The gender profile of the council broadly reflects the gender profile of the borough.

The faith profile in general meets the borough profile, with the most notable exception of the Jewish category. In 2017-18 the council received 2 applications from people identifying in this category. The Council received a total of 14,241 applications during this period.

Figures on sexual orientation are not available at a borough level therefore a comparison cannot be made against the council profile. Sexual orientation is the most recently added characteristic; and this, together with the sensitivity of the question, could account for the high number in the 'non stated' category, which has decreased by 2% since 2016-17. The council will be undertaking work to improve the recording in this category. The confidentiality of the data and the purpose for collecting it will be reinforced.

The workforce profile for disabled employees falls below the borough profile. The 'non-stated' category reduced from 24% in 2016-17 to 17% in 2017-18. Further work will be undertaken to improve the response rate for this characteristic, in particular for craft employees.

2. Directorate Demographics

Age

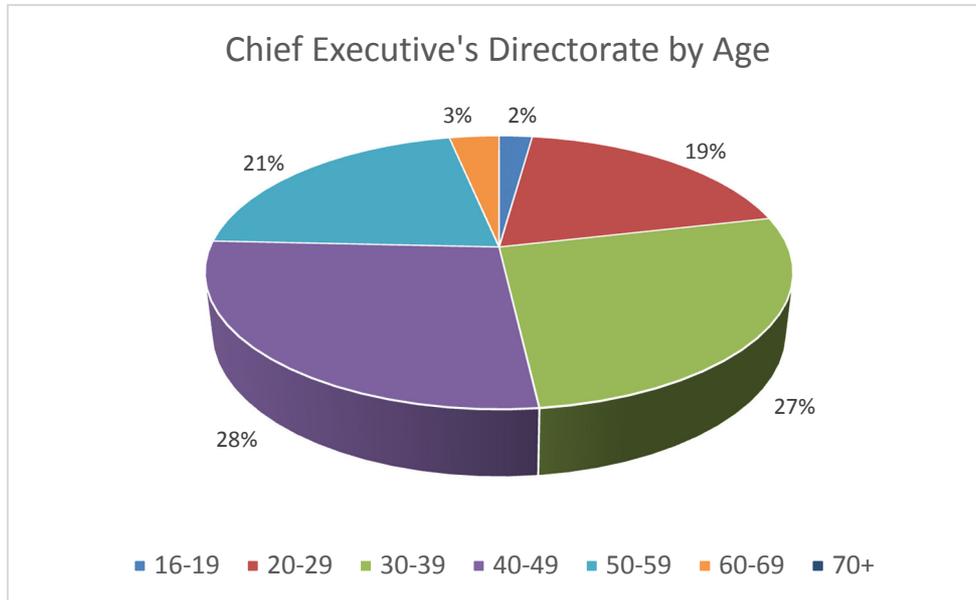


Chart 2.1: Chief Executive's Directorate by Age

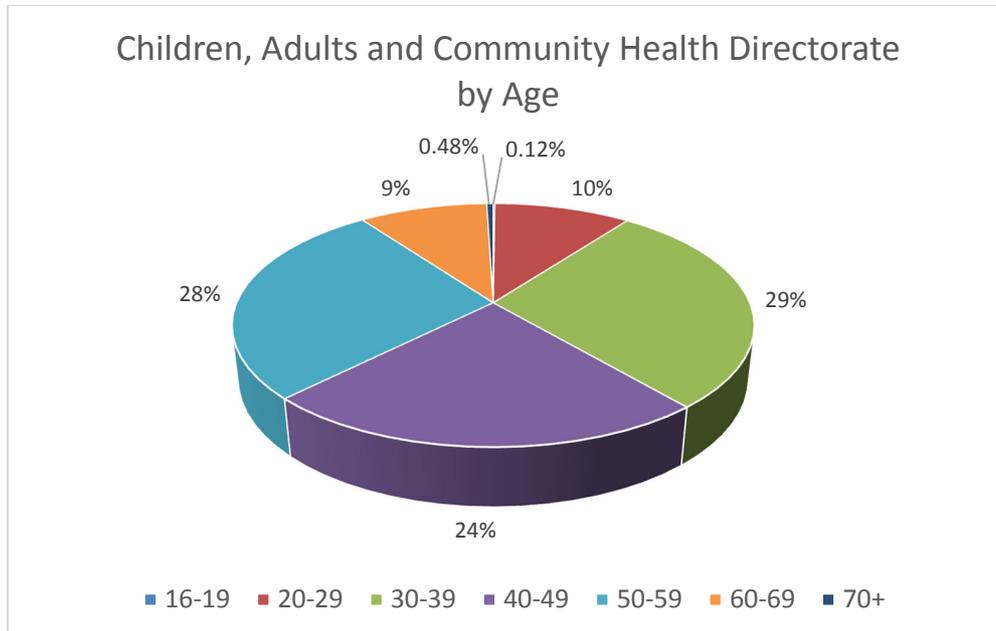


Chart 2.2: Children's, Adults and Community Health Directorate by Age.

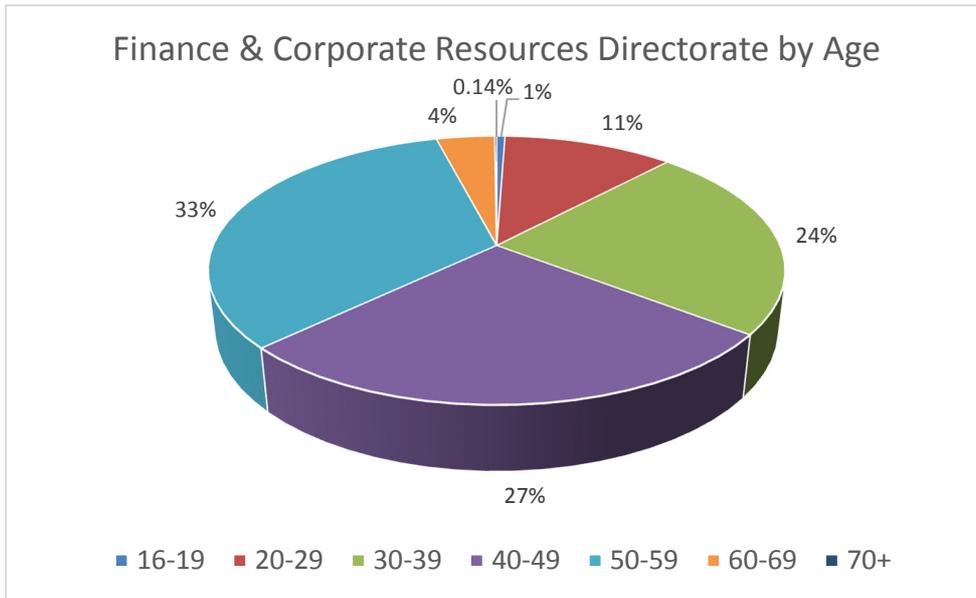


Chart 2.3: Finance and Corporate Resources Directorate by Age

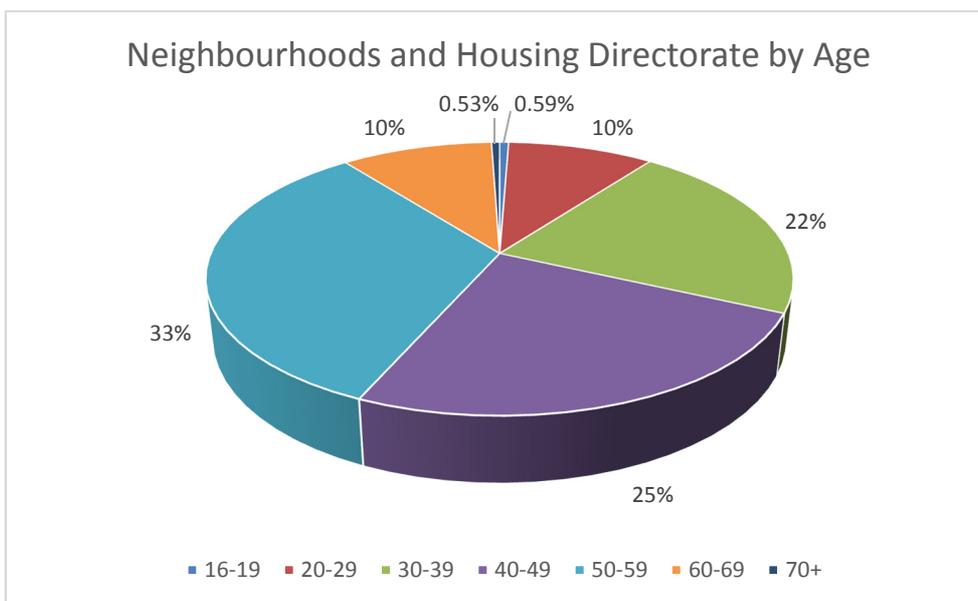


Chart 2.4: Neighbourhoods and Housing Directorate by Age

The workforce profile generally shows a diverse age range.

In the Chief Executive's Directorate around 48% of staff are under 40 years old. In all other Directorates over 60% of staff are older than 40.

Gender

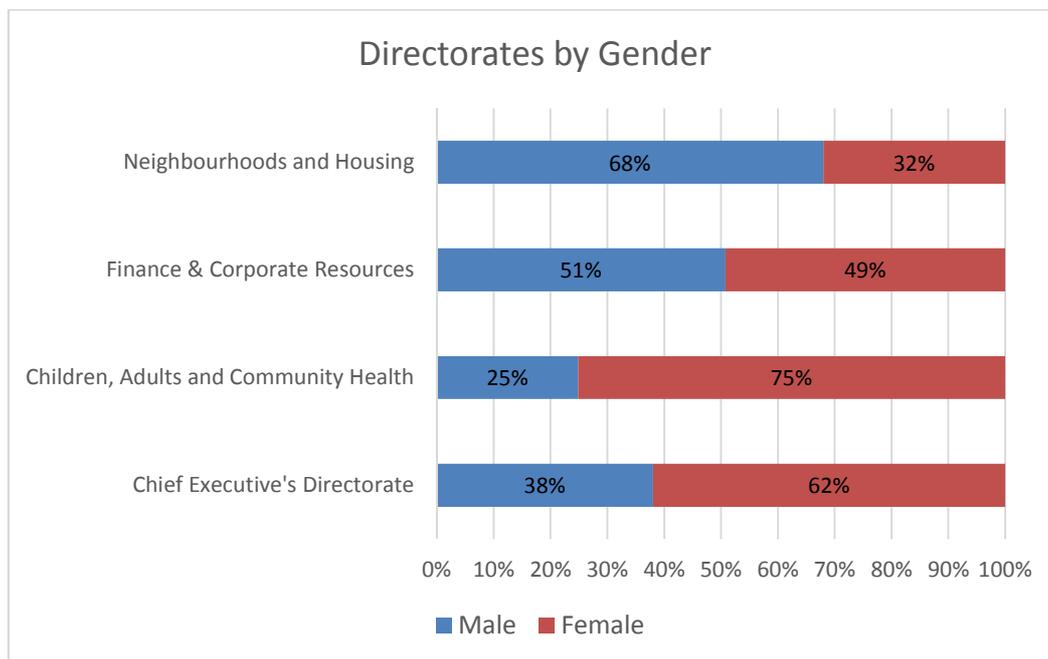


Chart 2.5: All Directorates by gender

Chart 2.5 shows the gender composition of each Directorate (100% = total workforce).

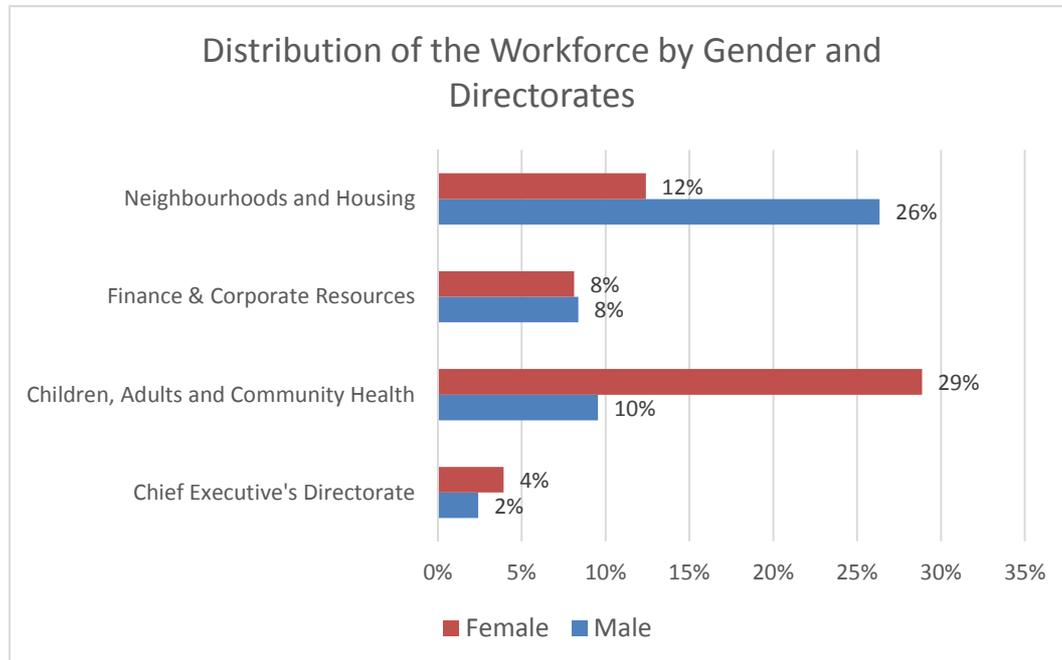


Chart 2.6: Distribution of the Workforce by Gender and Directorate.

Chart 2.6 shows the distribution of the workforce by gender and Directorate (100% = total workforce).

The gender profile across the directorates reflects that of the wider council and the community, with the exception of Neighbourhoods and Housing where 68% of the workforce are male

(26% of the total workforce are men working in N&H); and Children, Adults and Community Health where 75% of the workforce are female (29% of the total workforce are women working in CACH).

Ethnicity

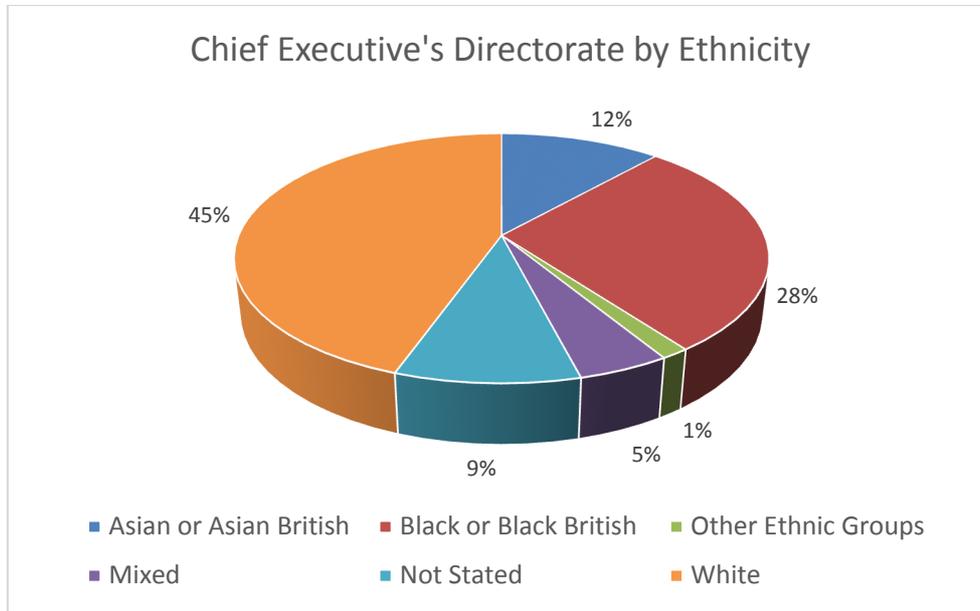


Chart 2.7: Chief Executive's Directorate by Ethnicity

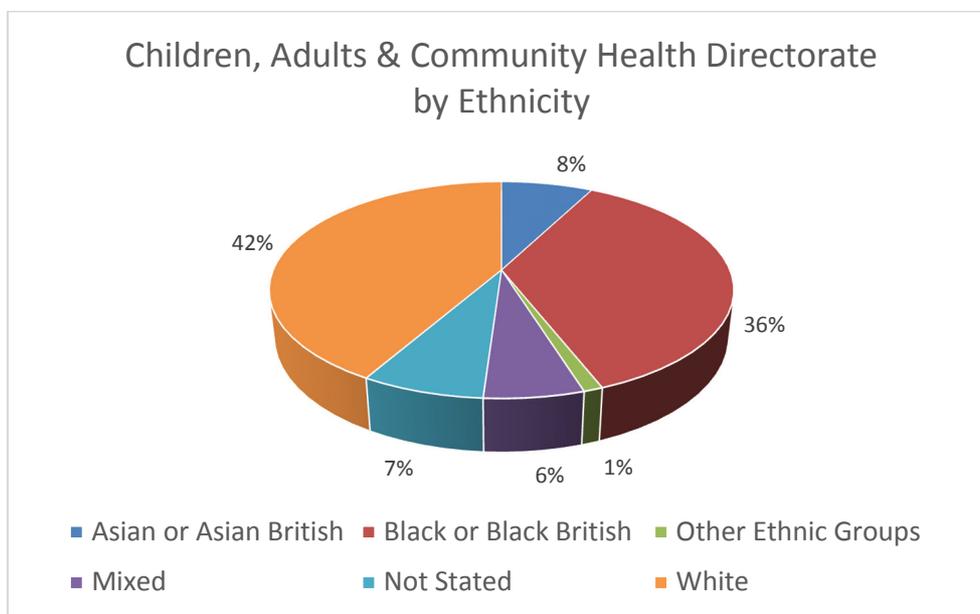


Chart 2.8: Children, Adults and Community Health Directorate by Ethnicity

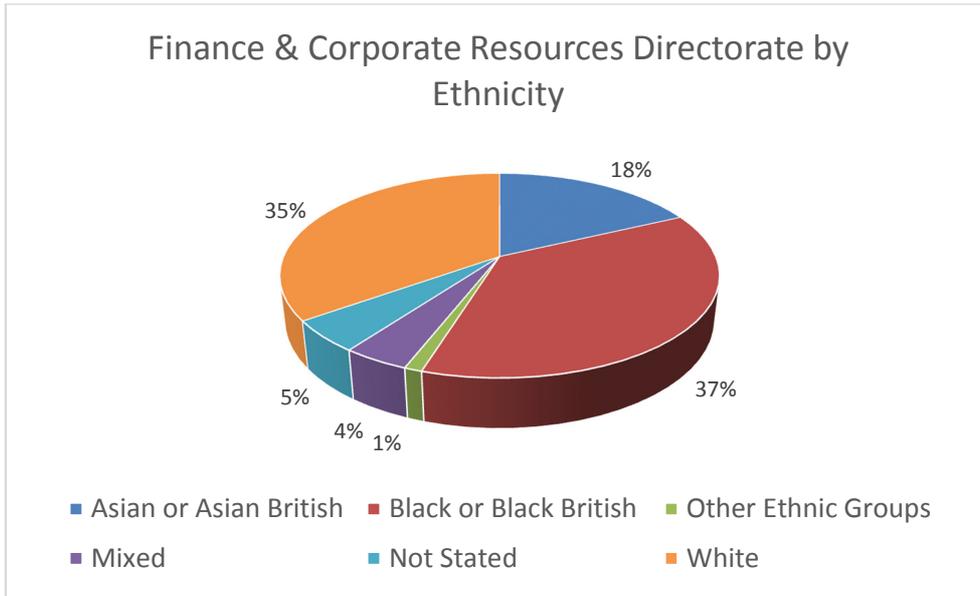


Chart 2.9: Finance and Corporate Services by Ethnicity

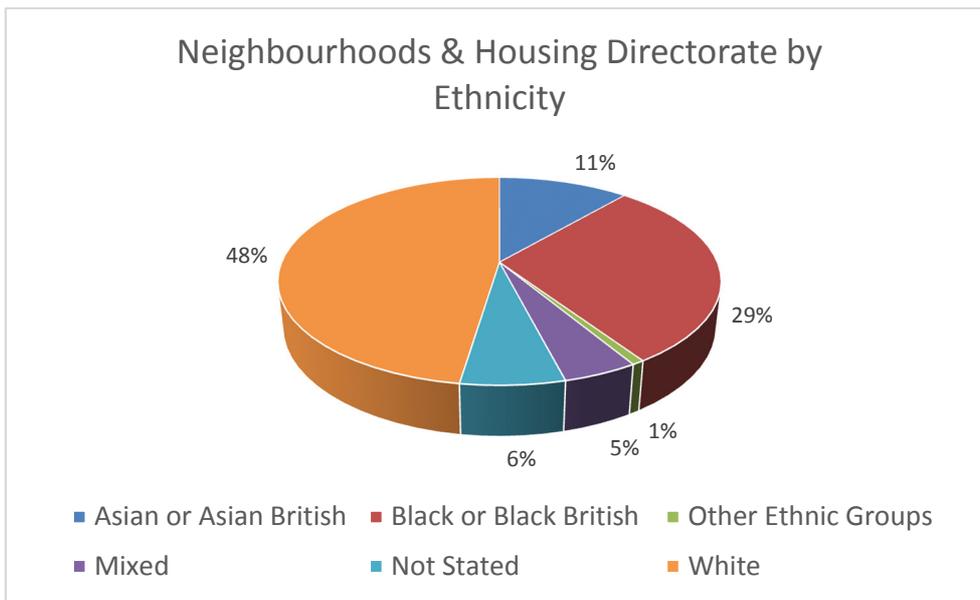


Chart 2.10: Neighbourhoods and Housing Directorate by Ethnicity

Ethnicity by directorate in the main mirrors the council demographic again enabling the council to deliver a targeted service to the community.

Religion/Belief

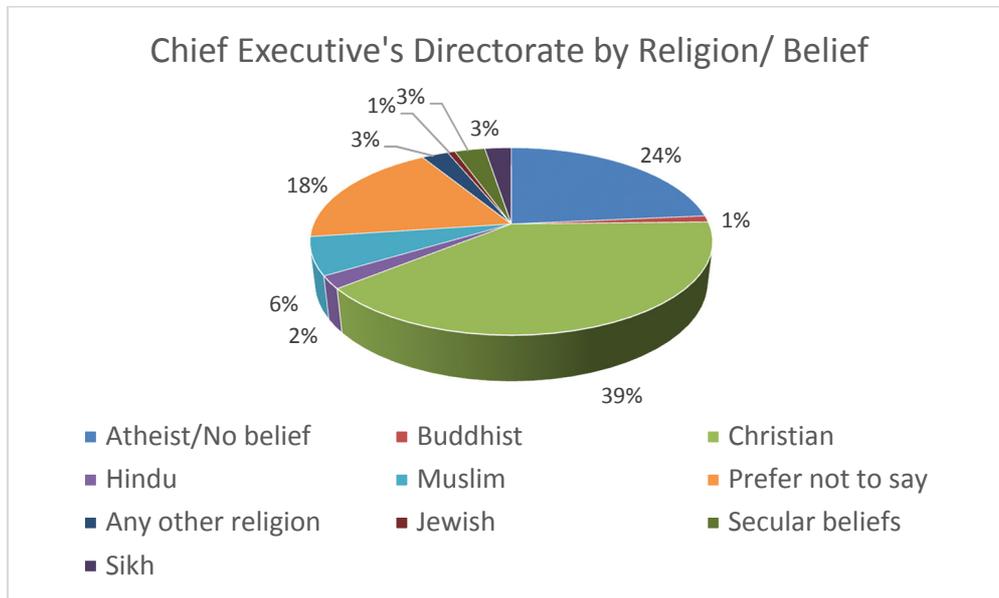


Chart 2.11: Chief Executive's Directorate by Religion/Belief

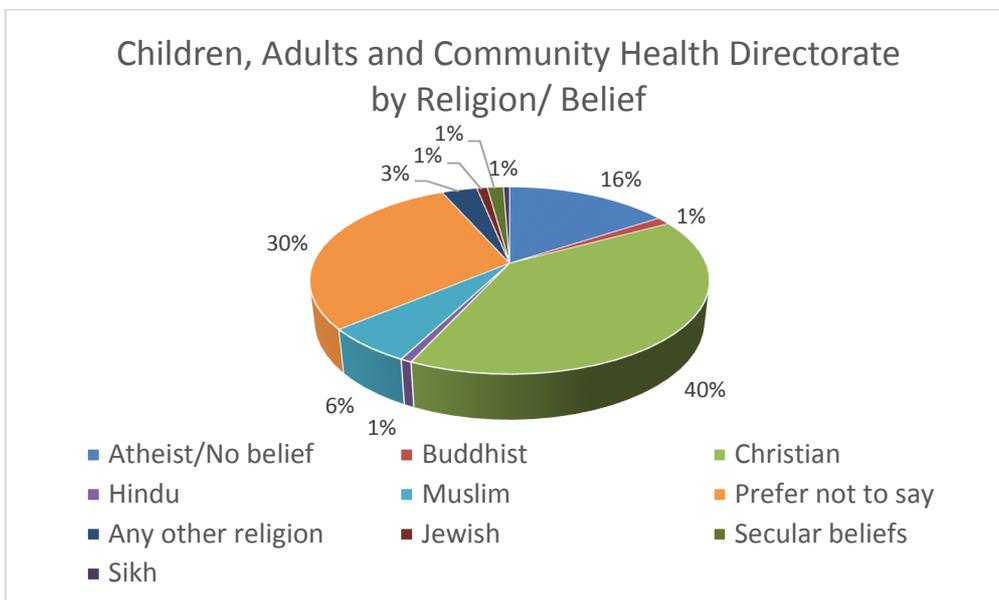


Chart 2.12: Children, Adults and Community Health Directorate by Religion/Belief

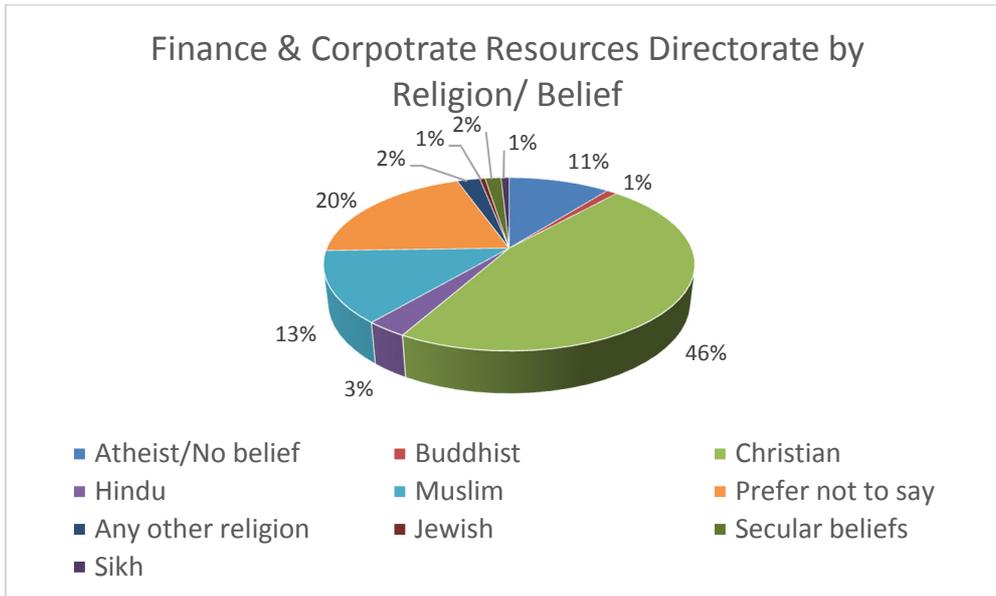


Chart 2.13: Finances and Corporate Resources Directorate by Religion/Belief.

