



CABINET

Monday, 20th January, 2020
at 6.00 pm

Council Chamber Hackney Town Hall, Mare Street, London E8 1EA

MAYOR AND CABINET (The Executive)

Councillors:

Mayor Philip Glanville (Chair)

Mayor of Hackney

Councillor Anntoinette Bramble (Vice-Chair)

Deputy Mayor of Hackney and Cabinet Member for Education, Young People and Children's Social care

Councillor Christopher Kennedy

Cabinet Member for Families, Early Years and Play

Councillor Jon Burke

Cabinet Member for Energy, Waste, Transport and Public Realm

Councillor Clayeon McKenzie

Cabinet Member for Housing Services

Councillor Guy Nicholson

Cabinet Member for Planning, Business and Investment

Councillor Rebecca Rennison

Finance and Housing Needs

Councillor Caroline Selman

Cabinet Member for Community Safety, Policy and the Voluntary Sector

Councillor Carole Williams

Cabinet Member for Employment, Skills and Human Resources

Mayoral Advisers:

Councillor Sem Moema

Private Renting and Housing Affordability

Tim Shields

Contact: Clifford Hart, Governance Services Officer

Chief Executive

Tel: 020 8356 3597

Clifford.hart@hackney.gov.uk

10 January 2020

The press and public are welcome to attend this meeting

NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY
REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH
REPRESENTATIONS

Whilst much of the business on the agenda for this meeting will be open to the public and media to attend, there will sometimes be business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is the formal 5 clear day notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to confirm that this Cabinet meeting will not be held partly in private.

The 28 clear day notice for this meeting was published last month in the Executive Meetings and Key Decisions Notice. This gave notice that there was no intention to meet in private after the public meeting to consider reports which contain exempt or confidential information.

ADDITIONAL MEETING INFORMATION

Meeting Dates

24 February 2020
16 March 2020
18 May 2020

Public Involvement

The public have the right to ask questions or submit petitions or deputations to Cabinet meetings.

Contact Governance Services (Tel: 020 8356 3597) for further information on how this can be arranged. Or email: Clifford.hart@hackney.gov.uk

Further information can also be found within Part 4 of the Council's Constitution (which can be seen on the website www.hackney.gov.uk at this link –

<http://mginternet.hackney.gov.uk/documents/s36746/4.4%20-%20Executive%20Procedure%20Rules.pdf>

Contact for Information

Clifford Hart
Tel: 020 8356 3597
Email: Clifford.hart@hackney.gov.uk

CABINET AGENDA

Monday, 20th January, 2020

ORDER OF BUSINESS

1 Apologies for Absence

Item No Urgent Business

2 The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under Item 16 below. New items of exempt business will be dealt with at Item 19 below).

Wards Affected

Contact Officers

Clifford Hart
Governance Services Officer
Tel. 0208 356 3597

Item No Declarations of interest - Members to declare as appropriate

3 A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 8.1-15.2 of Section Two of Part 5 of the Constitution and Appendix A of the Members' Code of Conduct.

Wards Affected

Contact Officers

Clifford Hart

Item No Notice of intention to conduct business in private, any representations received and the response to any such representations

4

On occasions part of the Cabinet meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at **Item 17 : Exclusion of the Press and Public**. No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet meeting will be partly held in private for the reasons set out in this Agenda.

Wards Affected

Contact Officers

Clifford Hart
Governance Services Officer
Tel. 0208 356 3597

5

Questions/Deputations

Item No

Unrestricted minutes of the previous meeting of Cabinet held on 16 December 2019

6

To agree the minutes of the previous meeting of Cabinet held on 16 December 2019. **(Pages 1 - 18)**

Wards Affected

Contact Officers

Clifford Hart
Governance Services Officer
Tel. 0208 356 3597

Item No

Calculation of the 2020/21 Council Tax Base and Local Business Rate income - Key Decision No. FCR Q45