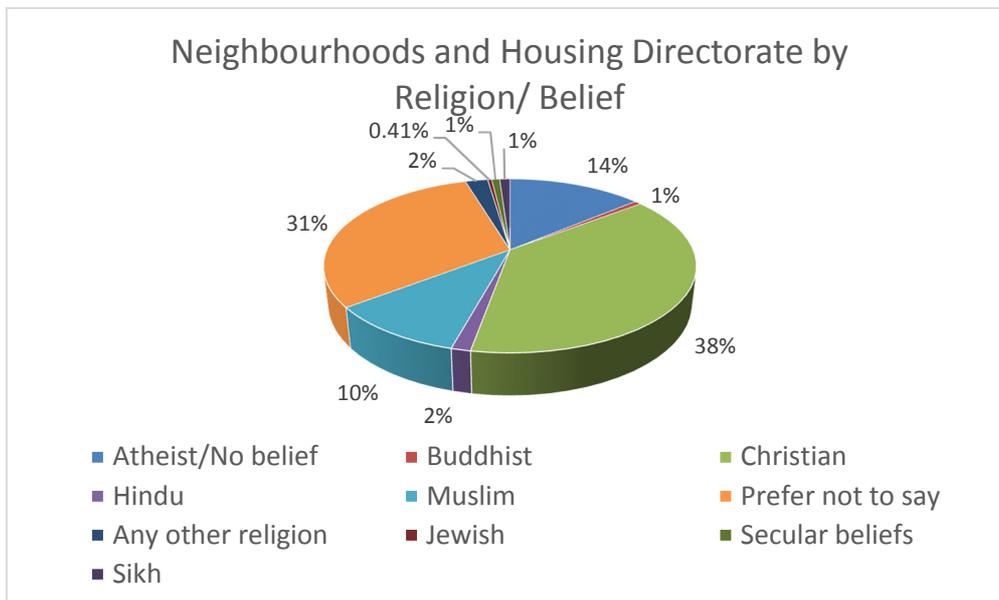


Chart 2.14: Neighbourhoods and Housing Directorate by Religion/belief.

The religion/belief profile is generally consistent with both the council wide and borough profile; with the exception of the Jewish category. In 2016-17 the council received 2 applications from people identifying in this category. The Council received a total of 14,241 applications during this period.

Disability

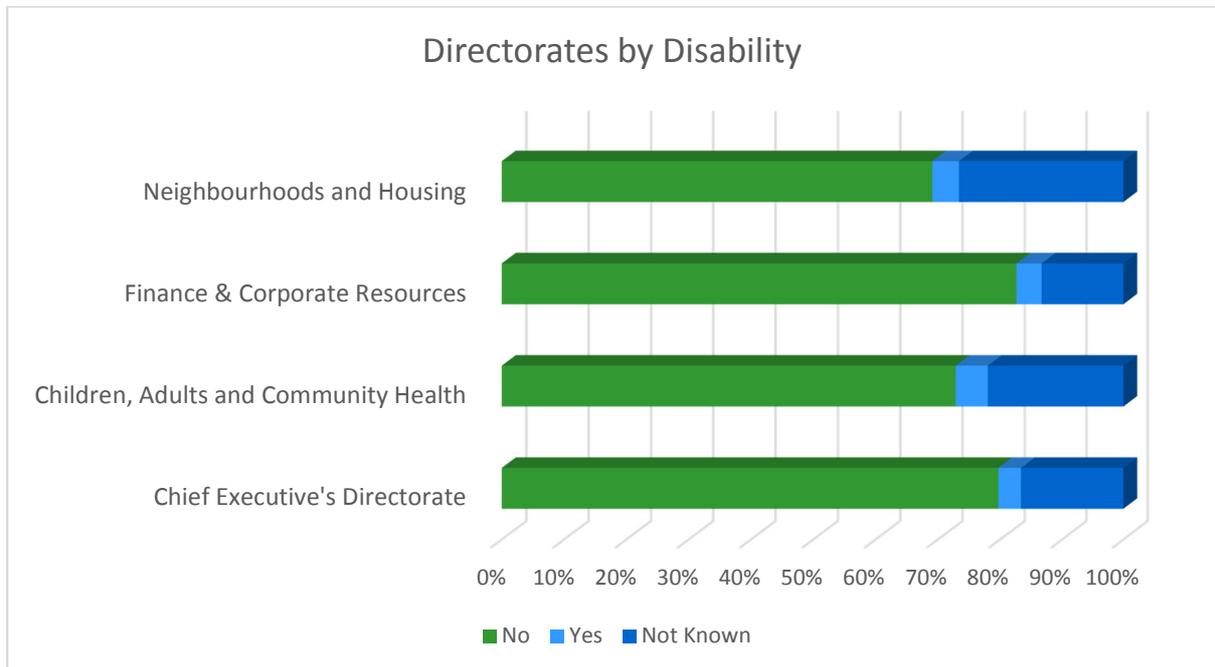


Chart 2.15: Directorates by Disability

Recording in this area is sensitive especially in relation to hidden disability. The not stated rate has decreased by 7% since 2016-17. The council is committed to the confidentiality of people's information and the need to monitor. It will continue to work with staff to communicate this and give a clearer picture on disability in the workforce.

Sexual Orientation

Due to the low numbers it is not appropriate to publish information on sexual orientation by directorate.

3. Grade and Pay

The grade bands referred to in this section, cover the grades and/or salaries as follows:

Grade Band	Grade*:	Salary (as at 31.3.2018)
Craft	Craft	£24,401 - £28,796
Sc1 – Sc6	Sc1 – Sc6	£19,311 - £28,440
Support Officers	SO1 – SO2	£29,424 - £33,627
Front Line Managers	PO1 – PO4	£34,254 - £42,651
Middle Managers	PO5 – PO9	£43,530 - £54,102
Senior Managers	PO10 – SM2	£55,107 - £94,000
Chief Officers	Chief Officers	£102,010 – £153,015

*Equivalent salaries are used for employees on non-standard grades.

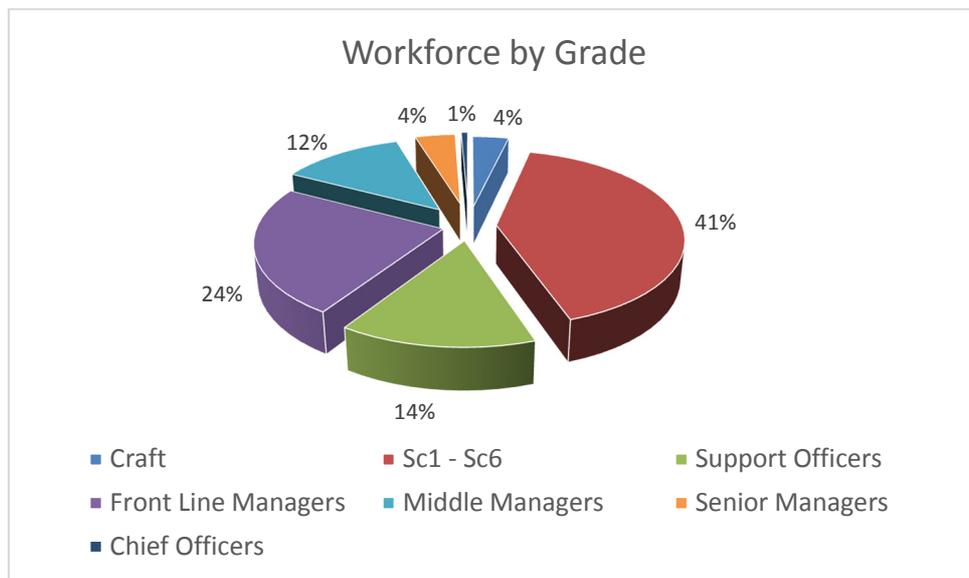


Chart 3.1: Workforce Composition by Grade

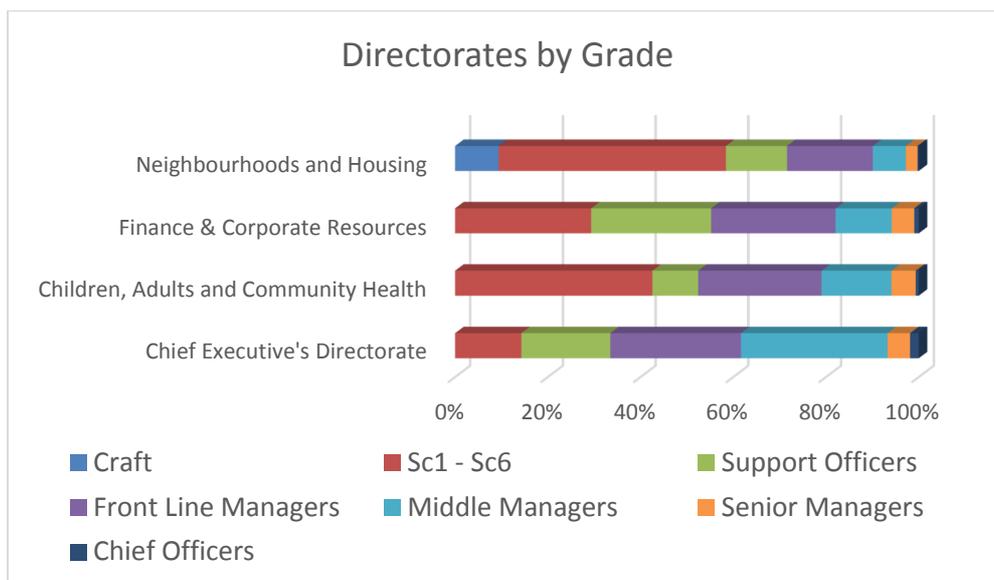


Chart 3.2: Directorate Composition by Grade.

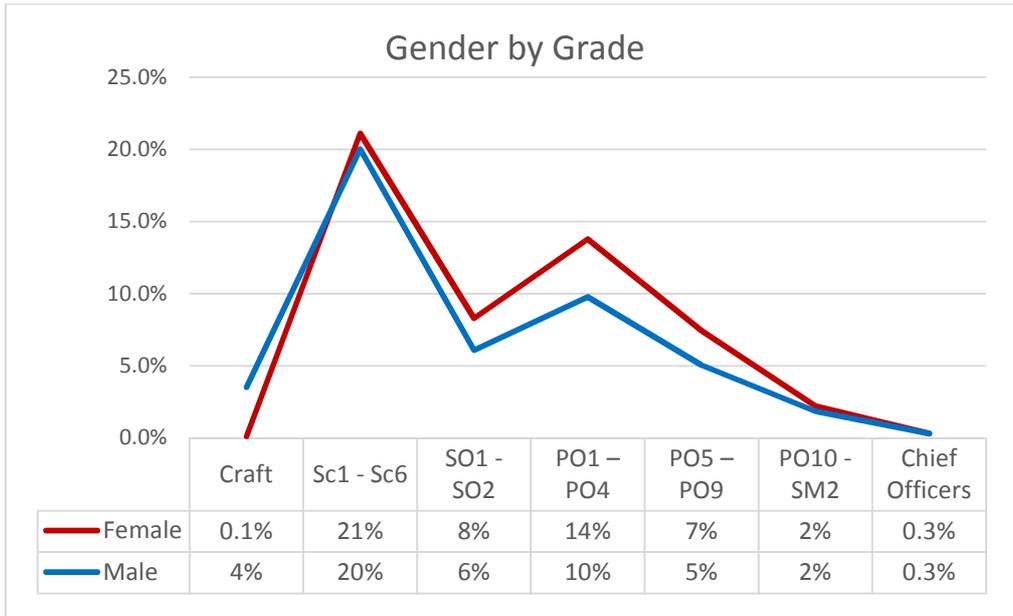


Chart 3.3: Gender by Grade

Chart 3.3 shows the distribution of the workforce by grade and gender.

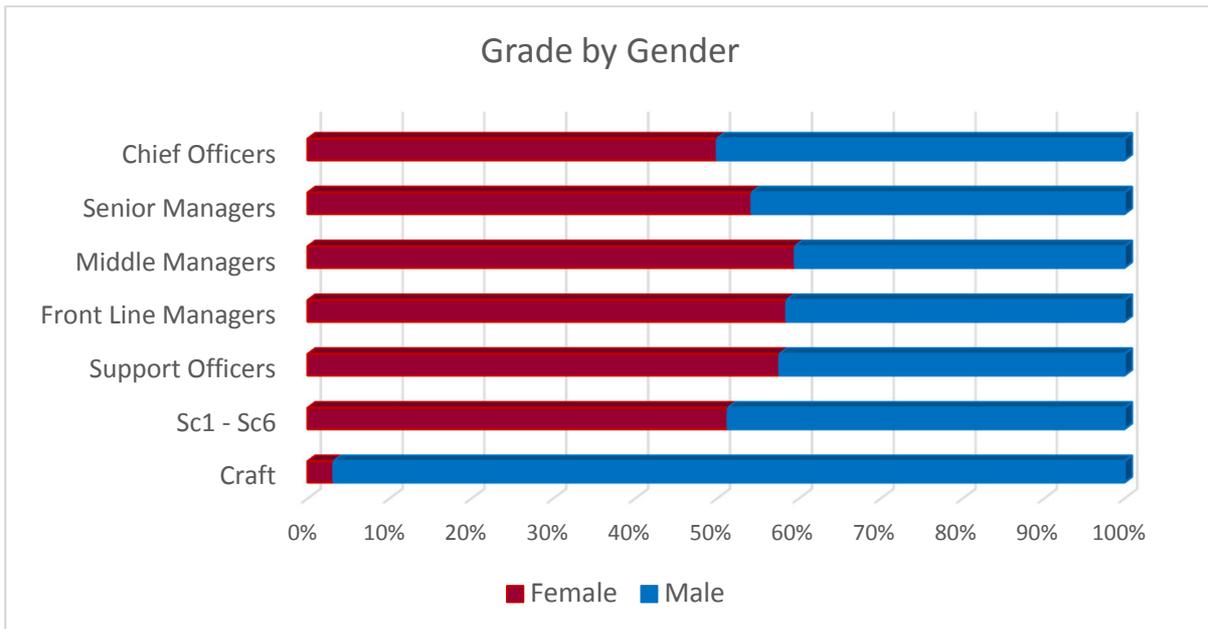


Chart 3.4: Grade by Gender

Chart 3.4 shows the gender distribution in each grade. There is a reflection in the gender profile across all grades of both the borough and council profile, with the exception of the Craft grade which is predominantly male.

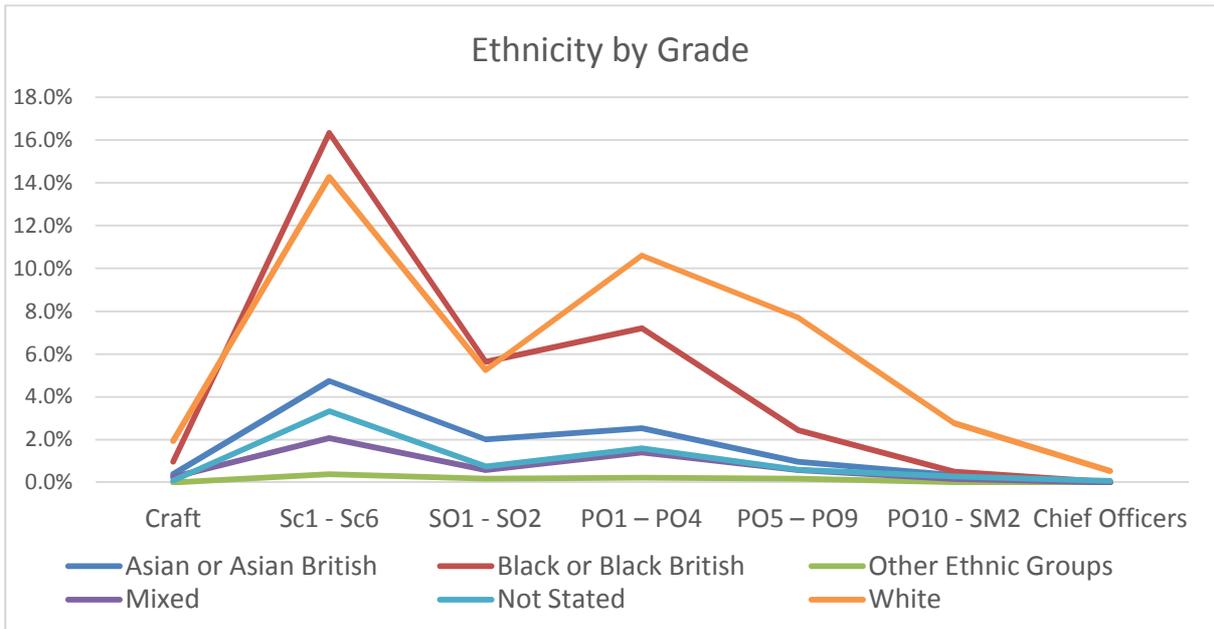


Chart 3.5: Ethnicity by grade – The ethnic composition for each grade

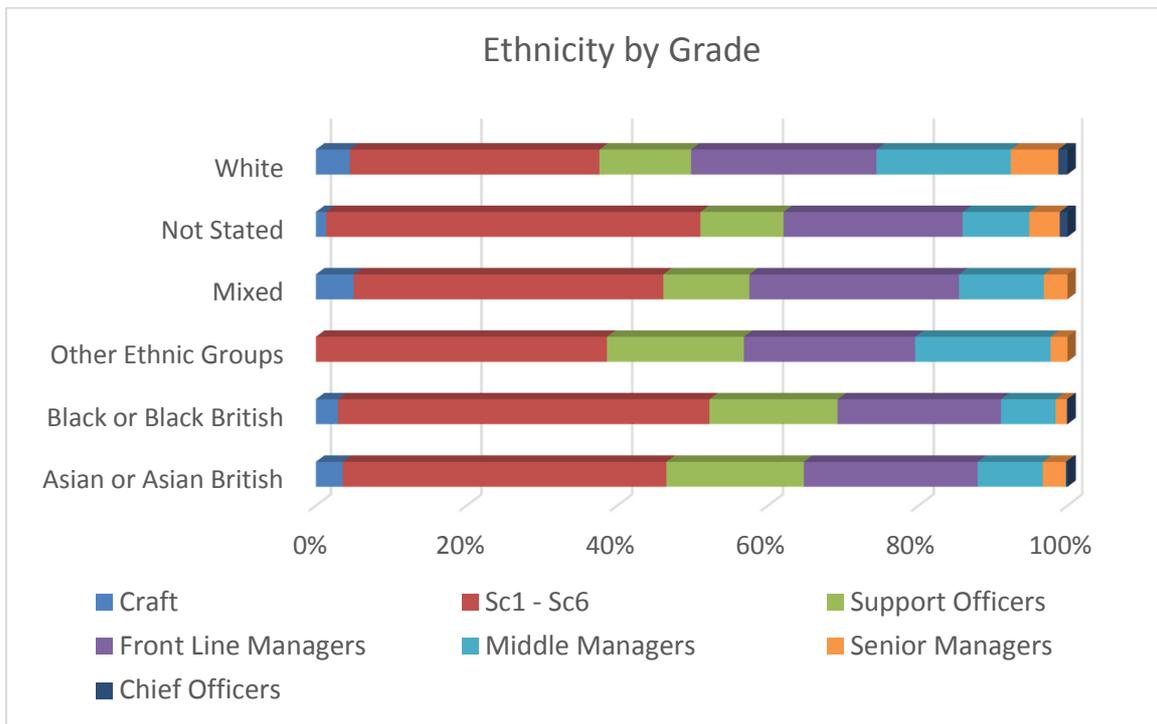


Chart 3.6: Ethnicity by Grade – The grade distribution for each ethnic group

Generally, the representation of BME employees reduces at higher grades.

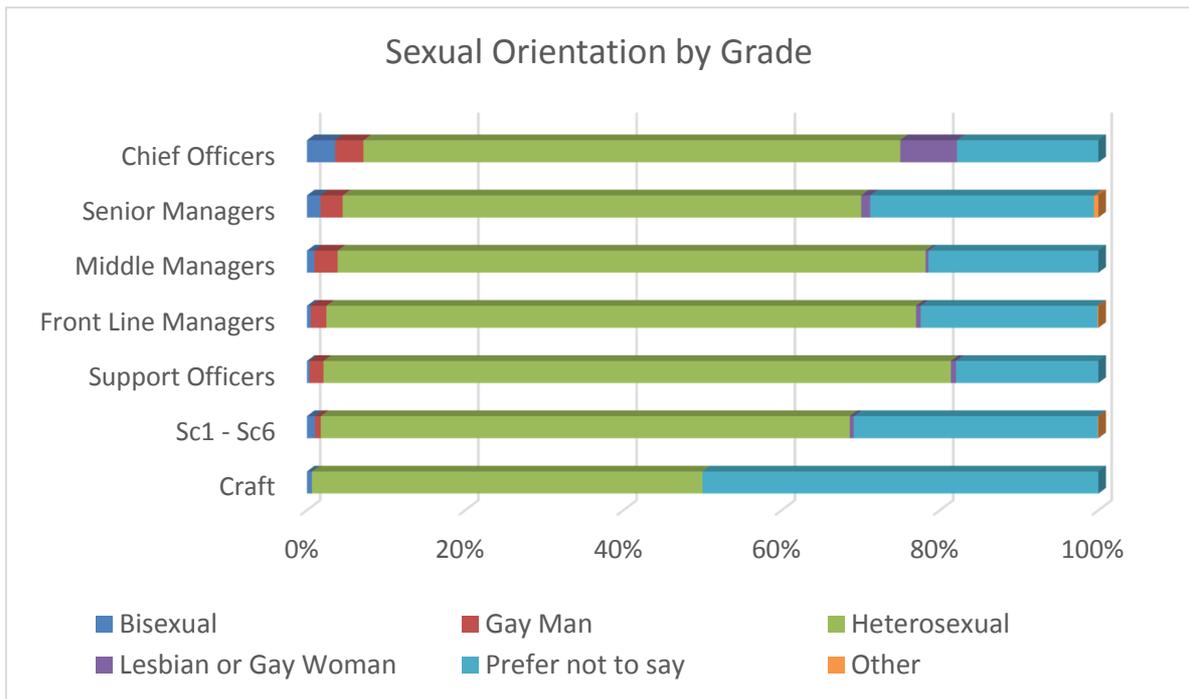


Chart 3.7: Sexual orientation by Grade.

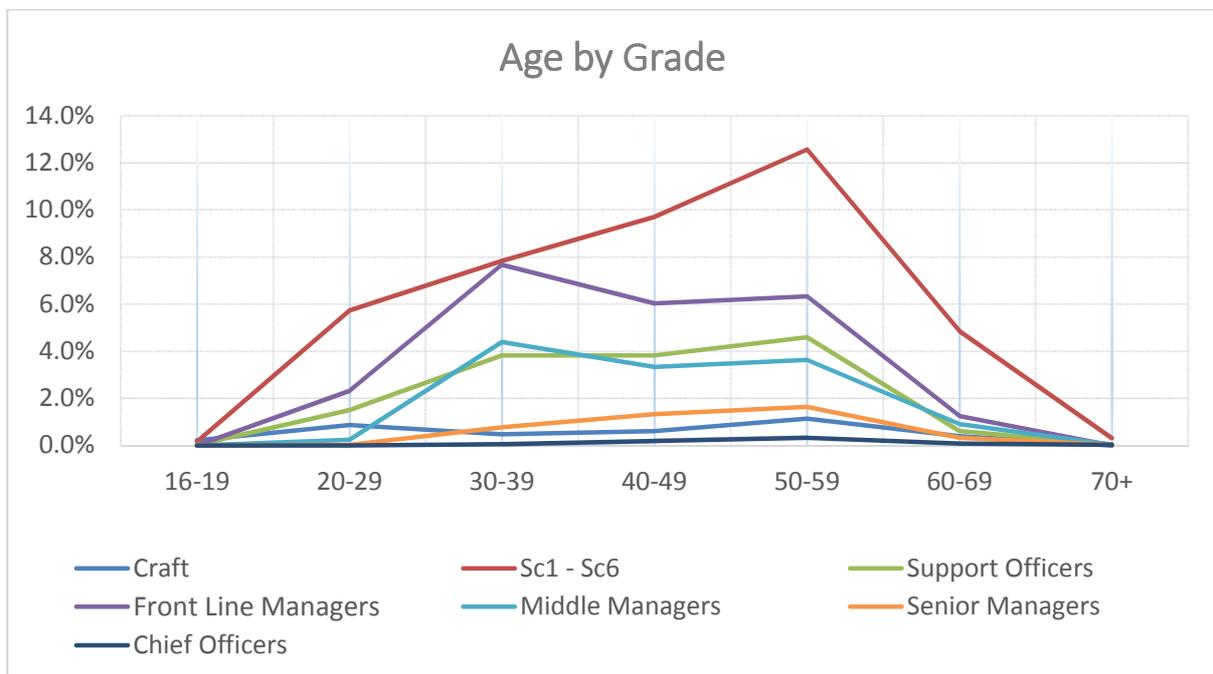


Chart 3.8: Age by Grade

Chart 3.8 looks at the distribution of the workforce by age and grade. The sum of all points on the chart add up to 100%. For example, approx 12% of the workforce are in grade 1-6 and aged 50-59.

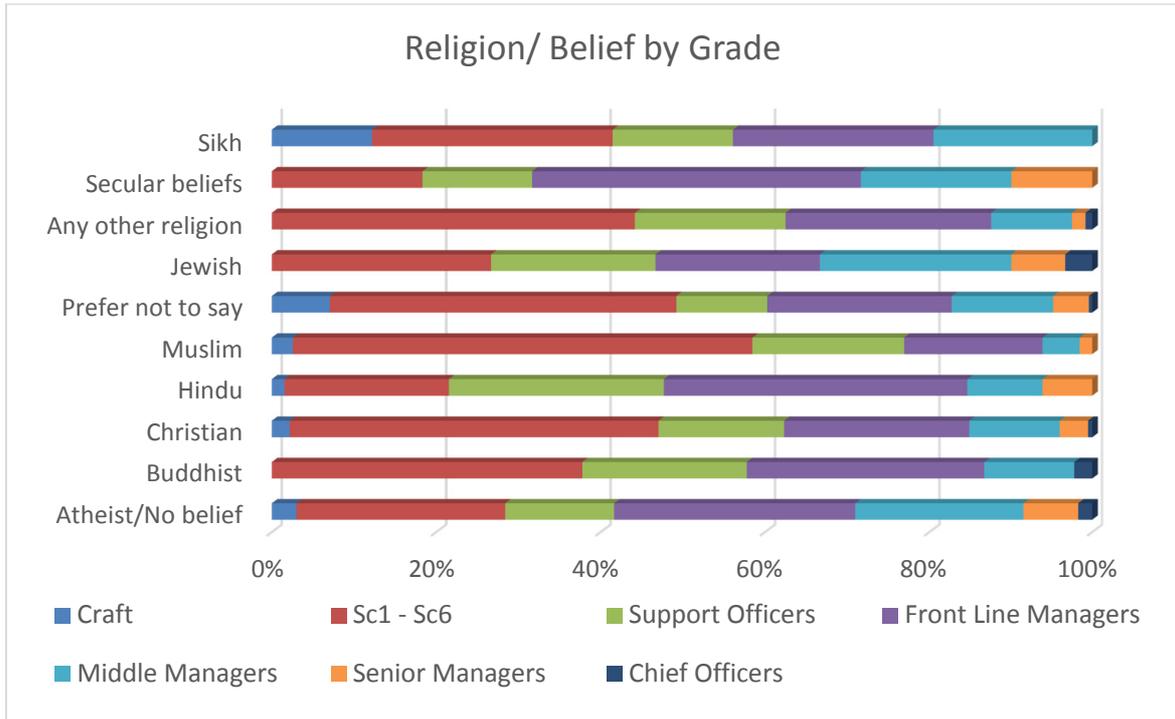


Chart 3.9: Religion/Belief by Grade

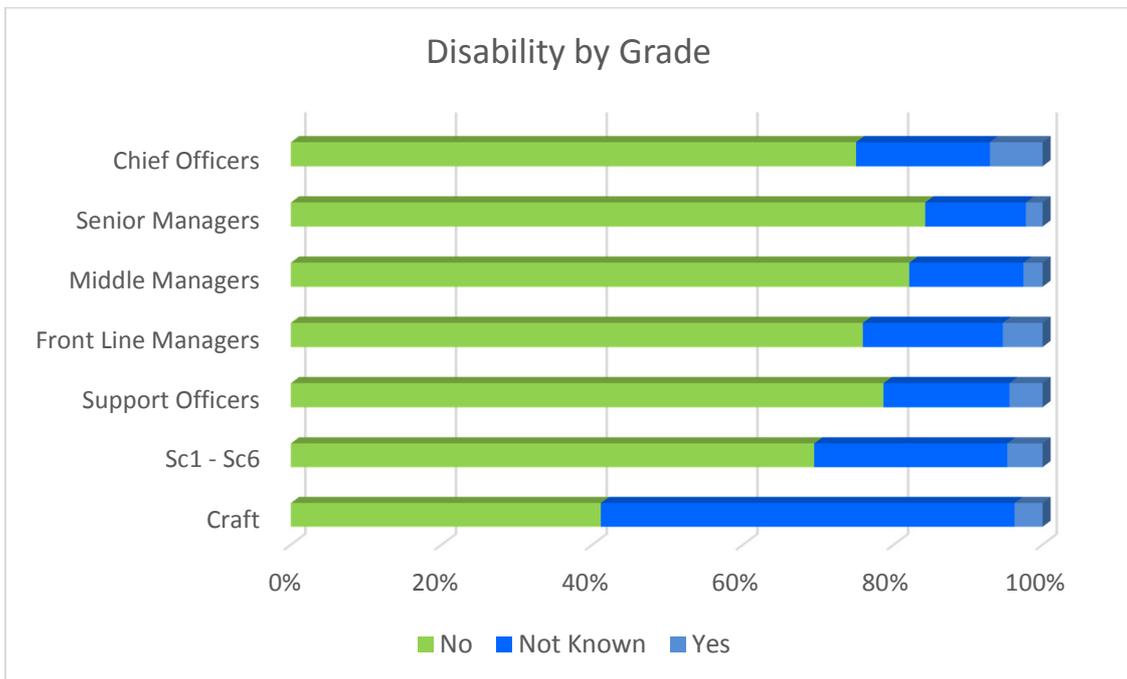


Chart 3.10: Disability by Grade

There is a high number of 'Not Stated' Craft employees.

4. Recruitment and Retention

Starters and Leavers



Chart 4.1: Hires by Directorate

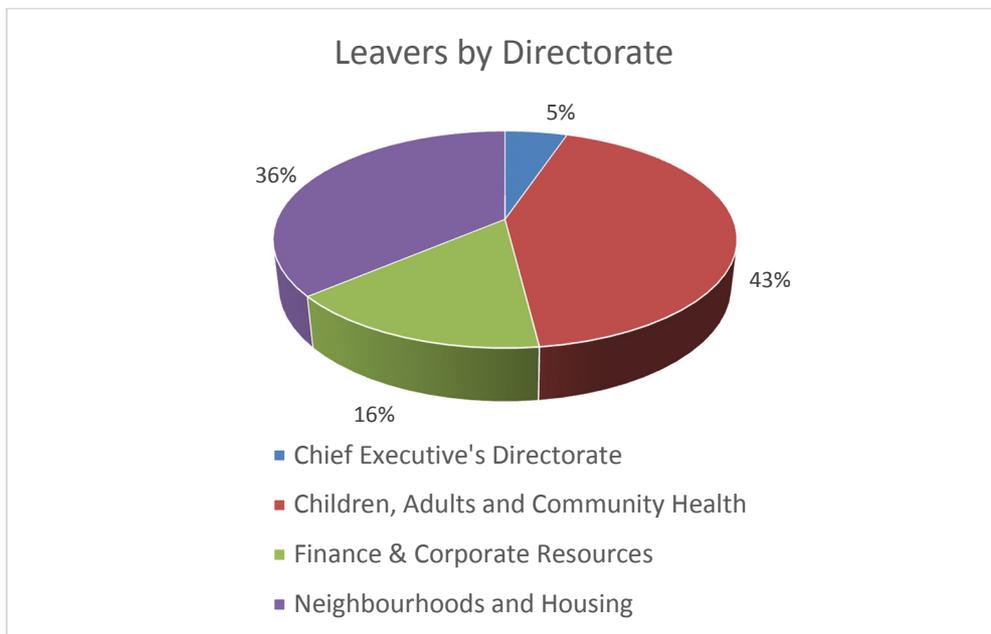


Chart 4.2: Leavers by Directorate

Starters and Leavers cover the period 1st April 2017 to 31st March 2018. There were 506 new starters and 483 leavers.