7

This report for Cabinet consideration is a key component of setting the Budget and Council Tax for the forthcoming financial year. The monies available for service delivery in this year depend on the amount of Council Tax that the Council believes will be collected and the Council has carefully estimated this accurately. **(Pages 19 - 48)**

Wards Affected

Contact Officers

Russell Harvey, Senior Financial
Control Officer
Tel: 020 8356 3611

Item No

Housing Revenue Account Budget 2020/21 Including Tenants Rents and Service Charges Key Decision No. FCR Q.41

8	This report sets out the proposed budget and rent levels for the forthcoming financial year. The rent will be increased by CPI + 1% which is in line with Government policy.	(Pages 49 - 94)
Wards Affected		Contact Officers
All Wards		Deirdre Worrell, Director of Finance, Housing and Neighbourhoods Tel: 020 8356 7350
Item No	Changing the Council Tax Reduction Scheme - Key Decision No. FCR Q46	
9	This report asks Cabinet to note the contents of the report and the financial implications attached to each of the options therein, and in recognising the financial constraints placed on the Council, agree to amend the Council's current Council Tax Reduction Scheme.	(Pages 95 - 152)
Wards Affected		Contact Officers
All Wards		Ian Jones, Legislation and Projects Officer, Benefits and Housing Needs
Item No	CAPITAL UPDATE REPORT - Key Decision No. FCR Q43	
10	This report updates Cabinet on the current position of the Capital Programme and seeks spending and resource approval as required to enable officers to proceed with the delivery of those schemes as set out in section 9 of the report.	(Pages 153 - 172)
Wards Affected		Contact Officers
All Wards		Michael Honeysett, Director of Financial Management Tel: 020 8356 3611
Item No	2019/20 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT - Key Decision No. FCR Q4	
11	This is the sixth Overall Financial Position (OFP) report for 2019/20 and is based on detailed November 2019 provisional outturn monitoring data from directorates. We are forecasting an overspend of £6,202k at year end.	(Pages 173 - 190)
Wards Affected		Contact Officers
All Wards		Russell Harvey, Senior Financial Control Officer Tel: 020 8356 3611
Item No	HACKNEY A PLACE FOR EVERYONE - VOLUNTARY AND COMMUNITY SECTOR GRANTS PROGRAMME 2020-2021/22 - Key Decision No. CE Q27	

12	This report that outlines the recommendations for the Main and Specialist Grants funded through the 2020-21/22 Voluntary and Community Sector (VCS) Grants Programme.	(Pages 191 - 250)
Wards Affected		Contact Officers
		Claire Witney, Community Investment and Partnerships Manager Tel: 020 356 3630
Item No	DRAFT PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT - Key Decision No. NH Q31	
13	This report seeks Cabinet approval of the draft Planning Obligations Supplementary Planning Document.	(Pages 251 - 318)
Wards Affected		Contact Officers
		Natalie Broughton, Strategic Planning Manager Tel: 020 8356 6728
Item No	Schedule of Local Authority School Governor appointments	
14	To agree the School Governor appointments.	(Pages 319 - 320)
Wards Affected		Contact Officers
		Tess Merritt Governance Services Manager Tel. 0208 356 3432
Item No	Appointments to Outside Bodies	
15	The schedule lists appointments to outside bodies.	(Pages 321 - 322)
Wards Affected		Contact Officers
		Tess Merritt Governance Services Manager Tel. 0208 356 3432
Item No	New items of unrestricted urgent business	
16	To consider any items admitted at Item 2 above.	
Wards Affected		Contact Officers