Age

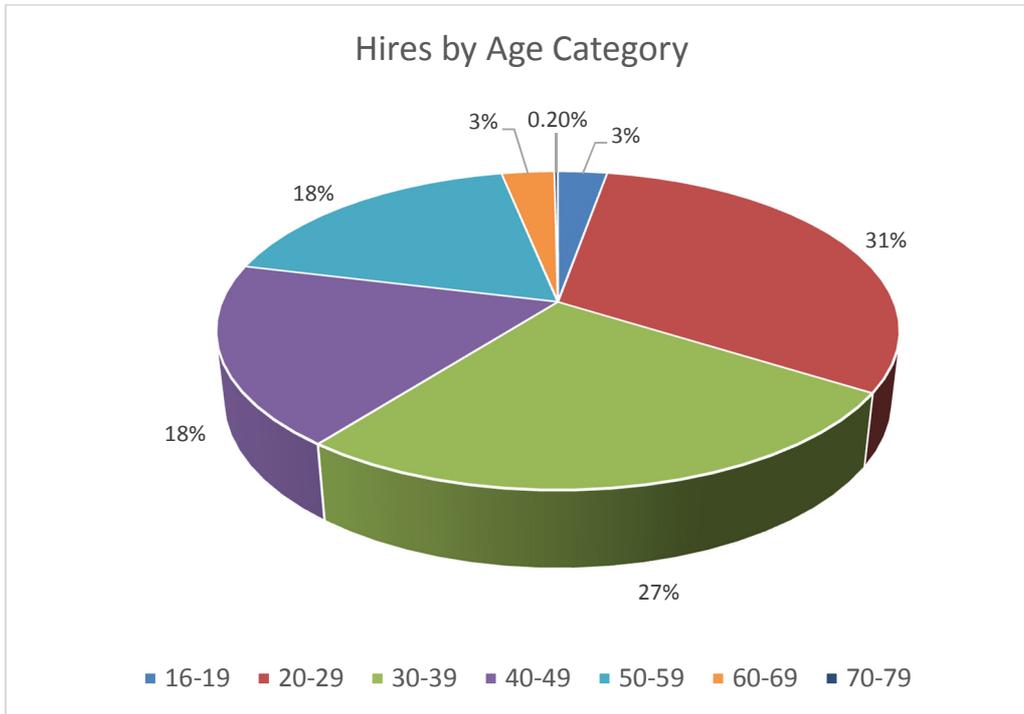


Chart 4.3: Hires by Age

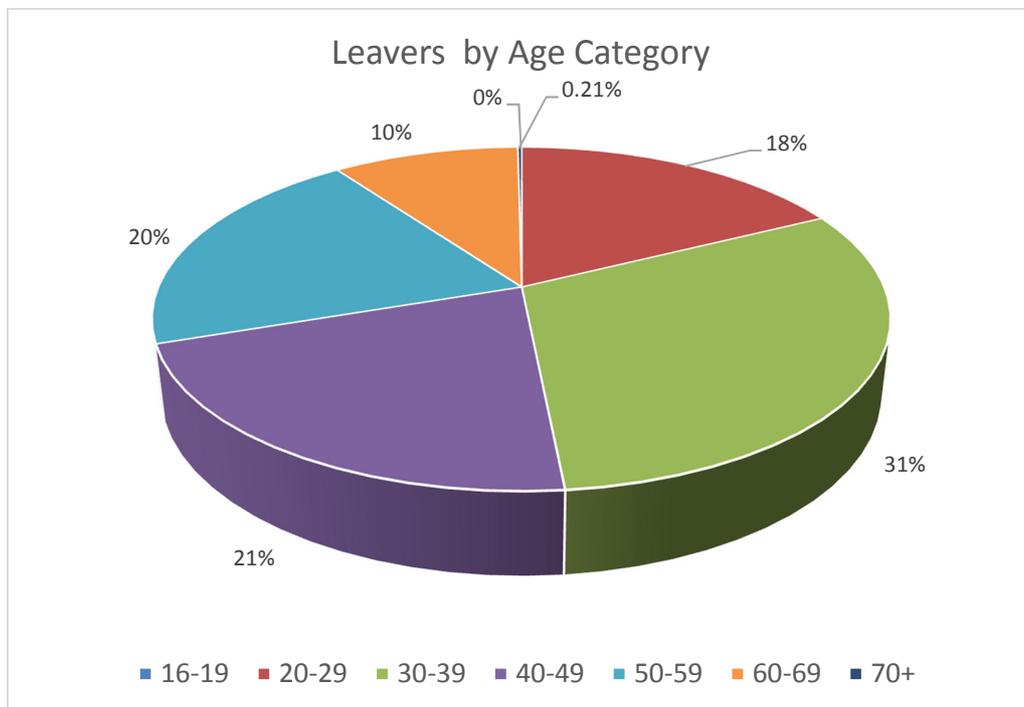


Chart 4.4: Leavers by Age

Gender

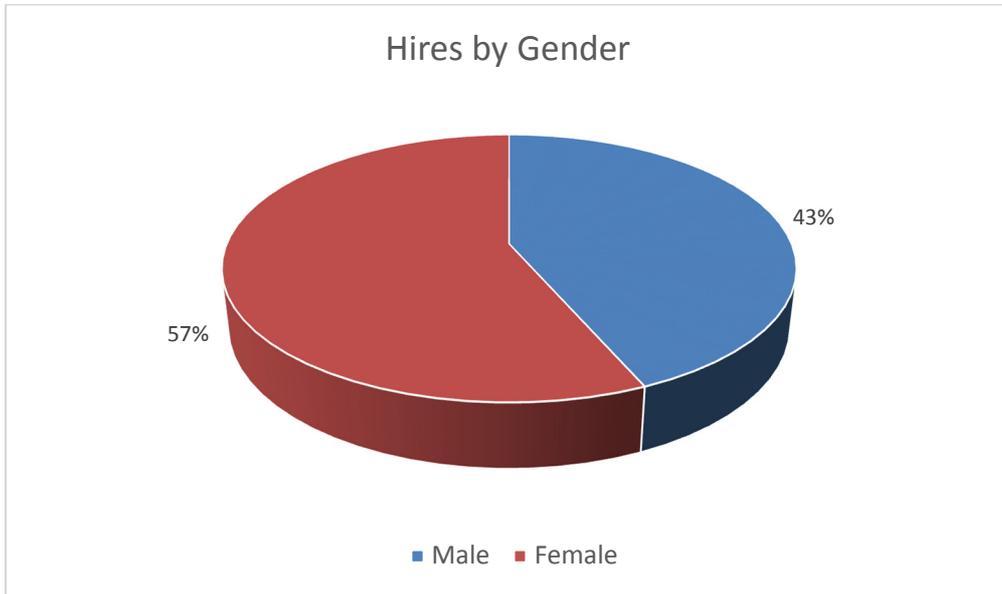


Chart 4.5: Hires by Gender

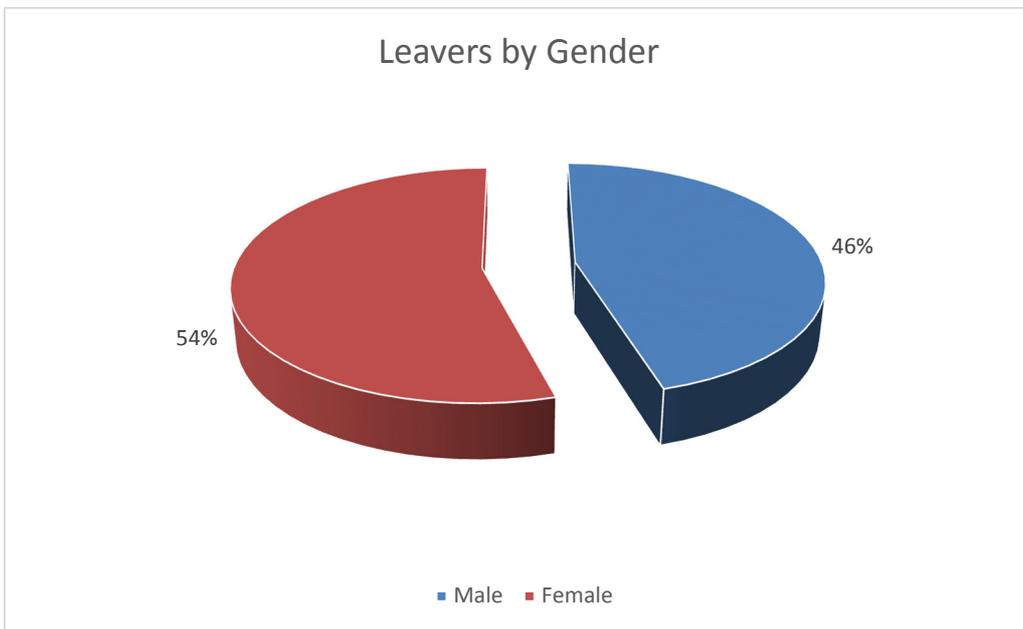


Chart 4.6: Leavers by Gender

Ethnicity

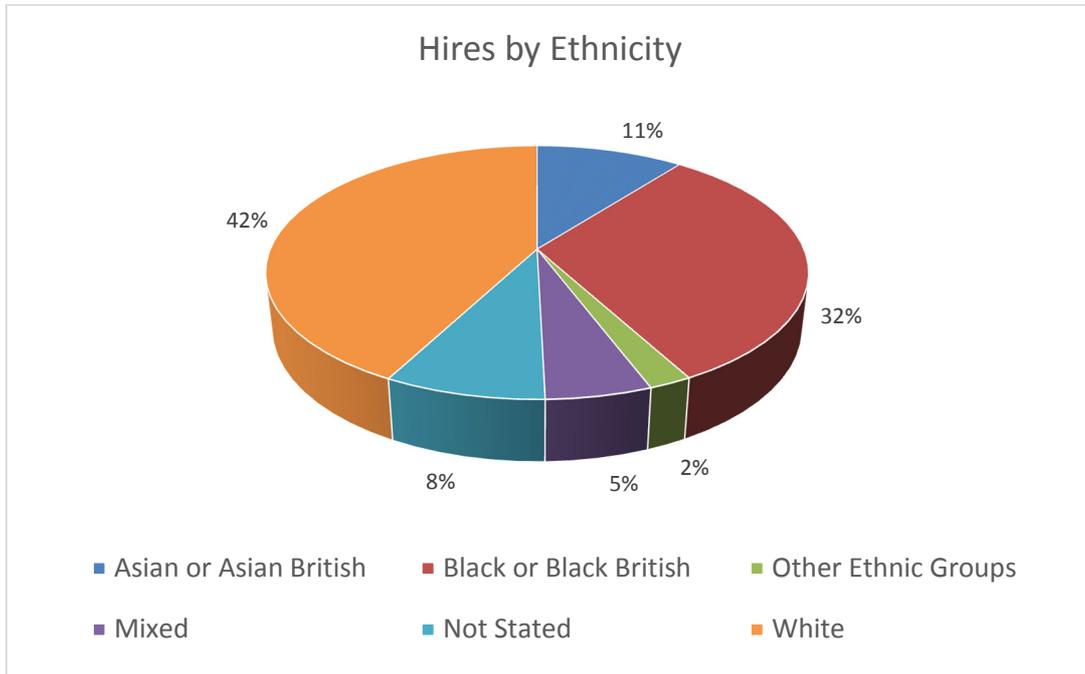


Chart 4.7: Hires by Ethnicity

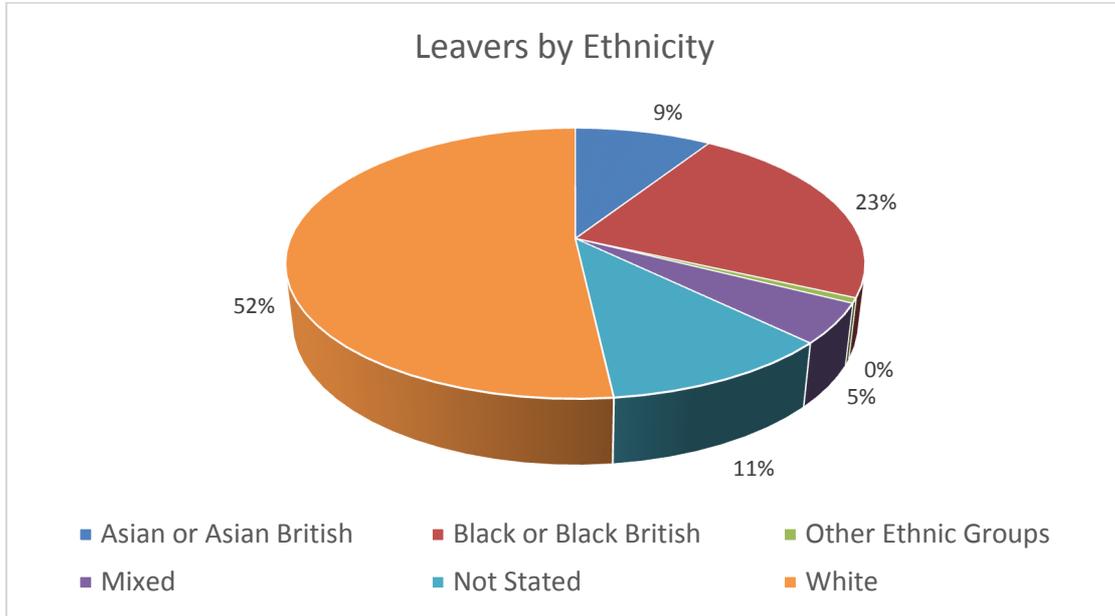


Chart 4.8: Leavers by Ethnicity

Religion/Belief Groups

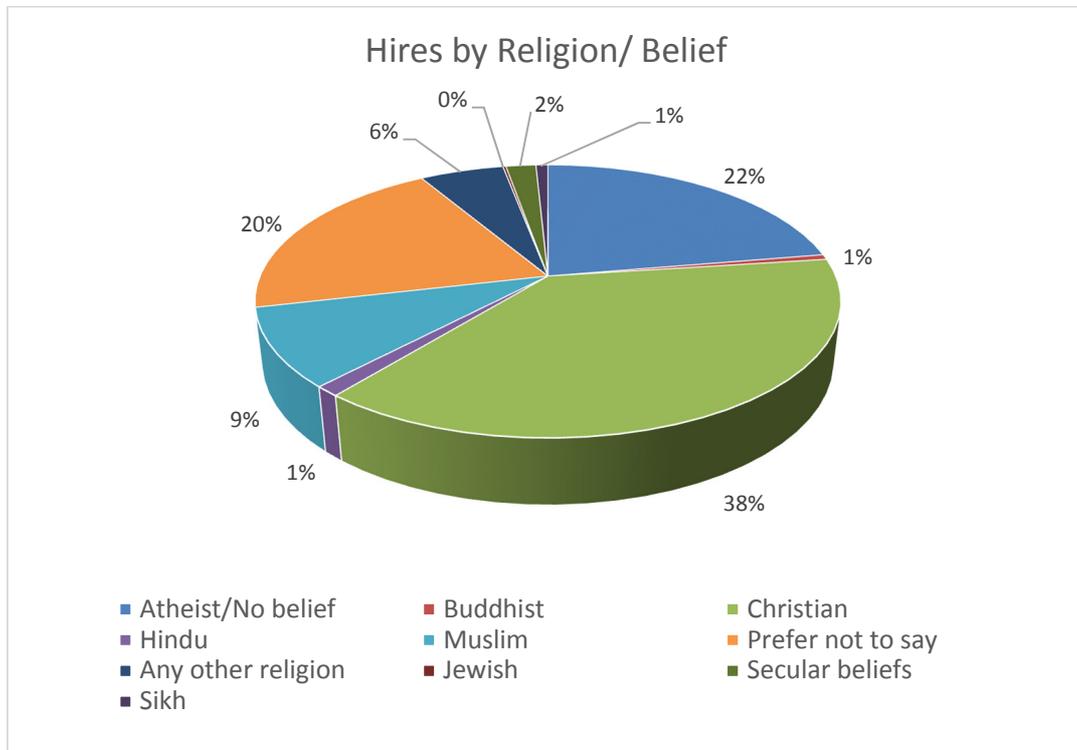


Chart 4.9: Hires by Religion/Belief

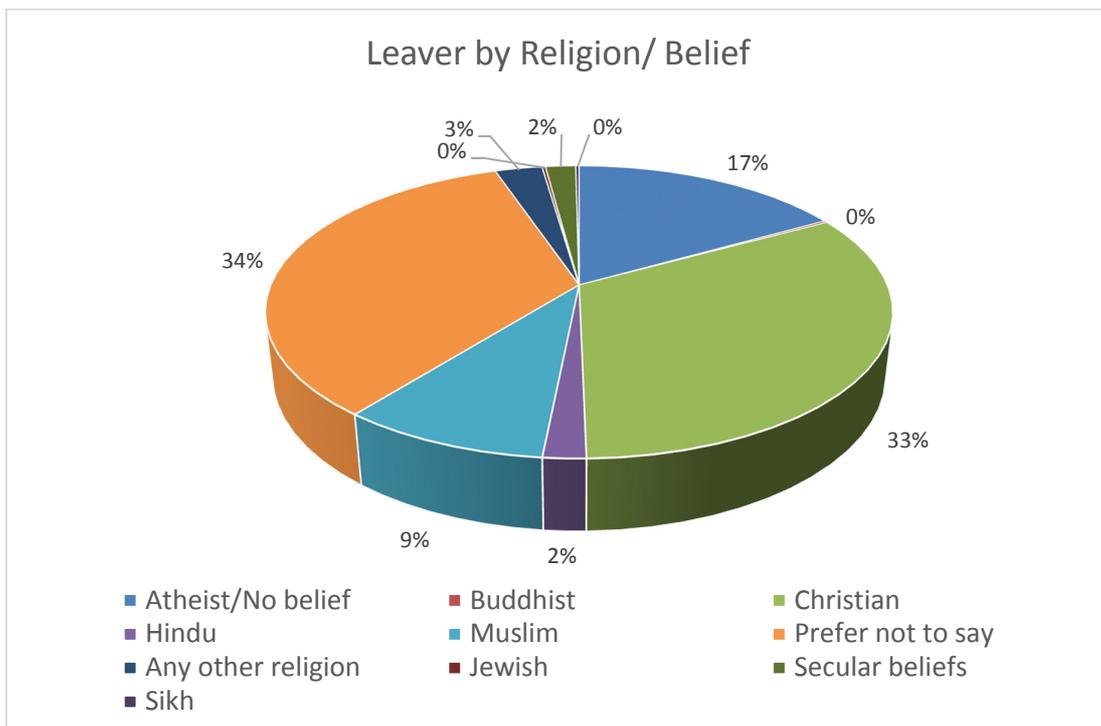


Chart 4.10: Leavers by Religion/Belief

Disability

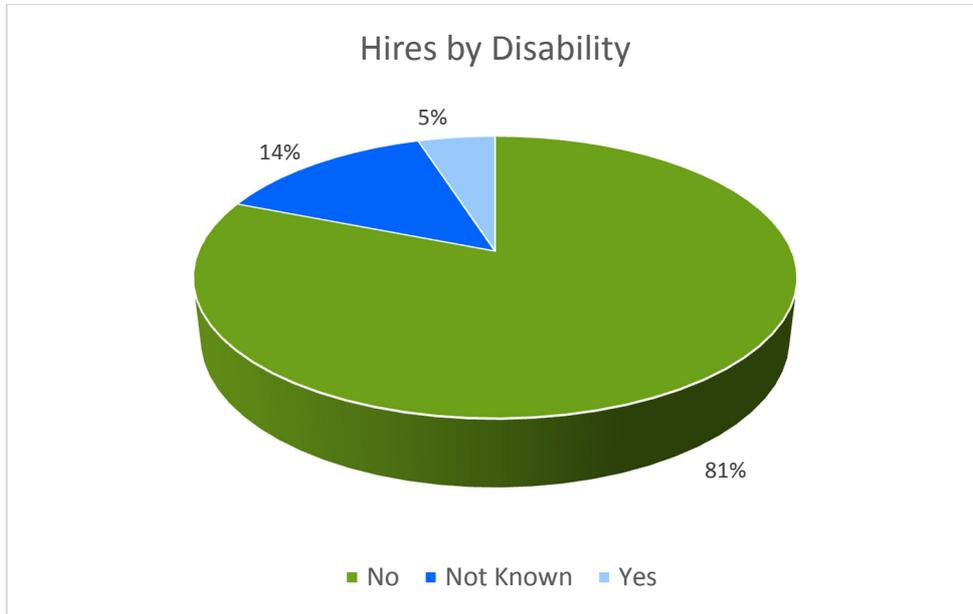


Chart 4.11: Hires by Disability

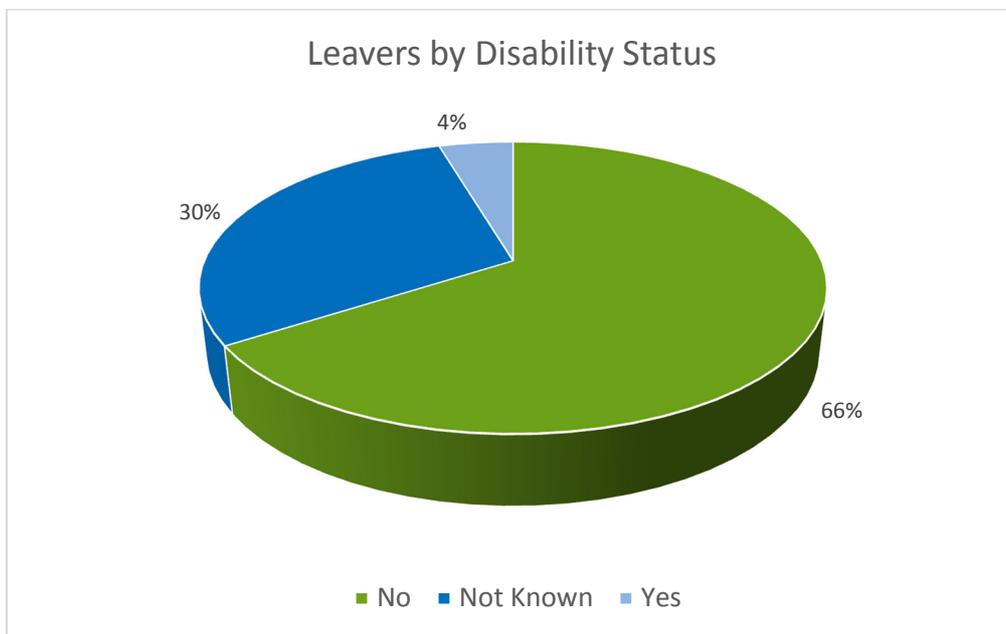


Chart 4.12: Leavers by Disability Status

Sexual Orientation

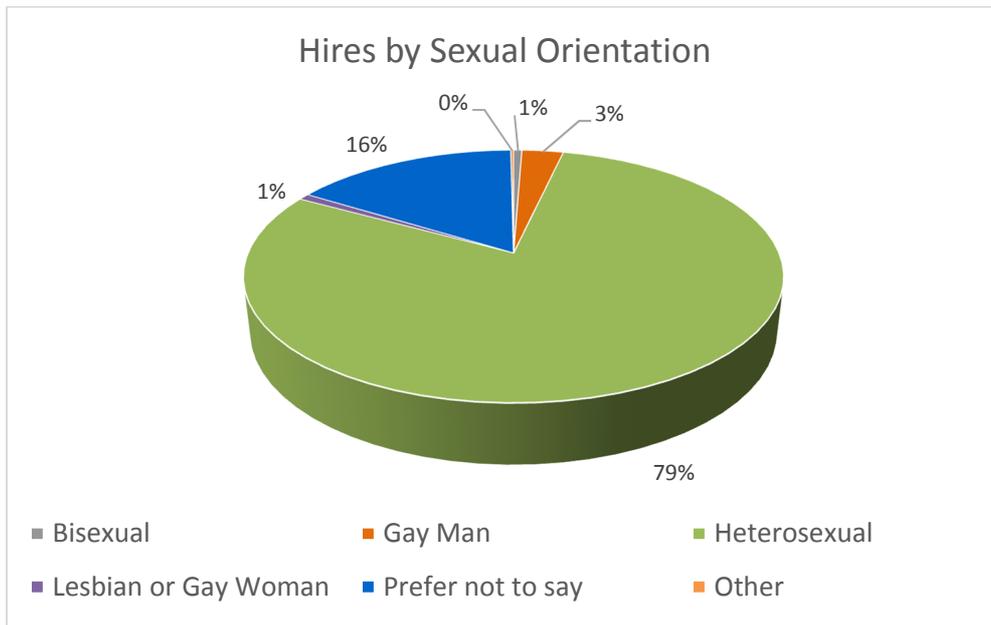


Chart 4.13: Hires by sexual orientation

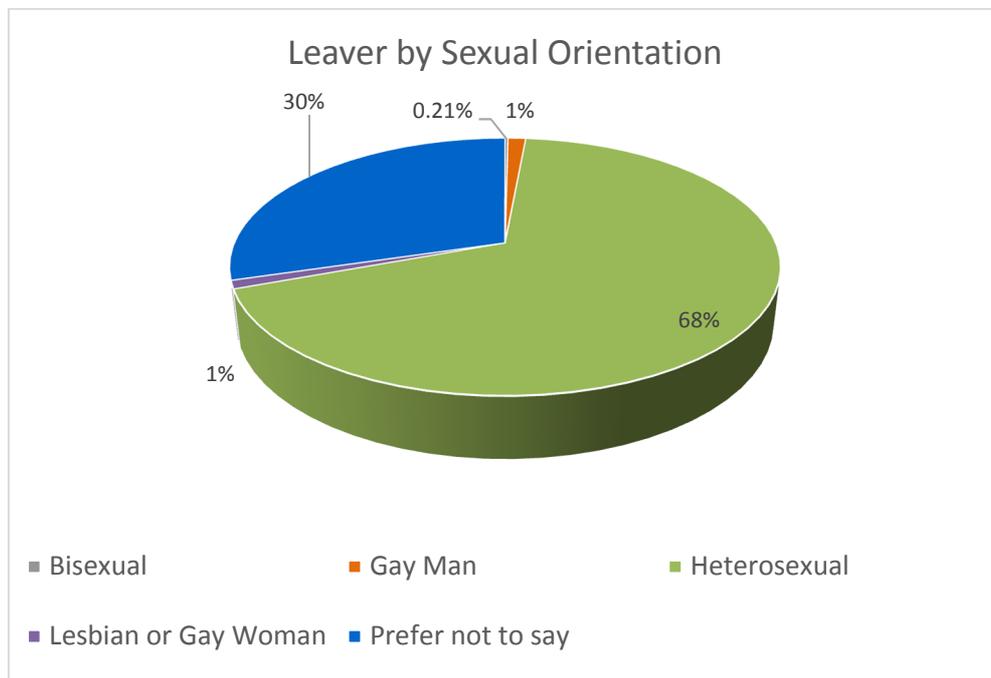


Chart 4.14: Leavers by sexual orientation

Redundancies

All Council

- Redundancies have reduced over the previous year with 63 staff (1.5% of the workforce) leaving through this method, compared with 155 staff (4% of the workforce) in 2016-17. In 2016-17 78% were voluntary and 22% were compulsory, whereas in 2017-18 35% were voluntary and 65% were compulsory. On such a low number, caution should be taken in attaching weight to a further breakdown.
- Implementation of the 2015/16 Voluntary Redundancy Programme ran into 2016/17. This accounts for the reversed picture on redundancies, when comparing the figures for 2016/17 and 2017/18. In 2016/17, redundancies were predominantly voluntary.

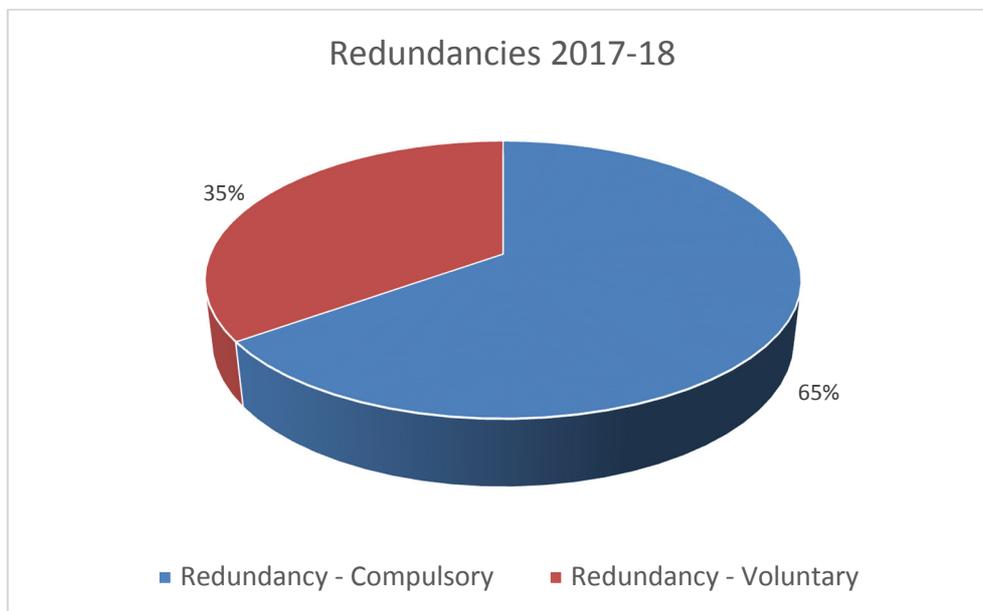


Chart 4.15: All Redundancies 2017/18 by Voluntary and Compulsory

Directorates

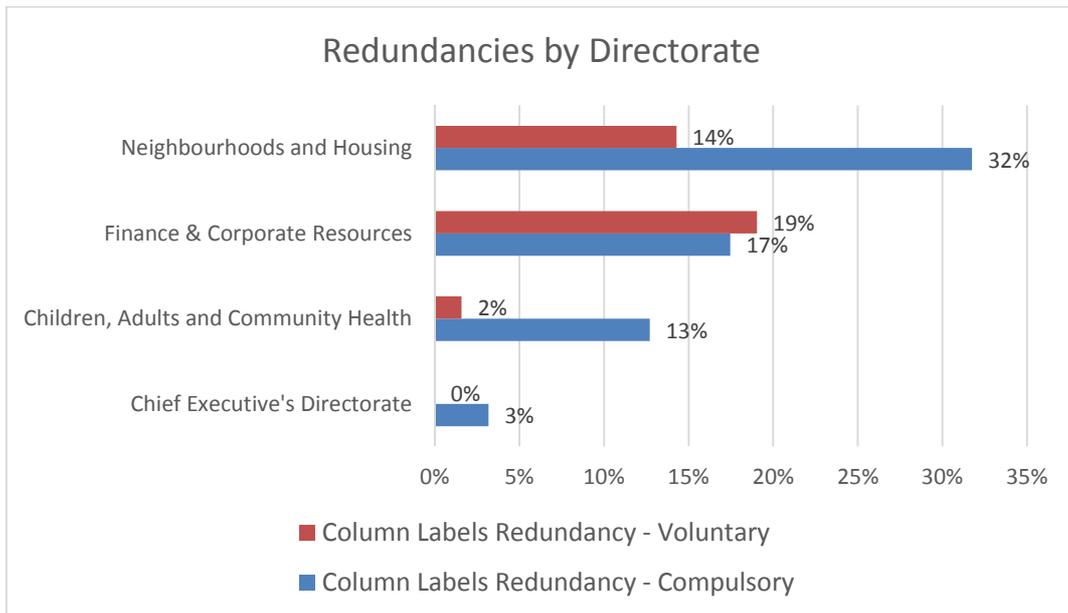


Chart 4.16: Redundancies by Directorate shown by Voluntary and Compulsory

Age

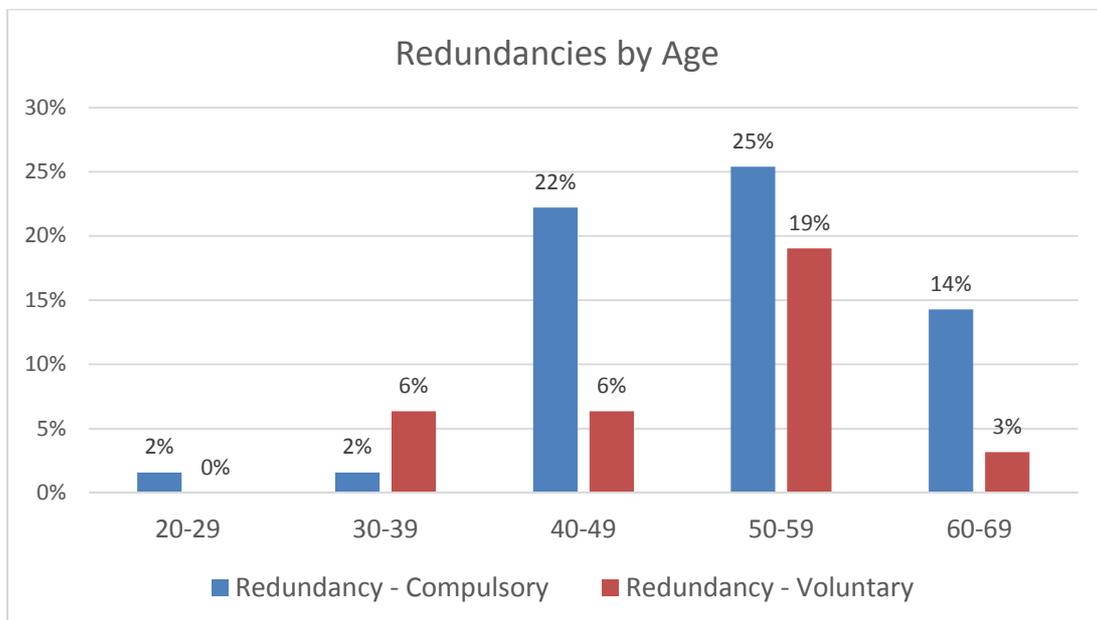


Chart 4.17: Redundancies by Age shown by Voluntary and Compulsory

The highest proportion of compulsory redundancies were in the age categories 40+ with 50-59 being the overall highest. Redundancy/Early retirement packages are likely to be more attractive for these age groups.

Gender

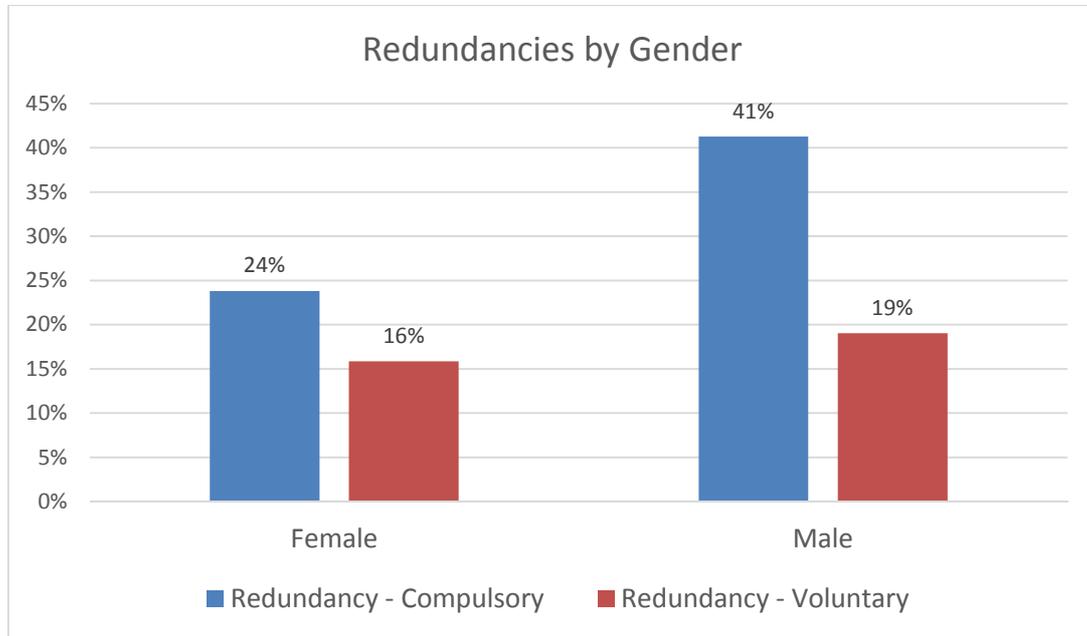


Chart 4.18: Redundancies by Gender shown by Voluntary and Compulsory

Redundancies by gender appear to be broadly reflective of the workforce. 40% of redundancies were female, and women make up 53% of the workforce.

Ethnicity

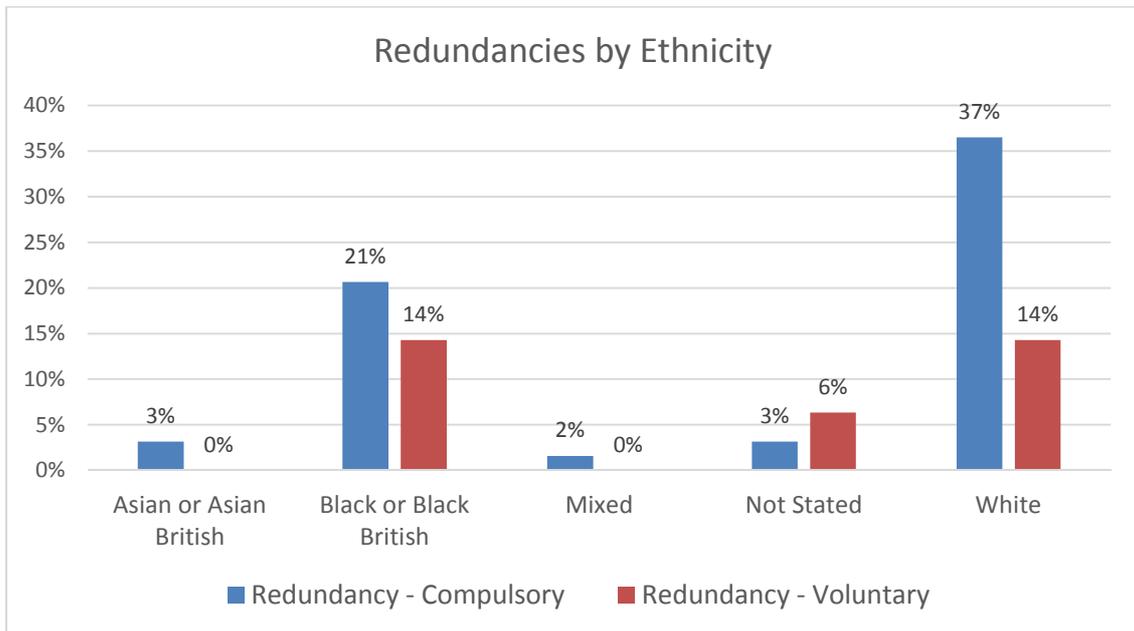


Chart 4.19: Redundancies by Ethnicity shown by Voluntary and Compulsory

Disability

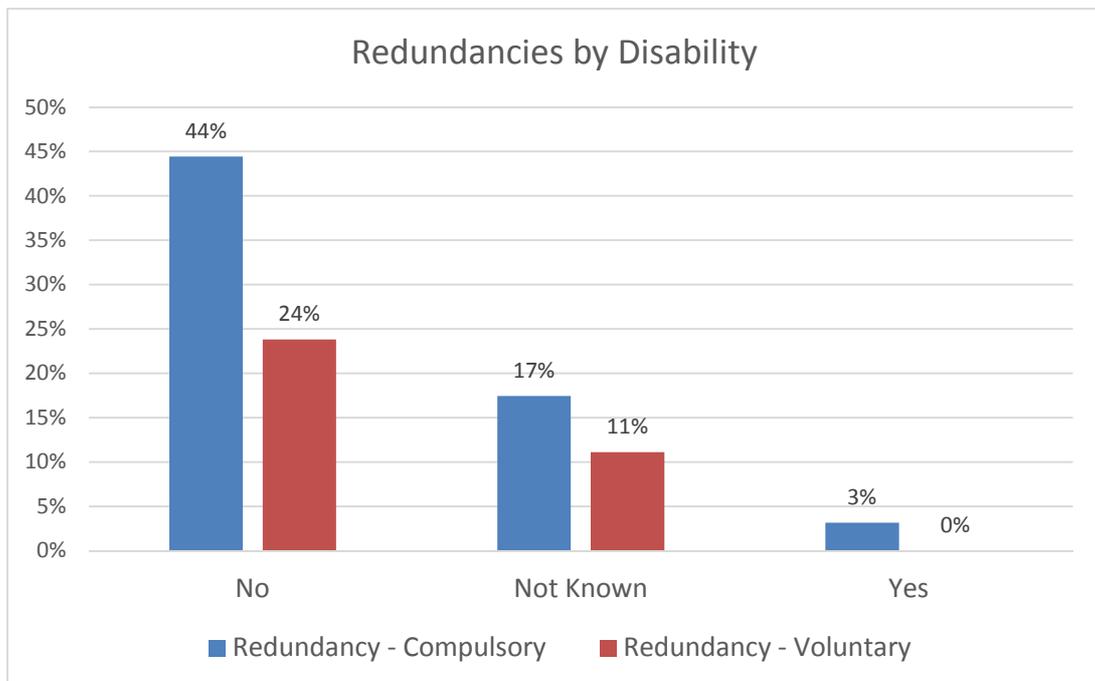


Chart 4.20: Redundancies for Disabled employees shown by Voluntary and Compulsory

Sexual Orientation

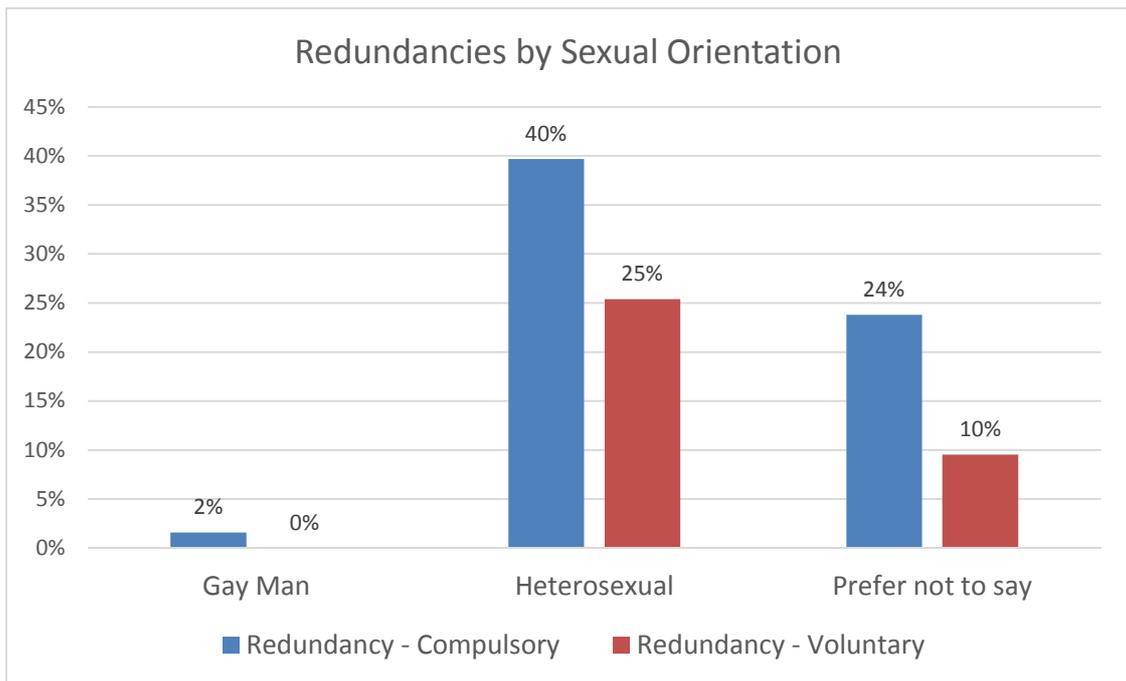


Chart 4.21: Redundancies by Sexual orientation shown by Voluntary and Compulsory

Ethnicity and Age

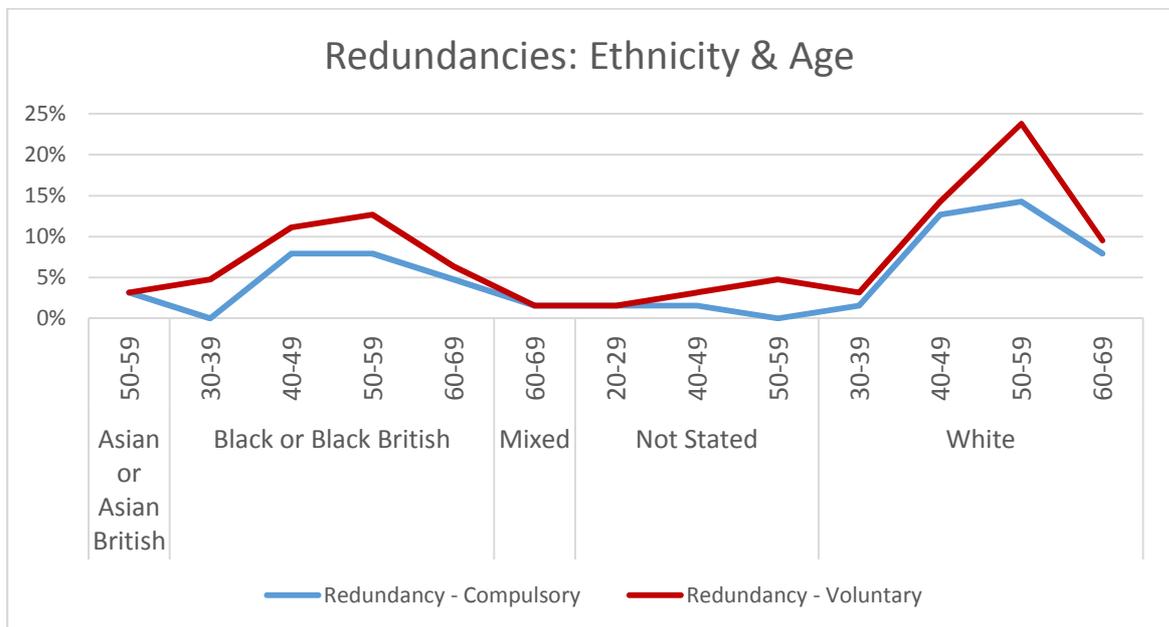


Chart 4.22: Redundancies by Ethnicity and Age shown by Voluntary and Compulsory

The ethnic groups White and Black/Black British comprise the largest part of the workforce and the largest number of redundancies. Age category 50-59 has the highest level of redundancies overall.

Directorate

By Ethnicity

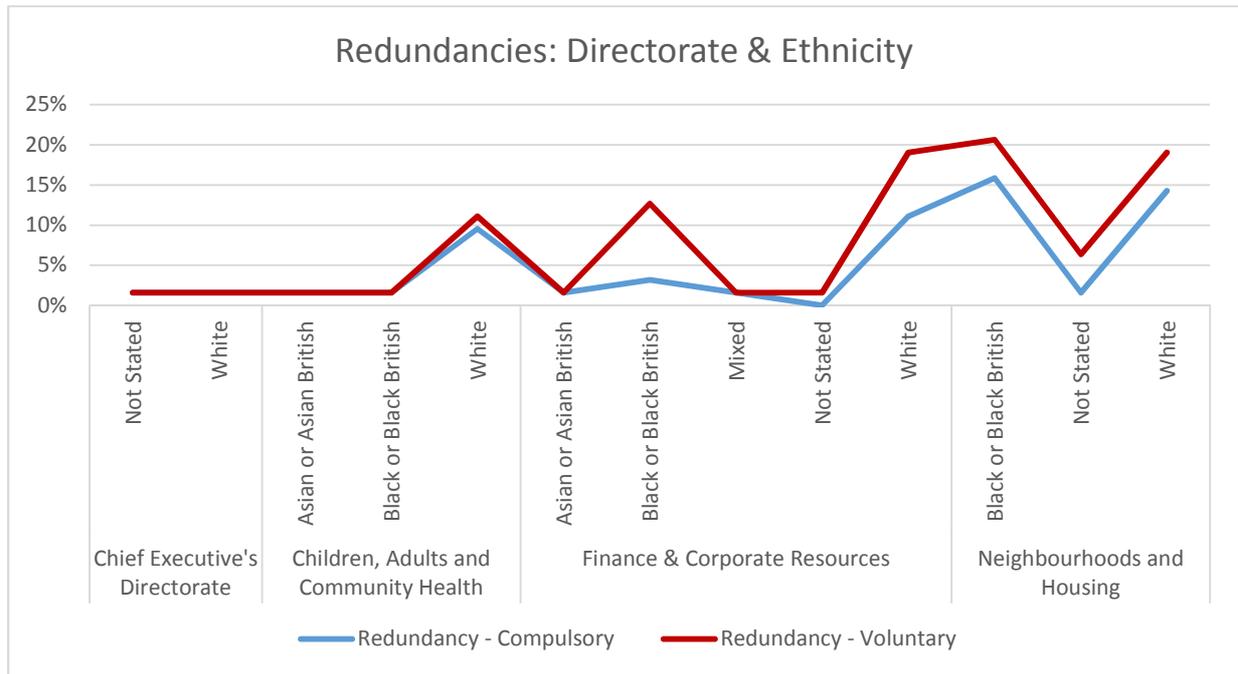


Chart 4.23: Redundancies by Directorate and Ethnicity, shown by Voluntary and Compulsory

A similar picture can be seen at directorate level to that shown at council level for ethnic groups and redundancies.

By Age

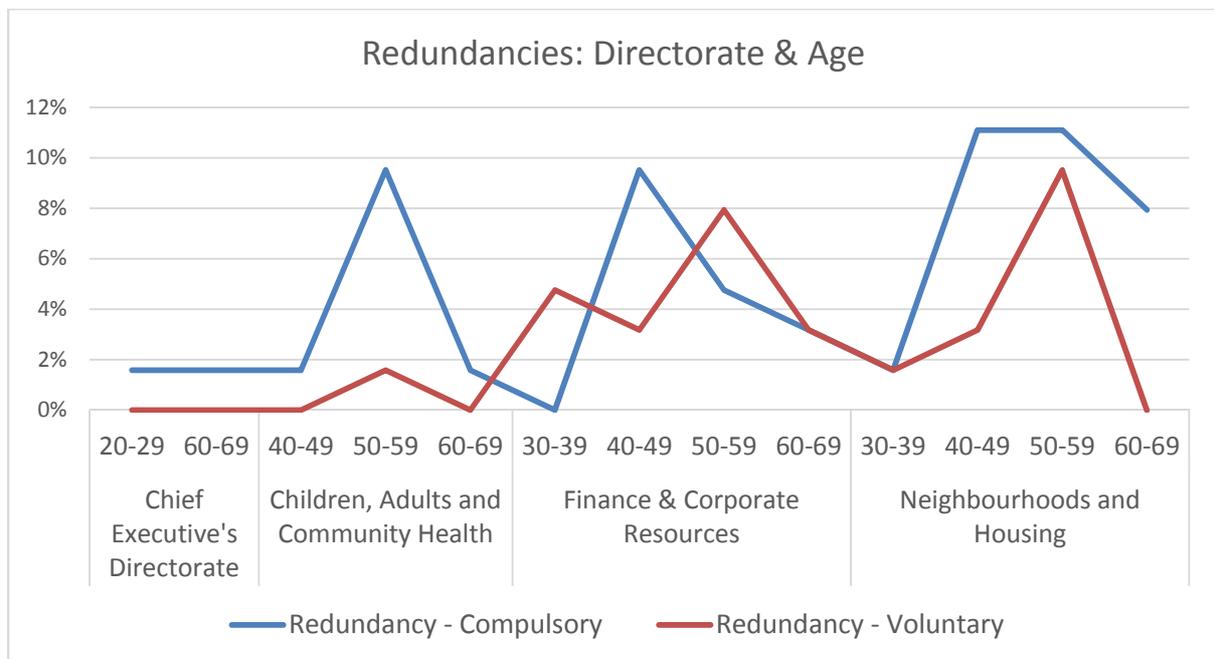


Chart 4.24: Redundancies by Directorate and Age, shown by Voluntary and Compulsory

A similar picture can be seen at directorate level to that shown at council level for age groups and redundancies.

5. Maternity

Period:	01/04/2017 - 31/03/2018
No. Staff commenced Maternity Leave:	55
No. Staff completed Maternity Leave:	68 *7 of which left the council within that period
% of staff who completed Maternity leave and returned to work:	90%

Table 5.1: Maternity leave

The table shows that between 1.4.17 and 31.3.18, 55 people went on maternity leave. During the same period 68 people returned from maternity leave; and 7 left. All employees are entitled to 52 weeks of maternity leave and the returners and leavers are likely to have commenced their maternity leave the previous year.

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Putting Equality at the Heart of Transforming Hackney

Action For Racial Equality
OUR COMMITMENT TO YOU

H Hackney

1999

Produced by Gary PA, Communication

Putting Equality at the Heart of Transforming Hackney

Letter from the Commission for Racial Equality	1
Letter from Hackney Council	2
Chapter 1: Making Equalities a Reality	4
Investing in People	4
Career Development for Black and Visible Minority Staff	5
Chapter 2: Eliminating Institutionalised Racism	6
Chapter 3: Filtering Equalities through the Organisation	8
Top Level Scrutiny Group	9
Corporate Equalities Team	9
Black Workers Group	10
New Group for Black and Visible Minorities Staff	11
Chapter 4: Filtering Equalities through the Community	12
Equality Action Plans	12
Equalities Sub-Committee and Service Committees	12
Black and Bilingual Communities Forum	13
Hackney Action for Racial Equality (HARE)	14
Chapter 5: Monitoring Our Progress	15
Surveying Staff	16
Chapter 6: Dealing with Complaints about Racial Discrimination	17
Procedure for Dealing with Complaints about Racial Discrimination	17
Independent Referral Unit	18
Chapter 7: Equality – Valuing Diversity – Challenging Discrimination and Exclusion	20

No-one can be in any doubt that race discrimination has been rife in Hackney Council – and there are still very serious problems to overcome.

This booklet contains details of one of the most far-reaching programmes ever embarked on by a local authority to eliminate race discrimination from its workforce.

Based on the Council's action plan, which was agreed by the Commission for Racial Equality in December 1998, it heralds an exciting new beginning for the organisation.

Hackney Council will be working in partnership with local agencies, its workforce and the community to eliminate race discrimination. The CRE will be there to provide guidance and support. But let no-one be in any doubt, we will also have a monitoring role, and we will be holding the Council to account for its actions – or inaction.

This action plan must be achieved – and it must make the difference.



Shahid Malik
CRE Commissioner

Letter from Hackney Council

Hackney Council has racially discriminated against its own workforce. We have quite rightly been severely criticised.

Lincoln Crawford carried out an independent inquiry into race discrimination within the Council. His report is a damning indictment of the way we have treated black and visible minority staff over a number of years. There are serious managerial and system failings. We have psychologically damaged staff. We have wrecked careers.

There is still considerable anger over the leaking of the names of 600 staff of African origin to the Immigration Service in 1995 and the failure of the Council to identify who was responsible for this. We understand the anger that those staff feel and apologise unreservedly to them.

We are guilty of serious and sustained discrimination. We do not intend to make any excuses. We are sorry and we are determined to put things right. But it takes more than well-meaning words to eliminate institutionalised racism. We expect you to judge us by our actions not by our words.

The endemic problems of institutionalised racism can only be destroyed through changing deep rooted attitudes and behaviours at all levels within the Council and ensuring that unacceptable actions and practices are not only challenged but prevented from occurring in the first place.

→ This booklet highlights the practical steps which we will take to eliminate race discrimination. The booklet is being sent to all employees, and will also be made available to all new staff joining the Council in the future. It is based on the five year Action Plan we submitted to the Commission for Racial Equality in December 1998. There are no quick fixes or easy solutions. However, we also know that action needs to be taken now to rebuild the confidence and trust of black and visible minority staff.

All the political groups on the Council have put aside their differences and given their total commitment to the Action Plan. Eliminating institutionalised racism is too important an issue to be derailed by politics. All elected Councillors, the Executive Board and Service Directors are determined to make our pledge to

eliminate discrimination a reality. This is an absolute and unequivocal commitment to you.

We are delighted that the Commission for Racial Equality has welcomed our Action Plan and will work in partnership with the Council to ensure it succeeds. However we know that the Commissioner will hold us to account for the success of the plan and quite rightly so.

We will only eliminate race discrimination by working in partnership: Partnership with the Commission for Racial Equality, partnership with the community and, most important of all, partnership with our staff and their representatives. Without partnership we will not succeed.

As political leaders and senior managers we are responsible for eliminating discrimination. But every single one of you has an important role to play. Without you it will not happen.

This booklet is our commitment to you. We expect you to judge us on our delivery. Let no-one be in any doubt that we are absolutely determined to eliminate racial discrimination wherever we find it and build the confidence and trust of black and visible minority staff.


Councillor David Manion
Labour Group Leader


Lisa Christensen
Executive Director


Councillor Kevin Daws
Liberal Democrat Group Leader


Joel Duckworth,
Executive Director


Councillor Eric Ollershaw OBE
Conservative Group Leader


Sarah Ebanja
Executive Director


Tony Elliston
Chief Executive


Lorraine Langham
Executive Director

Making Equalities A Reality

Investing in People

The Lincoln Crawford report found that although Hackney was good at recruiting black and visible minority staff, it discriminated against them once they were in post. That's why we are committing ourselves to achieving Investor in People (IIP) accreditation by the year 2000.

IIP requires the Council to have in place effective systems for performance management and appraisal, including career planning, training and development for all members of staff. All of these areas were highlighted in the Lincoln Crawford report.

A system of performance appraisal will be in place for every member of staff by 30 June 1999. This will ensure all staff are continuously developed and have their own personal development plan. By getting some good management practices in place, the scope for discrimination will be reduced; our systems will become more transparent and favouritism in career development should be eliminated.

Each service area, core and trading unit is seeking accreditation separately within an overall corporate framework. The first unit – Core Human Resources – achieved IIP accreditation in November 1998. Another five units are on track to achieve it by April 1999. All the rest will achieve it by 31 December 2000.

Career Development for Black and Visible Minority Staff

The appraisal system will ensure that all staff – whatever their ethnic background – are given the opportunity for career development. This could include development opportunities such as team coaching, work shadowing, acting up opportunities and secondments.

However, we know that many staff have been stopped from progressing through the organisation simply because of the colour of their skin. To redress this, we are providing substantial funding for career development opportunities for black and visible minority staff. Around 200 staff each year, for the next five years, will benefit from the tailored development programme. We hope this will go some way to putting right our past mistakes and the institutionalised racism which has blighted so many lives.

The development programme will build on a number of initiatives which are already underway. These include:

- a mentoring scheme to help black and visible minority staff and women progress in their careers. Mentoring is a confidential one-to-one relationship between an individual – called the mentee – and a more experienced (usually more senior) person outside their direct line of management. This person – called a mentor – acts as a sounding board, offering guidance and support. To date, 26 successful mentoring relationships have been set up in Hackney and another 40 are planned by the end of 1999
- a management development programme called Breakthrough for black and visible minority women. It is recognised that this group faces double discrimination on account of their race and sex.

underway

Eliminating Institutionalised Racism

The Crawford Report uncovered institutionalised racism in Hackney. It found basic management practices – which you would expect to see in any organisation – were missing, allowing discrimination to go unchecked. Despite our commitment to eliminating racial discrimination, we know institutionalised racism still exists. It is something we are determined to stamp out.

Institutionalised racism is a problem for the whole organisation. We must all take responsibility for eliminating it. However, the Lincoln Crawford report identified management practices and behaviour as key issues which must be tackled rigorously if we are to make progress.

Over the last year there have been wholesale changes within the Council's senior management team. The majority of Directors and a significant number of Unit Heads have joined the Council in the last year but there are still a large number of managers and supervisors who have not been directly affected by the reorganisation.

In some cases, managers were reappointed despite anecdotal evidence that these were the very people who were responsible for some of the discrimination in the past. We now want to send out a clear message to all managers: Racism will not be tolerated – learn from your past mistakes, stop discriminating or get out of Hackney.

To eliminate discrimination, we need good managers who are competent to manage within a multi-racial organisation. To kick-start the process, we're commissioning a management development programme which will ensure our 600 managers and supervisors have the skills and the right attitude for the job.

The course will be spread out over three years. A fundamental aim of the programme will be to change behaviours by directly tackling the way managers and supervisors relate to, and treat, black and visible minority staff – that means raising self awareness, confronting managers with their prejudices and giving them the insight and skills to manage in a non-racist manner.

Programme due to start April 1999

underway

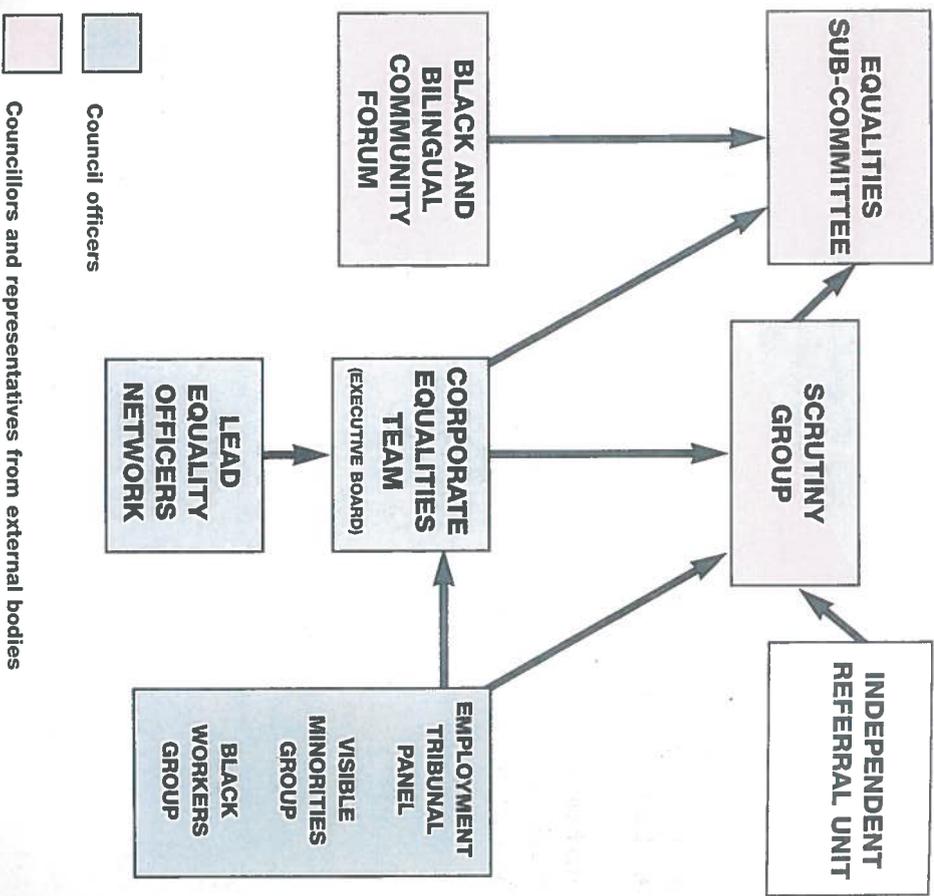
All managers will have to demonstrate that they are suitably trained to deal with recruitment and selection, appraisals, managing disciplinaries, dealing with grievances and unsatisfactory performance in a multi-cultural environment.

Complete by 30 June 1999

underway

Filtering Equalities through the Organisation

HACKNEY RACIAL EQUALITY NETWORK KEY LINKAGES



→ Top Level Scrutiny Group

We want to ensure that race equality is high on the Council's agenda over the years to come. That's why we are setting up a top level scrutiny group to monitor progress on the five year action plan. The Political Groups are absolutely committed to making sure this happens – which is why the Group Leaders will be representing them on the Scrutiny Group. If the group spots a problem, or decides we are not making enough progress, it will have the power to alter the action plan so that we can quickly get back on track.

The group will meet quarterly and will be chaired by Lincoln Crawford, who conducted the independent inquiry into racial discrimination in Hackney Council. It will also include:

- the Group Leaders on Hackney Council
- CRE Commissioner SHAHID MALIK
- Hackney Action for Racial Equality Chair AYDIN MEHMET ALI
- Local Government Management Board representative MANDY WRIGHT.

The local unions and black and visible minority staff groups will have direct access to the Scrutiny Group to ensure their voices are heard. We are committed to involving staff and their representatives as widely as possible in tackling racism in the organisation.

First meeting: January 26 1999
in progress

Corporate Equalities Team

Transforming Hackney put equalities at the heart of the new organisation when it was launched in January 1998 – with the Chief Executive taking a personal lead on this. Over the last year, he has set up a Corporate Equalities Team which has been responsible for developing the action plan to eliminate race discrimination and for overseeing the Equality Action Plans which have been developed by each directorate.

The team will report to the Scrutiny Group and will be responsible for implementing the Action Plan.

The membership of the team is currently being expanded to include a representative from the trade unions, the Black Workers Group and other visible minority staff to ensure the team has the confidence of the black and visible minority workforce.

in progress

Black Workers Group

The Black Workers Group (BWG) is part of the trade union UNISON Self-Organised Group structure that caters for disadvantaged groups such as black people, women, disabled people, gay men and lesbians. Black self-organisation is properly constituted and has national, regional and local structures. Self-organisation is enshrined in UNISON's rule book and policies.

Hackney BWG is a long established group that has been operational in the borough for over ten years. The BWG is open to all black UNISON members and has been the catalyst for raising issues with both the Council and the trade unions on matters that affect black staff. The BWG meets monthly and has an Executive Group that is elected annually at an Annual General Meeting. Hackney BWG has a working constitution and is seen as one of the original protagonists in obtaining equal rights and justice for black workers in Hackney, Greater London, and throughout the UK. The Hackney BWG was one of the first groups to be established in one of the partner unions and now UNISON.

The BWG has been stating for many years that Hackney Council has been consistently operating in a racially discriminatory manner against its black staff. The Council's CRE agreed Action Plan is cautiously welcomed by the Black Workers Group.

New Group for Black and Visible Minorities Staff

As a direct response to the existence of institutional racism in the authority, a new group is being set up by black and visible minorities staff. Its steering committee is in the process of developing aims and objectives and operational terms of reference. As a principle, the group will be seeking to promote the development of an environment where staff and managers can work together to develop equalities and the social inclusion agenda. All black and visible minorities staff will be eligible to participate in the group. More details will be available by the end of February 1999.

Filtering Equalities through the Community

Equality Action Plans

Each of the Council's nine service directorates has an Equality Action Plan – a plan setting out how we will achieve equalities in relation to service delivery, employment and community involvement. Staff should be fully involved in the preparation and delivery of their plan so that we promote the widest possible ownership. Each directorate also has a lead officer, in its strategy & commissioning team, who will make sure the plan is implemented and monitor its progress.

The plans set out what the service aims to achieve in terms of equalities, how it will progress this and the timescales. They will be submitted to the Equalities Sub-Committee and made available to the Black and Bilingual Communities Forum.

Each director will produce an annual report to go to committee showing progress against the targets set in the plan. First reports will be submitted in November 1999.

Equality Action Plans are a key part of our overall approach to service improvement and best value. Equality must be at the heart of the Transforming Hackney Programme. We will not allow it to be marginalised. We will ensure that equalities are mainstreamed into all our activities.

Equalities Sub-Committee and Service Committees

As well as being represented on the Scrutiny Group, councillors will play a leading role in ensuring that equalities is not sidelined from the day-to-day business of providing services for residents.

They will be monitoring each of the directorates' Equality Action Plans which set out how we are going to make our services accessible to **all** residents – in regards to race, disability and gender.

To stop equalities being marginalised, the Equality Action Plans will be monitored by the main Council committees as well as by the Equalities Sub-Committee. Councillors will also be given the chance to develop their awareness of equal opportunities issues.

Seven equality action plans agreed. Rest to be submitted by

March 1999



Black & Bilingual Communities Forum

Hackney wants to pay more than lip service to consulting with the community. To do this, we need to reach out to all those community groups who, traditionally have not been heard. This new forum, set up by the Council in partnership with Hackney Action for Racial Equality, will do just that. Chaired by Hackney Action for Racial Equality, with the Council represented by the Chief Executive, it will be open to all black and bilingual community groups and voluntary organisations in Hackney, paying particular attention to those groups whose voices have been absent in the past.

The forum will:

- advise the Council on how services can be developed to meet the needs and aspirations of black and bilingual communities
- monitor the impact of council decisions, services and programmes on black and bilingual communities

Monitoring Our Progress

The Crawford Report found there was no mechanism in place for dealing with criticisms of the Council made by employment tribunals, or any clear line of accountability for ensuring that the same mistakes were not made again. If we are to break the patterns of the past, we must learn from our mistakes.

Monitoring is essential if we are to know whether we are succeeding or failing to make the difference. So we are putting in place effective monitoring systems which will be reported to the Scrutiny Group and Executive Board.

This will show us:

- the make-up of the workforce by race, gender and disability within each service and grade band (called the Workforce Profile). The workforce profile was completed in December 1998 and will be updated automatically as staff leave and join the Council

- how black and visible minority staff, women and people with disabilities fare when it comes to appointments, acting up opportunities, disciplinaries and grievances (called the People Return). The returns will be submitted every six months and came into operation in January 1999.

But monitoring is only part of the story. On top of this we need to find out what the problems are as they are happening. In this way, we will be able to nip emerging problems in the bud.

In addition to the monitoring returns, we have developed a series of robust controls around issues such as disciplinaries, grievances and the number of black and visible minority staff who are 'restructured' out of their jobs compared to white staff. These ad hoc returns will be submitted to the Scrutiny Group and to Executive Board - allowing them to intervene if things are going wrong.

Core Human Resources will also be carrying out 'audits' to check units are complying with the human resource standards. A number of audits have already taken place, and the reports have been submitted to Executive Board and Service Directors.

- promote a better understanding of the problems faced by black and bilingual communities in accessing services and develop ways of tackling them
- promote greater participation and better partnership between the Council and black and bilingual communities
- act as a consultative forum.

First meeting took place 7 December 1998



Hackney Action for Racial Equality (HARE)

If we are to effectively challenge - and ultimately end - discrimination, we need the help and support of the communities. Hackney Action for Racial Equality can assist by bringing that perspective to council policy.

Funded by the Council and the Commission for Racial Equality, HARE is working towards the elimination of racial discrimination and promotes the equality of opportunity and good relations between different racial groups. It strives to achieve these objectives in Hackney through policy development, working with other agencies, public education, community development and casework. HARE will be represented on the Scrutiny Group.

Dealing with Complaints about Racial Discrimination

A rigorous new procedure for dealing with complaints about racial discrimination was put in place in December 1998. This complaint's procedure is explained below.

Although we are committed to dealing with complaints quickly and fairly, we recognise there are many people who have had a bad experience of working in Hackney and who will be, understandably, cynical of our attempts to reform ourselves. Until all staff have faith in the organisation to deliver equal opportunities, we will need another mechanism – completely independent of the Council – to investigate some complaints of racial discrimination. That's why we are setting up an Independent Referral Unit, which is described in more detail below.

Procedure for Dealing with Complaints about Racial Discrimination

This relates to complaints from staff concerning race discrimination, racial harassment or any other matter which the member of staff considers to be racially motivated.

1. Any complaint relating to race must be notified to the relevant Service Director within 24 hours of the complaint being made. In the case of Core and Trading Units, notification will be made to the Executive Director who performance manages the unit head.
2. Within a further 24 hours, the Service Director or Executive Director will notify the Head of Core Human Resources of the complaint in writing together with the name of the person who will be investigating the complaint. In some cases, it will be appropriate for the complaint to be investigated by the head of the unit concerned. However, complaints of this nature will not be investigated by more junior officers within a unit. There may be cases where

→ We have also established a panel to review current employment tribunal cases. If some of the grievances against the Council are justified, we will settle them quickly and learn from our mistakes. We will no longer defend the indefensible. We will also ensure that prompt action is taken against managers and staff who are guilty of racial discrimination – including dismissal.

underway

Surveying Staff

To find out if the Action Plan is having an impact, we will be taking 'snap shot' surveys of staff, starting in April, to find out if all of this is making a difference. It is crucial we know what you think and that you have the opportunity to feed back your views anonymously. Yours views will be reported back to the Scrutiny Group – and if the action plan is not having an impact, we will revise it until it does.

First survey out April 1999

underway

it would not be appropriate for the unit head to be involved in the investigation. In these cases it will be for the Executive or Service Director to determine who will be responsible for carrying out the investigation so as to ensure it is genuinely independent and to notify the Head of Core Human Resources accordingly.

3. Within three weeks of the complaint being notified a report must be sent to the Head of Core Human Resources by the person carrying out the investigation including the nature of the complaint, the parties involved and the action taken to resolve the complaint. It is expected that complaints will have been resolved within this period. In exceptional circumstances where this is not possible, the report should state the reasons why the complaint has not been resolved and the timescale for resolution. A further report must then be submitted to the Head of Core Human Resources when the complaint has been resolved. In all cases reports must be copied to the relevant director.

4. All complaints relating to race will be reported to the Executive Board and to each meeting of the Scrutiny Group.

→ **Independent Referral Unit**

In his inquiry into employment practices and procedures in Hackney, barrister Lincoln Crawford found a culture of fear among black and visible minority staff, who said they had nowhere to turn if they had a problem. Because they had no confidence in our grievance procedures, employment tribunals became the main forum for resolving disputes.

This 'culture of fear' is still with us. We know that Hackney Council will have to prove itself to staff – in particular those staff who have been discriminated against – before they feel safe to use our internal complaints procedure. That's why we are setting up an Independent Referral Unit from April 1999.

The unit will be totally independent from the Council and your line management. If you do not feel comfortable using the internal complaints procedure, you will be

able to report instances of racial discrimination to the unit – either personal discrimination you have experienced or discrimination you have witnessed – without fear of personal reprisal. If necessary, you will be able to make complaints anonymously (although this can sometimes make it harder for the team to investigate) and be assured that any confidences will not be breached.

Over the next few weeks, we will be talking to black and visible minority staff about how they want the unit to operate. We need to ensure that we set up something which black and visible minority staff have confidence in and which has the authority to put things right. In particular it will be essential that the unit is able to report independently to both the Chief Executive and the Scrutiny Group.

Unit set up in April 1999

in progress

Equality – Valuing Diversity – Challenging Discrimination & Exclusion

The equalities statement below is part of the new equalities framework agreed by the council in November 1997.

Discrimination is **dangerous** and **damaging**. It also **wastes talent**.

Valuing diversity means recognising that **everyone has a contribution to make** and that we can all **enjoy living and working together**.

Hackney Council has an absolute commitment to valuing diversity and that means **believing in equality** and challenging discrimination and exclusion wherever we find it.

We know that Hackney is made up of **diverse communities, women, men and children** with potential from very different **backgrounds, races, religions and cultures**. In a society which too often excludes and marginalises, that potential is often ignored.

Whilst some groups have received fair treatment and quality services, the basic needs of others have been denied. Hackney Council is committed to **attaining excellence in the delivery of services** to everyone in the community – regardless of age, disability, class, race, religion, sex and sexuality.

Not only that, but as employers we will work to **rid Hackney of prejudice**, ensuring that all our staff are **treated with the dignity they deserve** and with respect for their unique contributions.

We want a just society which gives **everyone an equal chance** to learn, work and live free from the fear of harassment, violence and abuse. We will work with our partners and others agencies to achieve this. We want to work together to build a **spirit of cooperation** in Hackney, an atmosphere **free from prejudice, ill feelings or resentment**.

We're going to work with you to ensure that you feel that you and your community have a stake in what we do – that **what you think really makes a difference**.



Scrutiny Panel 29th April 2019 Item 7 - Workforce – focus on equality, diversity inclusive leadership, and union engagement	Item No 7
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OUTLINE

Members have asked that the Chief Executive attend Scrutiny Panel to present on a number of items in relation to the workforce.

These are detailed below.

- Information about the Council's corporate strategy in relation to workforce diversity and inclusion
- Context on communication channels between Council and Unions and update on latest communications.

ACTION

Members are asked to review the paper enclosed in advance of the meeting. Following opening comments from guests, they are invited to ask questions.

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Corporate Equalities Update
April 2019
Sonia Khan, Head of Policy and Partnerships

1	<p>Background</p> <p>Promoting a diverse workforce has been an explicit Council priority since 2018, and this is reflected in the Single Equality Scheme which was adopted in November 2018.</p> <p>An action plan has been developed to address the key equality issues identified at 4.2 which are based on taking a dual focus, promoting demographic diversity and also an inclusive leadership culture in order to promote “acquired diversity.”</p> <p>The workstream comprises of five strands, outlined below in section 4, which collectively deliver the agreed approach.</p>
2	<p>Key equality issues and indicators</p> <p>The key equality issues that have been identified are:</p> <p><i>Workforce diversity</i></p> <ul style="list-style-type: none">● The under-representation of BME and disabled staff at senior levels● The under-representation of disabled staff at all levels● The under-representation of the Charedi community at all levels● The variations in workforce diversity between different directorates● The need to protect the current gender equality which exists at senior levels of the organisation, given the structural inequalities which exist for women in the labour market more broadly <p><i>Staff satisfaction</i></p> <ul style="list-style-type: none">● Much lower rates of satisfaction amongst disabled staff and (to a lesser extent) for BME staff over the last three surveys¹● BME Staff and disabled staff are much more likely to disagree that the Council is committed to equality and diversity in practice that white staff and non disabled staff <p><i>Hidden inequalities</i></p> <ul style="list-style-type: none">● A characteristic that is difficult to measure is class and social background. Whilst it is difficult to quantify the inequalities, we should try to address this likely inequality by considering how we make the workforce more inclusive and support progression from lower grades. <p>Whilst we are concerned about the underrepresentation of the Charedi community, the barriers are not necessarily ones created by the Council. There is a wider piece of work which is looking at how we promote direct engagement with the Charedi community, and we may, through this work, be able to identify ways to create new</p>

¹ This is the case for other comparable local authorities in London

	<p>routes to employment for the Charedi community.</p> <p>The key indicators of success for this workstream are:</p> <ul style="list-style-type: none"> • The gap is closed between the 82% (81% in 2016) of staff who feel Council is committed to Equality <i>in policy</i> and 69% (71% in 2016) who feel the Council is committed <i>in practice</i> (this went up from 61% to 70% in 2011 and peaked at 73% before falling to 71% in 2016 and now 69%) • There are a higher proportion of disabled staff working at the Council • Senior management is more reflective of Hackney’s diversity (BME and disabled staff) • Managers feel more confident and competent in promoting equality and addressing workforce diversity (need baseline) • Disabled staff are more satisfied with the Council as an employer and higher proportion feel Council is committed to Equality in practice
3	<p>Responding to these issues</p> <p><i>The case for diversity</i></p> <p>Research has shown that having a demographically diverse workforce can help businesses to be successful, drive innovation and capture new markets. In the public sector² having a diverse workforce is seen as a way of bringing in a diversity of experiences and perspectives to better meet the needs of residents and improve service. It is also seen as a way of tapping into and harnessing talent from across the whole community.</p> <p>Research reported in the Harvard Business Review also makes the case that a workforce which reflects a diversity of perspectives also supports innovation.³ This research talks about acquired diversity versus demographic diversity and considers the benefits of promoting a culture which values and welcomes a diversity of perspectives. Through the Improving Outcomes for Young Black Men programme, partners have reached the conclusion that promoting a more inclusive leadership culture needs to be part of the way we tackle underlying and systemic issues that might drive inequalities. By questioning traditional behaviour patterns and decision making structures we will be better able to identify the institutional change which is needed to tackle key inequalities.</p> <p><i>Taking a dual approach</i></p> <p>Actions which promote a demographically diverse workforce and those which promote “acquired diversity” can also reinforce each other. By promoting a more inclusive leadership culture, the workforce may become more welcoming to people from different backgrounds as well as ensuring that, where a workforce is not</p>

² <https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-workforce/equalities-and-inclusion> and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/658488/Strategy_v10_FINAL_WEB6_TEST_021117.pdf

³ <https://hbr.org/2013/12/how-diversity-can-drive-innovation>

	<p>demographically diverse, there is a culture which values and draws on a diversity of perspectives. By promoting a demographically diverse workforce, you are more likely to promote an inclusive leadership culture that draws on the perspectives of people from different backgrounds.</p> <p>Alongside this, more practical action is needed to address poor levels of staff satisfaction among disabled staff with regards to management and leadership. Failure to tackle this specific equality issue could undermine wider efforts to promote workforce diversity outlined above.</p>
<p>4</p>	<p>Workstream overview</p> <p>The workstream plan includes a number of “business as usual” and “stretch” strands of activity:</p> <p>Business as usual:</p> <p>Organisation Development Key Outcome: Coherent well utilised organisational development programme promoting equality and diversity for staff and managers, utilising apprenticeship levy to upskill managers if appropriate.</p> <p>Communication Key Outcome: All staff are aware of organisation commitment to equality and diversity and can recognise ways that the policies are put into practice</p> <p>Stretch:</p> <p>Improving the employee journey for disabled staff from recruitment through to progression Key outcomes: Barriers for disabled staff are removed across the employee journey from recruitment through to progression and promotion Managers see the benefits of employing disabled staff and can do so competently and confidently. Supported employment opportunities created within the Council</p> <p>Promoting an inclusive leadership culture Key outcomes: Senior managers understand, value and promote an inclusive leadership culture systematically as part of addressing workforce diversity</p> <p>Tackling the lack of diversity at senior levels, with regards to BME and disabled staff Key outcomes: We have a better understanding of the specific reasons for the lack of BME and disabled staff representation at senior levels. We have identified positive actions needed to address issues and barriers. We have identified opportunities to make processes more open and transparent.</p> <p>All the workstreams have been informed by focus groups. An update on these focus groups is therefore provided first. Agreed recommendations are also summarised in these sections for each workstream are summarised under sections 6-10..</p>

<p>5</p>	<p>Focus groups - progress update</p> <p>Focus groups were held in September and October 2018 in order to inform the Corporate Equalities workstreams, providing us with a temperature test about staff views of leadership, management and culture. We wanted to find a way to explore more subtle issues about their workplace that might not be surfaced through a survey.</p> <p>To provide a consistent framework for the surveys, we looked at the types of behaviours that might constitute an inclusive culture and leadership within an organisation like the Council. This work was also undertaken to support the development of the Inclusive Leadership strand of work. We reviewed a range of relevant research studies, tools and frameworks (see mapping) and came up with a list of 12 statements in five themed areas - decision-making, working styles, self-awareness, relationships, workplace culture and community.</p> <p>Seven workshops were held in total for 64 staff. There were two workshops open to all staff, one held at the Town Hall Campus, the other at the North East Neighbourhood Housing Office, plus separate workshops for women, disabled staff and staff from black and minority ethnic groups. The workshops for women and black and minority ethnic staff were oversubscribed, so these were run twice. Whilst we acknowledge that these results will be skewed more negatively because these are self selecting staff who have something to say, there are consistent points made in different groups. Participants were asked to rate the Council from one to ten against each of the 12 statements. Participants then discussed which statements they scored higher, and which lower and explored practical measures to address areas of weakness.</p> <p>The workshops were facilitated by one member of the the Corporate Policy and Partnership team with support from colleagues from the Equality Action Group (Adult Social Care, Museums and Heritage, HR and Organisational Development). As we had consistency from the Policy and Partnerships team, we were able to ensure consistency of facilitation, write up and analysis.</p>
<p>6</p>	<p>Strand 1. Organisation Development promoting equality and diversity</p> <p><i>Key Outcome: Coherent well utilised organisational development programme promoting equality and diversity for staff and managers, utilising apprenticeship levy to upskill managers if appropriate.</i></p> <p>We have worked with HR/OD to review resources, take up and impact of HR OD Equality and Diversity support and policy advice and guidance. To support the review and understand impact, we invited managers to respond to a survey. Over 70 managers responded to a detailed survey and we have analysed these findings, alongside the staff focus groups.</p> <p>Recommendations agreed:</p> <p>We will be refreshing the nature and mode of training and advice relating to equality and diversity: Looking at information provided at induction Making changes to the advice which is provided by the Policy team in relation to community facing issues</p>

	<p>Developing and implementing mandatory Equality training in relation to workforce and community which comprises of three elements to be completed over the next year:</p> <ul style="list-style-type: none"> ○ A challenging online training session which ensures service managers and above have a full understanding of the Equality Duty and workforce issues ○ A cultural competency face to face session for all service heads and directors which ensures all senior managers understand the diversity and complexity of Hackney and are equipped to take full consideration of this complexity in service delivery, design and decision making ○ Inclusive Leadership face to face training in leadership and behaviours to be delivered by Inclusive Leadership Champions recruited and trained from across the organisation
7	<p>Strand 2. Communications</p> <p><i>Key Outcome: All staff are aware of organisation commitment to equality and diversity and can recognise ways that the policies are put into practice</i></p> <p>Progress update These are priorities for staff facing communications in 2019 and 2020, and are informed by the Council’s Single Equality Scheme which was adopted in November 2019. A Think Inclusive Google Communities has also been set up as a key internal communications channel.</p> <p>LGBT * Profiles of LGBT staff - particularly under represented groups like bisexual people, Trans people, BME LGBT staff. * Messages on key days like IDAHOT Day, Pride, Bi-Visibility day etc.. * Agreed to enter the Stonewall 100 every few years rather than annually.</p> <p>Disclosure * Agreed to run a campaign to encourage staff to disclose their equality characteristics with a particular view to increasing disclosure rates around disability and sexual orientation/identity.</p> <p>Disability * Launch of Think Inclusion video on other tools from Timewise/Business Disability Forum; * Promotion of supported employment opportunities within the Council * Profiles of disabled trainees and staff * Promotion Staff Equality Network event on supported employment</p> <p>Inclusive Leadership * Promotion of Managers Equality Survey * Promotion of staff workshops * Profiling BME role models * Promotion of Inclusion Champions programme</p> <p>Parents * Awareness raising around different types of families e.g. LGBT, blended, co-parenting etc</p>

	<p>* Promotion of dependency leave (Sonia to speak to Dan about offering enhanced payments)</p> <p>Inclusive Communications</p> <p>* Launch of the Inclusive Communications Guide</p>
8	<p>Strand 3 Improving the Employee Journey for Disabled Staff</p> <p><i>Key outcomes:</i></p> <p><i>Barriers for disabled staff are removed across the employee journey from recruitment through to progression and promotion</i></p> <p><i>Managers see the benefits of employing disabled staff and can do so competently and confidently.</i></p> <p><i>Supported employment opportunities created within the Council</i></p> <p>Progress update</p> <p>A working group brought staff with lived experience together with those responsible for different aspects of the employee journey. The group have identified improvements across the employee journey which are now incorporated into the recommendations set out below. In the survey for managers referenced above, we asked specific questions about employing disabled staff. This has also informed the recommendations.</p> <p>This builds on work which was already ongoing to improve guidance, in conjunction with the Business Disability Forum and Timewise. We are also drawing on the learning of the Supported Employment team which is supported disabled people into employment and running supported internships.</p> <p>Some quick wins that have been put in place are:</p> <ul style="list-style-type: none"> ● A statement has been added to our internal and external adverts to stress our particular interest in receiving applications from disabled people, as this group is currently under represented in our workforce. ● A Google Communities for managers on support and guidance on employing disabled staff has been set up. ● Our new Hackney Recruitment website includes a page on how we support disabled staff and has been tested by disabled people ● Updated guidance on reasonable adjustments and support <u>for staff with long-term health conditions</u> has been produced and is out for consultation. <p>Recommendations agreed</p> <p>Making recruitment more inclusive:</p> <ul style="list-style-type: none"> ● Recruitment: establish ongoing global analysis of who is applying for jobs versus who is successful by equality groups (also relevant for BME diversity strand) ● Ensure disabled people are a key audience in Hackney’s new recruitment campaigns <p>Improving the way disabled staff are managed</p> <ul style="list-style-type: none"> ● Make it easier for staff, moving internally, to share already information with their managers about reasonable adjustments that have already been agreed ● Improve our online guidance and develop new training about employing disabled staff. . Ensure this gives consideration to long term conditions.

	<p>Working environment</p> <ul style="list-style-type: none"> ● Improve our understanding of staff experience of access and mobility in our Council buildings, and of improvements needed <p>Progression</p> <ul style="list-style-type: none"> ● Review the take up of Career Development Qualifications periodically to identify the impact on workforce diversity
9	<p>Strand 4 Inclusive leadership</p> <p><i>Key outcomes:</i> <i>Senior managers understand, value and promote an inclusive leadership culture systematically as part of addressing workforce diversity</i></p> <p>Strand 4 Inclusive leadership</p> <p><i>Key outcomes:</i> <i>Senior managers understand, value and promote an inclusive leadership culture systematically as part of addressing workforce diversity</i></p> <p>Progress update:</p> <ul style="list-style-type: none"> ● We have finalised a set of descriptors of inclusive leadership. These are provided in Appendix 2. ● For the first time our staff survey asked the question “Hackney Council is committed to inclusivity at senior level” . This provides us with a baseline and differential data that allows us to understand how different groups of staff feel. ● Focus groups in September tested where we are against these behaviours - we held focus groups that were open and targeted to ensure we reached and considered issues for BME staff, frontline (non office based staff), disabled staff and women. Participants were asked to rank the culture based on the above set of features and then to explore this further in discussion. This reached 64 staff. ● We have now designed an Inclusive Leadership programme to be launched in spring which will: <ul style="list-style-type: none"> ● Establish and developing a group of inclusive leadership champions who will be trained to train senior managers to understand the features of inclusive leadership ● Support champions to run sessions ● Put in place a wider set of sessions related to inclusive leadership, open to all staff

	<ul style="list-style-type: none"> ● Embed the features of inclusive leadership into our behaviours and the ways that we check in about these behaviours
10	<p>Strand 5 Tackling the lack of diversity at senior levels, with regards to BME staff and disabled staff</p> <p><i>Key outcomes:</i> <i>We have a better understanding of the specific reasons for the lack of BME staff representation at senior levels.</i> <i>We have identified positive actions needed to address issues and barriers.</i> <i>We have identified opportunities to make processes more open and transparent.</i></p> <p>Recommendations and discussion points to develop further as part of the workforce plan</p> <p>Our focus on disabled staff is on getting more disabled staffing into the organisation (see strand above). Our initial priority focus for this strand therefore is on BME staff. We have considered staff survey data and focus group insight alongside wider research (in particular research conducted by CIPD and the Virtual Staff College), to develop a composite picture of what we understand to be driving the lack of representation of BME staff at senior levels. It is important to focus on creating and inclusive and equitable workplace overall, keeping a multi-dimensional and intersectional approach. We could be looking at how someone is perceived and stereotyped, or disadvantages or looking at cultural factors (or both). We also need to think about how race intersect with other identities that create barriers or lead to disadvantage and discrimination e.g. race and gender, race and class. The issues might be more acute for some groups so we also need to be as specific as possible when looking at data and understanding barriers. It also means considering how issues identified by BME staff may be relevant for all groups.</p> <p>We are now identifying actions under the following headings. This workstream is also heavily dependent on the Inclusive Leadership workstream.</p> <p>Recommendations</p> <p>1) Understand your workforce profile in a detailed way</p> <p>We will set up a short life task group, involving BME staff, to review improvements and make further suggestions for what data could be presented and what is practical to retrieve and analyse.</p> <p>2) Develop a deeper understanding of workplace culture and dynamics</p> <p>This needs to take a division by division approach and at different tiers of the organisation, building on the Inclusive Leadership focus group and the recent staff survey, with a particular focus on the perceptions and experiences of BME staff. To begin with, Directors will run sessions for BME staff which will seek to further understand and address:</p> <ul style="list-style-type: none"> ● The different ways that leadership and workplace culture impact might impact on progression ● What is driving BME staff views of fairness and inclusion

3) Encourage employee voice and visibility of workforce diversity

We will run open sessions for all staff to share our approach. We will also invite BME staff to join working groups to develop these recommendations as well as putting updates on the online google community e.g. about workforce profile, recruitment.

We will invite BME leaders and managers to talk about their career pathway and about the structural barriers which they have overcome.

4) We will deliver the mandatory training for managers outlined above as part of ensuring that racism, bias, discrimination and stereotyping is eliminated from management and from workplaces

5) Identify opportunities to make different stages of the employee journey more likely to attract and retain diverse staff, especially at a senior level

Establish a task based working group to identify opportunities to make practices more inclusive at every stage. This should fully consider the issues identified above regarding organisation change, job design, recruitment, assessment and progression as well as looking at what is working well in the Council and elsewhere. This will build on the work we have undertaken with a working group to improve the working life of disabled people, which considered opportunities for improvement at different stages of the employee journey.

6) Support leadership development for BME staff

We will develop a mentoring programme that enables BME staff to critically examine their own experiences, views and perceptions and supports them to build their leadership skills, whilst being prepared for the challenges they may encounter.

We will develop divisional actions to identify the specific barriers to progression in that division that might be technical and professional.

7) Share learning and plans with other local authorities that are developing plans to address workforce diversity; we have previously been in touch with Haringey, Lambeth and Camden.

Appendix 1 Workforce diversity - key statistics

1. Workforce diversity by equality characteristics⁴

Size of the workforce

The directly employed Council workforce has grown slightly over the past seven years. According to Hackney Council's workforce profiles, in March 2011 the Council

⁴ From Workforce Profiles published here: <https://hackney.gov.uk/knowning-our-workforce>

had a total of 2,936 directly employed full time equivalent posts, compared to 4.366 in 2017. This increase in the number of directly employed posts is due to the in sourcing of services such as waste collection and the incorporation of Hackney Homes and Hackney Learning Trust into the main Council structure.

Workforce Diversity – overall

Representation:

- Hackney’s workforce broadly reflects the population for age and gender. Hackney Council’s workforce is more gender balanced than local government generally. Nationally 76% of the local government workforce is female⁵.
- The workforce is broadly reflective of the ethnic make-up of the borough. **Black and Black British groups are over representative and White and Chinese and other are under-represented. The proportion of the workforce who are Black or Black British has reduced by 5% points since 2011, although the proportion is still higher than the local population.**
- It is difficult to firmly conclude how representative our workforce is by sexual orientation and gender identity because of the lack of data for Hackney and because of the high % of non-stated responses.
- The workforce profile for **disabled employees falls below the borough profile.**
- The faith profile in general meets the borough profile, **with the most notable exception of the Charedi population**, who face barriers to working in a mainstream workplace.
- For some protected characteristics, the non-stated response rate is high. The non- response rate for disability has increased from 16% in 2014 to 24% in 2017. The response rate for sexual orientation and religion is around 30%.

Trends since 2011:

- Table 1 below, shows that the proportion of staff from black and minority ethnic groups has declined slightly over recent years from 52% in 2011 to 48% in 2017. The proportion of Black and Black British staff has declined from 37% in 2011 to 32% in 2017. (7% of the workforce currently prefer not to disclose their ethnic status, up from 4% in 2011). However the proportion of black and minority ethnic staff working for the Council is still well above the proportions for the borough resident population.

Leavers and joiners:

- A higher proportion of people over 40 left the organisation than joined (56.4% leavers compared with 40% joining). A higher proportion of women were recruited compared with those that left (62% compared with 55%). A higher proportion of White staff and black left the organisation than joined in 2017. Overall, a higher proportion of BME staff were recruited than left the organisation.

	Communi ty	Workforce
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⁵ LGIU, Does Local Government Work for Women, 2017

			31.3.17		30.4.16*		31.3.15		30.3.14		31.12.11	
Asia & Asian British	11%	45%	10%	48%	10%	48%	9%	48%	9%	50%	10%	52%
Black & Black British	23%		32%		32%		33%		36%		37%	
Chinese and other	5%		1%		1%		1%		1%		1%	
Mixed	6%		5%		5%		5%		4%		4%	
White	55%	55%	45%	45%	45%	45%	45%	45%	44%	44%	44%	44%
Not stated			7%	7%	7%	7%	7%	7%	6%	6%	4%	4%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
*Post April to capture the return of Hackney Homes												
Female	50%		53%		52%		58%		58%		55%	
Male	50%		47%		48%		42%		42%		45%	
	100%		100%		100%		100%		100%		100%	

Table 1: Workforce profile by ethnicity and gender from 2011 and 2017

Workforce diversity – by directorate

- Although the workforce is broadly reflective, when you look at the whole organisation, there are some **marked variations by directorate**. Looking at **age**, Chief Executives and Children's, Adults and Community Health have a younger workforce (43% of staff are under 40) and Neighbourhoods and Housing have an older workforce (35% of staff are under 40). In terms of **gender** In Neighbourhoods and Housing is 68% male, 32% female. The split

in Children, Adults and Community Health is 25% male and 75% female. **BME representation** broadly reflective of the make-up of the borough in each directorate. However there will be greater variations by division and service which will be averaged out at directorate level.

Workforce Diversity by Grade

Women are slightly underrepresented in Chief Officer posts and slightly overrepresented at SO1-PO5. Men are very significantly overrepresented at craft grades (95% of this grade).

Generally, the **representation of BME employees reduces at higher grades**. This is reflective of the borough overall, with BME residents less represented in higher skilled occupations. The representation of BME employees reduces at higher grades and this has been the case for the last ten years. However, the picture has worsened over the last decade, although representation at service head level has increased between 2011 and 2017 and there has been some fluctuation at chief officer level. Before austerity, in 2008/9, nearly 45% of middle managers, 30% of service heads and 20% of Chief Officers. In 2011, over 30% of middle managers, just over 20% of service heads, nearly 30% of chief officers were BME. In 2017, 30% of middle managers, 27% of senior managers and 11% of chief officers were BME so there have been some visible changes, particularly at senior officer level.

The following two tables show the split by grade for gender and ethnicity. Grades are broken down as follows:

Senior Managers: PO10-SM1, Middle Manager: PO5-PO9, Frontline manager: PO1-PO4, Support officer: SO1-SO2

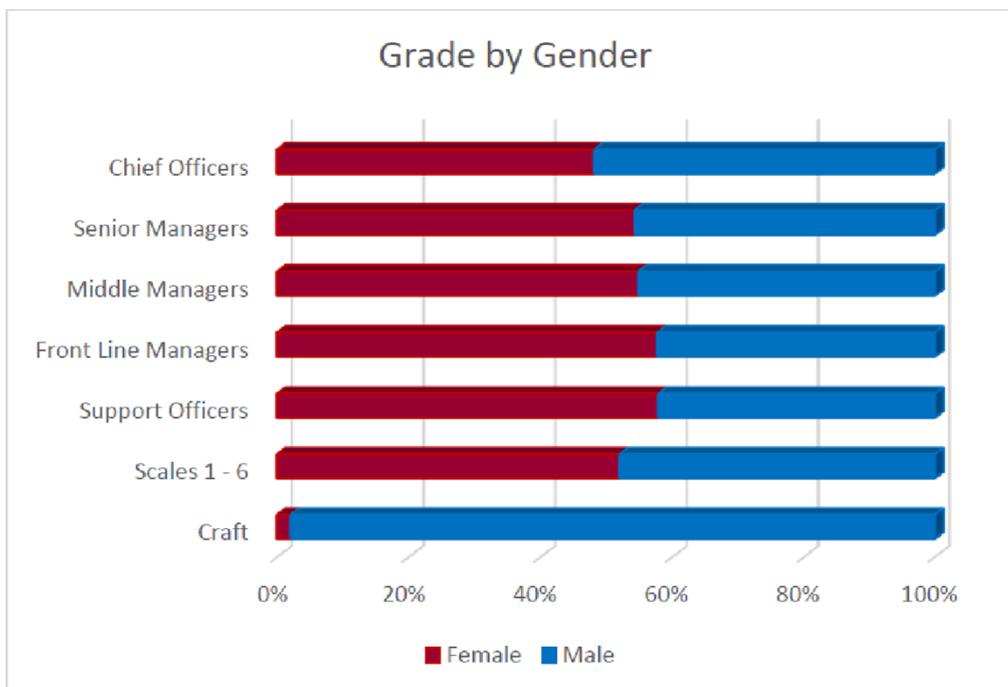


Table 2: Grade by Gender, Workforce Profile 2017

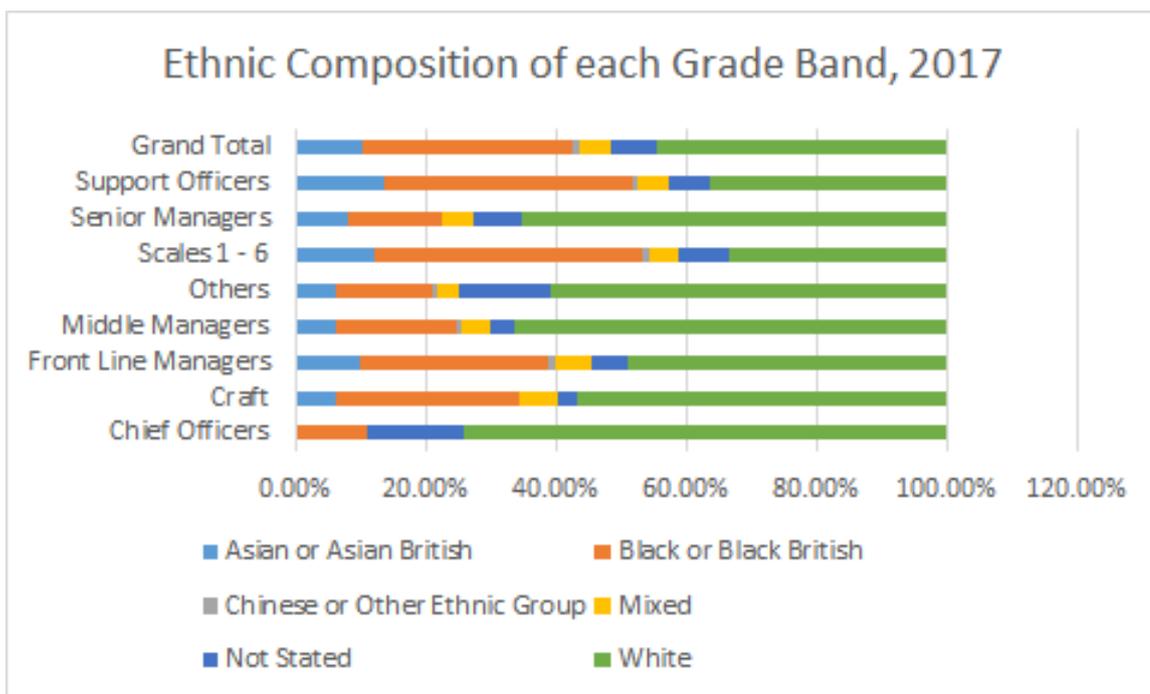


Table 3: Ethnic composition of each grade band, Workforce Profile 2017

Gender pay gap

Hackney recently published its gender pay gap report:

<https://www.hackney.gov.uk/gender-pay-gap-reporting>

The data shows that at Hackney Council, women are paid more than men overall. Using the mean, they are paid 2.8% more and using the median as the measure, they are paid 8% more. This is because there are significantly more men than women in the lower quartile, in posts such as in posts such as operative / cleaner, grounds maintenance staff and environmental operative. There are more women than men in the two middle quartiles. Hackney is one of 10 London authorities where women are paid more than men overall (see appendix 1).

2. Staff views on diversity⁶

Views from staff survey

- The gap is closed between the 82% (81% in 2016) of staff who feel Council is committed to Equality *in policy* and 69% (71% in 2016) who feel the Council is committed *in practice* (this went up from 61% to 70% in 2011 and peaked at 73% before falling to 71% in 2016 and now 69%)
- However only 43% of disabled staff agree with this last statement. BME employees are also more than twice as likely to disagree that Hackney Council demonstrates a commitment to equality in practice and in principle than White employees (in practice: 13% compared with five per cent, and in principle: six per cent compared with two per cent).

⁶ Data is taken from the Staff Survey in 2016 which is published [here](#) as we are currently analysing the detailed findings from the 2018 Staff Survey. However data on the first bullet point incorporates the latest 2018 data.

- The views of disabled staff tended to be significantly more negative across a range of questions about leadership and management in the staff survey.
- Black staff are less likely to say that their manager treats them fairly than all staff (46% compared with 57% overall). There is no marked difference for other BME groups.
- In the 2016 Staff Survey, 69% of staff said that the Council was free from bullying and or harassment and 64% of staff said that their environment was free from bullying and harassment (the long term trend is improving). 15% of staff who said they felt discriminated “a great deal” or “a fair amount” and there is an over representation of BME, disabled people and women in this group.

Appendix 2 Features of Inclusive Leadership

INCLUSIVE is one of our recently adopted values– both as an employer and a service provider, celebrating diversity, and treating colleagues and residents with respect and care

These values were developed with staff through focus groups and co-production.

We have also mapped a range of frameworks and tools which help organisations define and measure how inclusive their leadership culture is. Through this process, we have come out with some features of Inclusive Leadership:

Decision making

Makes sound and rounded judgements based on full consideration of issues

Working styles

The culture here encourages you to question set ways of working and behaving, if it is not having the impact needed.

Managers and leaders actively seek out different perspectives, making it safe for everyone to share their views and be themselves.

Managers and leaders welcome challenge and feedback.

Managers and leaders value diversity in their teams and see it as a source of innovation and creativity.

Self-Awareness

Managers and leaders check their own biases, prejudices and assumptions and encourage their teams to do so as well.

Relationships

Managers and leaders trust their staff.

There are opportunities for all employees to realise their potential, make unique contributions and progress within the organisation.

Managers and leaders care about how their staff feel and about their wellbeing as well as how well they perform.

Managers and leaders invest time in getting to know everyone in meaningful way - showing an interest in them

Managers and leaders build diverse networks and open up networks beyond the team to their staff

Workplace culture

Managers and leaders focus on building cohesive and collaborative cultures, addressing fault lines and tensions in the team and between teams.

There is recognition that there is diversity in the way people think and act, what they value and how they understand themselves and the world around them.

Community

The Council accepts and respects difference in the community, adapting to diverse needs.

Managers and leaders expect staff to recognise the power imbalances in diverse communities, and in the relationship between the Council and communities, and to take this into account in the way they work with residents.

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<p>Scrutiny Panel</p> <p>29th April 2019</p> <p>Item 8 – Budget Scrutiny Task Groups - Updates</p>	<p>Item No</p> <p>8</p>
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OUTLINE

The Scrutiny Panel’s remit includes budget scrutiny and cross cutting work.

The four Budget Scrutiny Task Groups below were established in 2018/19. The Chair of the Scrutiny Commission to which each area most closely aligned, would act as an advisor to the Group.

- Fees and Charges (Chair Cllr Lynch / Advisor Cllr Gordon)
- Early Years Service (Chair Cllr Woodley / Advisor Cllr Conway)
- North London Waste Authority / Recycling and Waste (Chair Cllr Billington / Advisor Cllr Patrick)
- Integrated Commissioning (Chair Cllr Maxwell / Advisor Cllr Hayhurst)

Short papers summarising the headline findings of each group are expected to be presented to Scrutiny Panel in the summer of 2019.

Broadly, the groups were expected to interact with options and decisions within the budget setting process for the years 2020/21 to 2022/23. This was within an appreciation – agreed in January – that each Task Group should be adaptable, with a focus on the elements where most value could be added in the time and resource available.

This item has been scheduled for the Task Group Chairs (or the Scrutiny Chairs acting as advisors to them) to update Scrutiny Panel on the progress and nature of their investigations, any issues for wider discussion, and any emerging findings.

It also offers an opportunity for a discussion on any implications of the Officer support for Budget Scrutiny Task Groups, on planned outputs from the Scrutiny Commissions.

ACTION

Members are asked to receive updates from the Budget Scrutiny Task Groups.

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Scrutiny Panel 29th April 2019 Item 9 – Work Programme 2018/19	Item No 9
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OUTLINE

Attached is the updated work programme for the Scrutiny Panel for the year 2018-19. This item should be used to discuss potential future areas for consideration by the Scrutiny Panel, in the new municipal year.

ACTION

Members are asked to note the report and to discuss potential areas for exploration in the new municipal year.

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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
<p>Tue 9 Oct 2018</p> <p>Papers deadline: Wed 27th Sept</p>	Quarterly Finance Update	Finance and Resources Directorate Group Director Finance and Resources, 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.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	The Council's approach to consultation	Chief Executive's Directorate Communication, Culture and Engagement Polly Cziok, Director and Florence Obinna, Consultation and Engagement Manager	Presentation to cover <ol style="list-style-type: none"> 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?
	Budget Scrutiny	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	SP to set up and agree the Budget Scrutiny Task Groups

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	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
Mon 21st Jan 2019 Papers deadline: Wed 9 th Jan	Quarterly Finance Update	Finance and Resources Directorate Ian Williams	Finance Update to cover: <ul style="list-style-type: none"> • 2019/20 Budget Update • LBH response to the Provisional Local Government Finance Settlement 2019/20 • Council's Monthly Overall Financial Position (OFP) Report • Capital Programme report • Impact of the implementation of universal credit in Hackney
	Chief Executive Question Time	Chief Executive's Directorate Chief Executive Tim Shields	Question time session with the Chief Executive will cover: <ul style="list-style-type: none"> • Council's corporate strategy in relation bullying and harassment • Council's preparations and contingency plans for Brexit
	Communications and Consultation - Update on Scrutiny, Ward Forums and the Council's Community Engagement	Chief Executive's Directorate Director Communication, Culture and Engagement Polly Cziok,	Update to cover <ul style="list-style-type: none"> • Scrutiny and Council's community engagement work • Ward Forums and Council's community engagement work • How Scrutiny and the consultation and engagement function work together. • Raising the profile of Scrutiny.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	ICT Update	Finance and Resources Directorate Director of ICT, Rob Miller	Presentation on the utilisation of digital solutions related to service delivery, areas of innovations and information about equalities impacts.
	Budget Scrutiny Task Groups	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Establish the membership for the remaining budget scrutiny task groups.
Mon 29 April 2019 Papers deadline: Tue 16 Apr	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Finance and Corporate Resources Ian Williams	Finance Update to cover: <ul style="list-style-type: none"> • Update on the Council's property portfolio • Council's Monthly Overall Financial Position (OFP) Report – using the data from January 2019 monitoring.
	Submission from Joint Unions	Joint Trade unions UNISON, UNITE and GMB	
	Workforce and Union Engagement	Chief Executive's Directorate Chief Executive Tim Shields	Focus on equality, diversity inclusive leadership, and union engagement.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	Budget Scrutiny Task Groups	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Updates from BSTG Chairs and any implication for Commission work programmes and next steps
	Council's Review of Advice Services	Chief Executive's Directorate Policy and Partnerships Head of Policy and Partnerships Sonia Khan	Discussion about methodology, approach and plans on evaluation



Scrutiny Panel 29th April 2019 Item 10 - Minutes and matters arising	Item No 10
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OUTLINE

Attached are the draft minutes of the meeting of the Scrutiny Panel held on 21st January 2019.

ACTION

Members are asked to agree the minutes.

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London Borough of Hackney
Scrutiny Panel
Municipal Year 2018/19
Date of Meeting Monday, 21st January, 2019

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 Sharon Patrick, Cllr Sade Etti and Cllr Richard Lufkin
Apologies:	Cllr Yvonne Maxwell
In Attendance	Cllr Rennison Cllr Nick Sharman
Members of the Public	None.
Officer Contact:	Tracey Anderson ☎ 0208 3563312 ✉ tracey.anderson@hackney.gov.uk

Councillor Margaret Gordon in the Chair

1 Apologies for Absence

- 1.1 Apologies for absence were received from Cllr Yvonne Maxwell and Tim Shields.
- 1.2 An apology for lateness was received from Cllr Coban.

2 Urgent Items / Order of Business

2.1 In the absence of Tim Shields, it was agreed that Chief Executive Question Time would be deferred to the following meeting in April 2019. The planned update on the Council's contingency planning for Brexit would still be provided however, though this would be presented by the Group Director for Finance and Resources.

2.2 Item 8 would be taken in two parts: (a) Update on the Introduction of Universal Credit and (b) Quarterly Finance Update. As an advisory lawyer to the DWP, the Chair noted that she had a conflict of interest in the Universal Credit item and would therefore leave the room. This item it would be overseen by the Vice Chair.

3 Declaration of Interest

- 3.1 The following declarations of interest were made:
- Cllr Gordon was an Advisory Lawyer for DWP.

4 Minutes of the Previous Meeting

4.1 Members considered the draft minutes of the meeting held on 9th October 2018.

4.2 The Chair reported back on a number of matters arising from the meeting of the 9th October.

- (At 5.5) The Panel requested that members were informed when a Member Enquiry would take longer than the standard process (10 days). In response, it was noted that a review of the Member Enquiry process was planned and that in the interim, officers had been briefed of the Panel's request;
- (At 6.9) It was reported that the Group Director for Finance and Resources had circulated the Council's response to the Department of Housing and Communities consultation on the borrowing cap;
- (At 6.7) It was confirmed that a paper was being prepared on recycling and the North London Waste Authority (NLWA) for submission to the relevant Budget Task and Finish Group (BTFG);
- (At 8.16) The Director of Communications was in attendance to update the Panel on the communication, consultation and engagement support offer to scrutiny bodies.

4.3 The Panel agreed the minutes of the meeting held on 9th October.

5 Communications and Consultation - Update on Scrutiny, Ward Forums and the Council's Community Engagement

5.1 The Chair welcomed Polly Cziok, Director of Communications, Culture and Engagement for this item, who would cover the following areas:

- Scrutiny and the Council's community engagement work;
- Ward Forums and the members community engagement work;
- How scrutiny and the consultation and engagement function work together;
- Raising the profile of scrutiny.

5.2 It was noted that there were a number of drivers that warranted an examination of the communication support for scrutiny commissions. Firstly the scope and ambition of the work of Scrutiny Commissions had increased and secondly, there was much more coverage of the work of Scrutiny Commissions work in the media as a result of the appointment of a Local Democracy Reporter at the Gazette. This has resulted in an increased public awareness and interest in the work of scrutiny which, given its public engagement function, was to be welcomed.

5.3 Although support from communications department had been provided to scrutiny on an ad hoc basis (e.g. Unregistered Schools Review by the Children and Young People Scrutiny Commission), it was felt that this support should be more formalised and structured. In this context, it had been agreed that a

communications officer would be assigned to each scrutiny commission who would attend all meetings of the Commission, work proactively with the press to explain items for discussion and actively publicise and promote scrutiny meetings and events. In particular, the assigned communication officer would meet with the relevant scrutiny Chair to identify those topics from the forward plan which might benefit from additional support from the communications department.

- 5.4 Panel members noted that additional communications support was needed to support high profile scrutiny meetings in which there was substantial public interest. The Chair of Living in Hackney Commission reported that, due to lack of defined budget, it had been difficult to obtain promotional leaflets to support the scrutiny of Thames Water following recent floods in the Lea Bridge area of the borough. Similar concerns were raised by the Chair of Working in Hackney Scrutiny Commission. Given the centrality of the public engagement and involvement function of scrutiny, Members of the Panel suggested that additional support would be needed to enable them to carry out this function effectively.
- 5.5 The Director of Communications informed the Panel that whilst there was no dedicated budget to support the consultation and engagement function of scrutiny at present, there would be no reason why a modest budget could not be found within existing resources to support the work of the scrutiny commissions. This budget could be used, for example, to support publicity for a specific item (such as a review of the Commission) or to provide leaflets to promote scrutiny meetings.
- Agreed:** That a budget would be set aside from existing resources to facilitate communication and public involvement function of scrutiny commissions.
- 5.6 The Commission indicated that it would welcome a broader discussion as to how the communication and engagement function interfaced with the both scrutiny function and Ward Forums. It was noted that there were a number of consultation and engagement issues in respect of the operation of Ward Forums. Of particular concern was that on occasion, meetings of local Ward Forums had been conflated with the general consultation processes of the council (e.g. traffic management changes). This issue aside however, it was clear that some Ward Forums were functioning better than others.
- 5.7 It was noted the view of members was critical to the future development of Ward Forums, and that the council was consulting with them on how they could be improved (on-line survey, focus group and reference group). There had not been a high level of response from members to the consultation, and it was suggested that a short paper should be submitted for discussion at the political group meetings, and further feedback from those discussions would inform any future proposals.
- 5.8 Whilst dedicated administrative support for Ward Forums ceased some time ago, minute-taking and other administrative functions was undertaken by officers on a voluntary basis. It was suggested that it might be helpful if additional guidance could be provided to new members to clarify existing administrative support arrangements and how actions from Ward Forums are taken forward.

- 5.9 The Commission reported that a Senior Officer Group had oversight of the items taken at Ward Forums and that prospective agendas were systematically reviewed. If it was assessed that an item required corporate support, this would be escalated with additional support provided by relevant council officers.
- 5.10 Members present indicated that Ward Forums provided an excellent opportunity to showcase positive and beneficial work undertaken in the community. It was noted however, that it was often problematic to publicise Ward Forums effectively as there was a lack of advice and guidance to support the development of an effective communication strategy, particularly for the use of social media (e.g. Facebook).
- 5.11 The Director of Communication reported that whilst the Council was looking to develop a digital support offer to members in respect of Ward Forums, there were a number of technical and privacy issues. For instance, due to privacy concerns, it was reported that members were reluctant to use their own social media profiles to promote Ward Forums. It was suggested that with additional guidance and support, such issues could be overcome and could help to improve the digital promotion of Ward Forums.
- 5.12 A number of members present indicated that as not everyone had access to the internet, other means of promoting and publicising Ward Forums should be undertaken alongside the use of social media. In particular, if printed promotional materials were available, this could be displayed on public notice boards within each ward (e.g. estates and community centres).

Agreed: A short paper on communication support arrangements for Ward Forums would be taken to both political groups in Hackney for consultation.

- 5.13 The Chair thanked the Director of Communication and Engagement for attending and responding to member questions.

6 ICT Update

- 6.1 The Chair welcomed Rob Miller, Director of ICT to the meeting. A presentation was provided to the Panel on the use of digital solutions to improve service delivery and innovation, and how such developments may impact on respective equality groups.

Presentation

- 6.2 The Panel noted that a key principle underpinning the digital switch in Hackney was that new digital services should be better than the existing service offer, to the extent that residents would prefer to use digital rather than other media platforms. In this context, IT services worked closely with council services and users of their services to develop systems which
- 6.3 It is recognised that significantly more people now engage with digital platforms through mobiles and other handheld devices than through laptops or desk top devices. As a result the Council has sought to prioritise and improve the experience of mobile users which has resulted in a significant improvement in uptake of digital services.

- 6.4 The ICT service has made a significant investment in user research to help understand local residents' needs and how these can be met through a new and improved digital offer. The Government's digital service division is now located in Whitechapel and the Council has taken advantage of these facilities to test out new local systems and how they may impact people with sight impairment or problems with dexterity. This has helped to improve the local digital offer to residents.
- 6.5 A number of examples of successful service digitisation were provided to the Panel.
- Hackney Works – the creation of a bespoke system to support local jobseekers had increased the reach of the service into the community and helped residents to find work;
 - Housing services – rent accounts had only previously been available in paper form on a quarterly basis, but were now available on resident's mobile phones. As residents now had access to live data, they were better able to monitor their account which had contributed to a significant drop in calls to the Contact Centre;
 - Community Housing - the introduction of hand held devices has enabled live data to be recorded and viewed by officers in the community which has enabled them to be more responsive and reduced the amount of time that needed to be spent in the office.
- 6.6 The Panel noted that ICT had sought to develop and maintain digital skills and experience in-house. This approach has reduced the need for costly outsourcing of ICT development, but more importantly this had helped ICT to develop relationships with local services and to better understand their ICT needs. To support this approach, ICT was committed to developing local skills and knowledge of the local community and was a big supporter of the Apprenticeships Programme. It was recorded that apprentices make up 21 posts (or 8%) within the IT establishment. ICT was also seeking to develop access to apprenticeships among 'non-traditional' groups and it was recorded that women now make up 20% of the ICT apprentice cohort.
- 6.7 The digitisation of the application form for the licensing of Houses of Multiple Occupation (HMO) has helped to develop efficiency of this process. This new system has supported 1,731 new HMO license applications which had generated £1.25m in revenue. In addition, private sector housing enforcement officers would be issued with mobile devices from February 2019 which would support the local HMO inspection process.
- 6.8 The Panel understood that ICT was seeking to collaborate with the broader network of local services outside the council to extend the positive impact of digitisation in Hackney. The Council was an early signatory to the Local Digital Declaration which is a commitment to work collaboratively with other agencies to maximise benefits and reduce costs. In this context, the Panel noted that Hackney was a lead organisation in Pipeline, a collaboration platform to help councils identify other councils working on similar projects.

Questions from the Panel

- 6.9 The Panel noted that whilst considerable work had been undertaken to digitise services within the housing department, no work had yet been done with the

housing repairs team. It was felt however, that digitisation could help drive service improvement in this aspect of housing services. The Director of ICT reported that whilst customer facing service developments were still being trialled, back office digitisation had taken place within the repairs service which had helped to help improve the effectiveness and efficiency of this service:

- Improved on-line reporting process;
- Improved contact between Contact Centres and multiple repairs teams;
- More coordinated response to tenant's requests.

6.10 The Panel sought to understand how the proportion of female apprenticeships compared to the main ICT workforce, and to identify if any work had been undertaken to promote apprenticeships among BAME groups. The Director of ICT reported that women make up 20% of people on the Apprenticeship Programme which was comparable to the ICT workforce. Apprentices of white British ethnic origin were a minority in the entry cohort on to this programme which reflected the success in reaching BAME groups and corresponded to the local demographic. It was reported that over 5,000 applications were received for the ICT posts in the Apprenticeship Programme all of which were processed through the Hackney Works team.

6.11 The Panel noted that there was an ICT strand within Integrated Commissioning and sought to clarify what role the Director played in this work, and to outline what work was being done in primary and secondary care. The Panel was particularly interested in any ICT work to support primary care appointments systems given the impact private primary care providers into this field. In response it was noted that:

- ICT is working with colleagues in both social care, health and integrated commissioning to provide ICT support for service transformation;
- The Director of ICT attended the City & Hackney IT Enabler Board and East London Health & Care Partnership Informatics Steering Group.
- The entry of a private provider in primary care, essentially to provide the easiest parts of a complex package of care has proved challenging to the sector. The new Secretary of State had made a new digital commitment to ensure that people have the digital tools to enable them to access health services more effectively. In addition, a new NHS App was being developed which may respond to the challenge posed by new providers in primary care.

6.12 Members of the Panel wished to acknowledge the work of ICT to support the Fostering Service. Members of the panel noted that ICT had contributed to improved systems which had (i) enabled potential foster carers to assess if they are eligible to apply (ii) supported the development of an on-line application process. It was noted that this work had had a positive impact on the service.

6.13 ICT had sought to develop a strategic approach to prioritise those services which it worked with to develop new digital approach. The Panel learnt that as a result of the recent ICT restructure, the department had invested in developing links with services by increasing from 3 to 4 ICT Relationship Managers. These post-holders will work closely with Group Directors and Heads of Service to help assess their challenges and opportunities and to collaboratively identify priorities for ICT support

- 6.14 Given that the degree to which people may be able to access and utilise digital services will vary, how do you ensure that digital service offer and service design can appropriately respond to these inequalities? The Director ICT explained that user research is a key part of all projects that the ICT division supports. This ensures that user needs are fully understood and digital solutions are designed to meet those user needs. This includes taking account of accessibility and equality needs
- 6.15 The Chair thanked the Director of ICT for attending and responding to member questions.

7 Chief Executive Question Time

- 7.1 The Panel intended to question the Chief Executive on two main areas: the Council's corporate strategy in relation to bullying and harassment and the Council's preparations and contingency planning for Brexit. Given that the Chief Executive was unwell and unable to attend, the Group Director for Finance and Resources provided an update on contingency planning for Brexit whilst the remaining item was deferred to the next meeting.

Contingency Planning for Brexit

- 7.2 It was noted that contingency planning for Brexit was difficult given the absence of a clear decision making process in Parliament. However, the Council was working with a number of stakeholders (residents of European origin, local businesses, council staff and the local community more generally) to raise awareness of the potential implications of Brexit and to mitigate any adverse impacts that could be anticipated.
- 7.3 Brexit had been discussed at Senior Management Team and with the Mayor and an extensive paper was prepared in December 2018 to outline some of anticipated outcomes and contingency planning in Hackney. A task and finish group (made up of a number of key officers and chaired by the Director for Finance and Resources) had been established to oversee this process. Some examples of the preparations included:
- Ensuring that contractors who provide key building services for the Council had access to adequate resources and finance to complete contracted works;
 - Working with local NHS partners to ensure that there was a collaborative response to any adverse conditions that may result from Brexit;
 - Making sure residents were aware of the potential impact of Brexit, particularly the 41,500 local residents who are European nationals;
 - Ensuring that local job seekers were adequately supported to respond to any opportunities that may result because of Brexit.
- 7.4 The Council was also keen to support the welfare of staff who may be affected by Brexit. The Council had made it clear that it will pay for the registration fee (£65) for staff who, as European citizens, must register to continue to work and live here. It was noted that this would be a key element for business continuity in key health and social care services.
- 7.5 The Council had developed and published a web page to support local residents and businesses. The page provided information to local residents

from the EU on how to achieve settled status. The page also provided a range of links to government websites so that local businesses were aware of the support available to them to help them prepare for Brexit. A partnership event was also held with the European Commission and the Hackney Business Network in Hackney House in October 2018.

Questions from the Panel

- 7.6 Given that the prospect of a no-deal Brexit remained, the panel sought to ascertain if any government departments had been in contact with the Council for any specific plans should such an eventuality occur? The Panel noted that the Council was preparing for a range of possible outcomes, including a no-deal exit scenario. The Group Director indicated that communication had been received through the London Resilience Forum notifying that regional representations were taking place to inform the Secretary of State of the Brexit preparedness of individual local authorities and to identify emerging issues in this process. It was likely that the Council (in partnership with other statutory bodies where necessary), would be required to complete a weekly status report on the borough's preparedness for Brexit as the date of departure approached.
- 7.7 Understanding that Brexit will not be a one-off event but a longer-term process it was likely that divisions within the community brought on by the referendum would persist for the longer term. In this context, the Panel sought to clarify what preparations the council was taking to support community cohesion. In response, the Panel noted that the task and finish group had assessed both the short-term response and longer term impact of Brexit on community cohesion, and the Council would respond accordingly once the detail of the 29th March departure had become clearer.
- 7.8 The Panel sought to assess the exposure of the council to any loss of EU funding post Brexit. The Group Director reported that the council assessed both structural and skills & service funding stream to the council via the EU immediately after the Referendum in 2016. It was noted that the council did not have the same financial exposure as regional governments to EU funding, particularly in terms of infrastructure projects. It was also reported that unlike some other London Councils, Hackney had not accessed funds via the European Investment Bank. It was noted however, that Brexit would mean that the Council would not be able to access EU funding for its skills and training agenda.
- 7.9 As other non-governmental organisations in the UK received EU funding, the Panel sought to clarify what support was being provided to such organisations to help reduce their dependency on this funding stream? It was noted that a forum was planned to provide support to local businesses post Brexit. It was expected that this forum would help to identify emerging issues businesses faced in response to Brexit and to help shape the Council's response. This would include lobbying central government on contingency plans for any withdrawal of EU funding to local businesses and other organisations. It was noted that the Cabinet Member Community Safety, Policy, and the Voluntary Sector was developing the Voluntary Sector Strategy which would encompass how the voluntary sector made need to respond post-Brexit.

8 Quarterly Finance Update

Cllr Hayhurst in the Chair

8a.1 Ian Williams, Group Director Finance and Resources, updated the Panel on the impact of Universal Credit (UC) in Hackney. The attached paper highlighted a number of issues with the roll-out of Universal Credit:

- Key risks and how council is responding;
- Opportunities;
- Headline data and how it's impacted on local residents.

8a.2 As the housing benefit element of UC would be paid direct to claimants alongside other welfare support, the accrual of rent arrears and personal financial hardship was a significant risk to the local claimants and to the Council. In response, the Council had made a number of provisions within the Housing Revenue Account to support the transition to UC.

8a.3 There were a number of risks for UC in respect of the support provided to vulnerable client. The UC application process required claimants to identify their vulnerability (e.g. substance misuse, gambling addiction, mental health) which if omitted, appropriate safeguards and support may not be put in place (e.g. Alternative Payment Arrangement). In addition the operation of a centralised application and assessment UC process presented a number of risks in providing effective support to vulnerable clients:

- The needs of claimants might not be effectively communicated from DWP to local services;
- The Council would not be able to effectively signpost claimants to local services.

8a.4 It was important to note that as more claimants move to UC, the Housing Benefit caseload held by the Council would fall, and as a result, the caseload funding received by the Council from central government would reduce commensurately. Further still, the Panel noted that no additional funding would be made available for the Council to support UC related initiatives.

8a.5 It was noted that the roll-out of UC offered might offer benefit to some claimants in that this benefit offered greater flexibility existing benefits. It was noted that the level of entitlement under UC was responsive to the level of employment and income. Whether claimants would be better-off under UC was however a more complex assessment.

8a.6 As of December 2018, there were 1,490 UC claims made at Hackney Job Centre Plus (JCP), with additional claims made at other sites (Hoxton City) which is shared with Tower Hamlets. It was reiterated that this figure only represented single claimants who were the first cohort to be migrated across to UC since October 2018. Within this data it was noted that:

- 87-88% of claims were processed on time;
- 600 Hackney tenants were now in receipt of UC;
- Higher arrears were noted among UC claimants than Housing Benefit claimants.

8a.7 The DWP has made a number of changes to UC in five areas:

- Whilst child limit (of 2 children) remains in place, this would not be applied retrospectively (i.e. children born before April 2017);
- In response to concerns around Domestic Violence, UC benefit will be paid to the main caregiver within the family unit;
- Only 5% of UC claimants in the private rented sector have their rent paid direct to their landlord, though new arrangements will make this easier;
- There will be an option of more frequent payments to vulnerable claimants as opposed to standard monthly payment;
- Childcare payments are more generous under UC (85%) and this will now be available up front where this is conditional to a job offer.

Cllr Gordon in the Chair

8.b Quarterly Finance Update

8b.1 A range of financial papers had been submitted to the Panel for review which included:

- 2019/20 Budget update
- 2019/20 financial settlement - consultation response
- Overall financial position of the Council (October 2018)
- Capital Update report

8.b.2 In relation to the 2019/20 budget, the Panel noted that the Group Director for Finance was working closely with colleagues across the Council where there were identified overspends (0.5%) and to put in place actions to mitigate these. The Council had made a formal response to the local government financial settlement for 2019/20 consultation. The final settlement would be announced before 31st January 2019 to enable local authorities to confirm their respective budgets for the year ahead. Consultation on new Fairer Funding proposals was proceeding and the Council had continued dialogue with DCLG officials to highlight how these proposals would adversely impact on Hackney (and other London and urban areas).

8b.3 Submitted papers also included budget proposals for 2019/20. The Panel understood that it was likely that, if approved by Council, Council Tax would rise by the maximum permitted level of 4.99% in 2019/20. This would encompass the 2% increase allowed for social care and the 2.99% threshold above which a local referendum would be triggered.

8b.4 Given the ongoing budget pressures, the Council was assessing ways in which to reduce future spend in the next Medium Term Financial Plan 2020/21-2022-23. These included:

- Introduction of a voluntary redundancy scheme;
- Reduction in spend on agency staff;
- Renegotiation of high spend contracts;
- Development of a strategy for better use of Council assets.

8b.5 The Panel noted that the Housing Revenue Account debt cap had been removed. Whilst this would not allow unconditional borrowing, it would provide greater flexibility to the Council in the delivery of its housing and regeneration programme.

Questions from the Panel

8b.6 The Panel sought to understand what impact that a future voluntary redundancy programme would have on services, particularly those with customer facing roles (e.g. child and adult social care)? It was noted that when voluntary

redundancy programmes are devised, special consideration was given to how this may impact on front line services and adjusted accordingly.

8b.7 The Panel understood that the formula for Fairer Funding was complex which incorporated both local needs and the ability of the authority to raise its own revenue (e.g. parking and fees and charges). There were however, other factors which were not fully recognised within the funding formula which possibly had a greater financial impact on the borough, this included a failure to recognise the cost of 'doing business' in the capital which was significantly higher than elsewhere.

Questions from the Panel

8.b.8 The Panel noted that some of the projected overspends across the council were being offset by underspends in staff recruitment, and sought to understand if this was a deliberate policy and if this was impacting on service provision. The Group Director responded that there would always be a lag within the recruitment process between the time when a person leaves a post and when that post is successfully recruited to. The Commission noted that this was also not an explicit policy through which services could respond to overspends.

8b.9 The Council continued to face a very challenging financial position in relation to providing services for its most vulnerable residents such as children (SEND) and adult social care. Will ongoing budget pressures force these services become increasingly reactive and minimise the scope for preventative measures? The Group Director reported that it was unlikely that there would be any fundamental change in the financial outlook before 2024/2025, so it is likely that the pressures on local services would remain. It was suggested that local government should instead focus on improving productivity, to ensure that the most benefit is obtained out of allocated resources. Local authorities were required to provide some services statutorily however, and that these would generally need to be resourced over and above preventative services. It was hoped that the introduction of Integrated Commissioning however, would help find the necessary efficiencies to maintain a broad range of service provision.

8b.10 The Panel noted that a significant amount of the budgets of local authorities were spent on a relatively few number of vulnerable residents with exceptionally high needs. To assist members in making future funding decisions, it was suggested that it would be helpful if the council could provide a more developed narrative around such high need spends to members along with case examples of how this money is spent. The Group Director noted that approximately 80% of the budget of the council is spent on 15-20% of residents, most of which have some vulnerability.

8b.11 The Chair thanked the Group Director for Finance and Resources for attending and responding to questions from the Panel.

9 Budget Scrutiny Task Groups

9.1 At the last meeting in October, the Panel agreed the Terms of Reference for the Budget Task and Finish Groups (BTFG) on Integrated Commissioning, Early Years Children Centres, North London Waste Authority and Fees and Charges. In addition the membership of the Fees and Charges BTFG was confirmed. The Panel had now been notified of the membership for the remaining BTFGs via the Whips and these were confirmed.

Agreed: The membership of the BTFGs for Integrated Commissioning, Early Years Children Centres, North London Waste Authority were confirmed as per attached report.

9.2 The Chair of the BTFG on Fees and Charges reported back on its work to date. The BTFG had two meetings between November and January. The group has covered a wide range issues including the financial context for the decision required around fees and charges. A wide range of services were covered within the fees and charges budget scrutiny process, including childcare fees, parking, skip-license and pest control. It was noted however, that there was there was more discretion to vary fees for some services than others.

9.3 The group has considered proposals from Officers and offered challenge by ensuring that these reflected the corporate priorities and key pledges within the Manifesto. The group had also sought to assess some of the risks and benefits of proposals put forward by Officers. The group had made a number of recommendations for action which would be submitted to Labour Group for consideration before ratification by Cabinet.

9.4 The Chair of the BTFG acknowledged that the work had been challenging, particularly as there were a number of new members within the group. In this context, the BTFG Chair was grateful of the support provided by the Chair of Scrutiny panel, the Head of Overview & Scrutiny and other members of the BTFG.

9.5 Members present noted that there would be just three meetings for the BTFG which would require that the planned work to be clearly focused. The Chair of the fees and charges BTFG reported that initial consultation with the Cabinet Member and the Group Director for Finance and Resources had proved very effective in guiding its work, and where it would be most helpful for additional scrutiny input.

9.6 The Chair of the Panel acknowledged that as there are no explicit protocols for Budget Scrutiny, BTFGs would need to adapt and respond to issues as they emerged. As there were just three meetings, BTFGs would also need to be practical about what can be achieved in those sessions, and focus on those areas where scrutiny can have most benefit.

9.7 The Chair thanked Cllr Lynch and Cllr Woodley for attending to talk about the work of their respective BTFG groups.

10 Work Programme 2018/19

10.1 Members gave consideration to the latest update on the work programme for the Panel for the year.

10.2 The main item for the next and final meeting of the Panel was Sustainable Procurement. Given the level of public interest in this issue, the Chair hoped that evidence would be received from a range of stakeholders and that members of the public would attend and participate. The meeting would also take the Chief Executive Question time which was deferred from today's agenda.

Monday, 21st January, 2019

- 10.3 Cllr Sharman noted that a deep-dive study on the SEND budget was being undertaken by the Audit Committee. This Committee also intended to assess in-sourcing and out-sourcing which would overlap with the sustainable procurement item planned for Scrutiny Panel in April. It was hoped that respective bodies to could collaborate in assessing these respective items and that the Audit Committee would contribute to the April meeting. It was noted that training was being provided on 28th January to consider value for money and risk and would be open to all members.+
- 10.4 It was noted that a training session on questioning skills for scrutiny councillors would also be held on 13th February 2019 at 18.30-20.30.
- 10.5 The next meeting of Scrutiny Panel would be on the 29th April 2019.

11 Any Other Business

There was none.

Duration of the meeting: 7.00 - 9.15 pm

Duration of the meeting: 7.00 - 9.20 pm

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