Clifford Hart
Governance Services Officer
Tel. 0208 356 3597

Item No	Exclusion of the press and public
17	<p><u>Note from the Governance Services Manager</u></p> <p>Item 18 allows for the consideration of exempt information in relation to item 11.</p> <p>RESOLVED:</p> <p>That the press and public be excluded from the remainder of the meeting as the item below contains exempt information, as defined under paragraph 3 of Part 1, schedule 12A of the Local Government Act 1972.</p>
Wards Affected	
Contact Officers Clifford Hart Governance Services Officer Tel. 0208 356 3597	
Item No	2019/20 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT - Key Decision No. FCR Q4
18	<p>Item 11 refers</p> <p>Appendix 1 is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p> <p style="text-align: right;">(Pages 323 - 330)</p>
Wards Affected	
Contact Officers Russell Harvey, Senior Financial Control Officer Tel: 020 8356 3611	
Item No	New items of exempt urgent business
19	<p>To consider any EXEMPT items admitted at Item 2 above.</p>
Wards Affected	
Contact Officers Clifford Hart Governance Services Officer Tel. 0208 356 3597	

Access and Information

Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane.

Trains - Hackney Central Station (London Overground) - Turn right on leaving the station, turn right again at the traffic lights into Mare Street, walk 200 metres and look for the Hackney Town Hall, almost next to The Empire immediately after Wilton Way.

Buses 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall.

Induction loop facilities are available in the Assembly Halls, Rooms 101, 102 and 103 and the Council Chamber.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Copies of the Agenda

The Hackney website contains a full database of meeting agendas, reports and minutes. Log on at: www.hackney.gov.uk

Paper copies are also from the Governance Services Officer whose contact details are shown on page 2 of the agenda.

Council & Elections Website – www.hackney.gov.uk

The Council & Elections section of the Hackney Council website contains details about the democratic process at Hackney, including:

- Mayor of Hackney
- Your Councillors
- Cabinet
- Speaker
- MPs, MEPs and GLA
- Committee Reports
- Council Meetings
- Executive Meetings and Key Decisions Notice
- Register to Vote
- Introduction to the Council
- Council Departments

DEMOCRATIC PROCESS

Representation

Contact details for all Councillors are available on the website or by calling 020 8356 3373.

Ward Councillors may be contacted at their surgeries or through the Members' Room at the Town Hall (020 8356 3373).

You may also write to any Councillor or a member of the Cabinet c/o Hackney Town Hall, Mare Street, London E8 1EA.

Scrutiny Procedures

Details are listed in Part 4 of the Council's constitution, see the website for more details or contact the Head of Overview and Scrutiny on 020 8356 3312

Executive Meetings and Key Decisions Notice

The procedure for taking Key Decisions is listed in Part 4 of the Council's Constitution, available on the website (www.hackney.gov.uk).

The Executive Meetings and Key Decisions Notice showing Key Decisions to be taken is available on the Council's website. If you would like to receive a paper copy please contact Governance Services (Tel: 020 8356 3597). Or email: Clifford.hart@hackney.gov.uk

Emergency Procedures

In case of fire or any other emergency the Head of Governance Services or his/her nominated officer will ensure orderly evacuation of all those present in the meeting room. All Members Officers and members of the public should proceed without delay to the assembly meeting point near the car park at the back of the Town Hall where the nominated officer will conduct a count of all who have been evacuated to ensure that all are safe.

Advice To Members And Officers On Handling Exempt Papers

- Do not photocopy
- Store securely for as long as you hold it
- All papers can be given to Governance Services Officers who will dispose of them appropriately and arrange for them to be recycled
- Note that copies of all exempt papers are held by Governance Services staff.

Rights of Press and Public to Report on Meetings

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the person reporting or providing the commentary is present at the meeting.

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

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

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

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

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

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

Providing oral commentary during a meeting is not permitted.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director of Legal & Governance;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- i. Is of a description specified in regulations made by the Secretary of State and either:
 - a) Is an interest of yours, or
 - b) Is an interest of
 - Your spouse or civil partner
 - A person with whom you are living as husband and wife, or
 - A person with whom you are living as if you were civil partners

And you are aware that that other person has that interest

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- i.
- ii. If you attend a meeting and are aware that you have a disclosable pecuniary interest in any matter to be considered, or being considered, at that meeting, you must subject to the sensitive interest rules, disclose that interest to the meeting and, unless you have obtained a dispensation, you cannot participate in any further discussion on the matter and must leave the meeting room whilst the matter is under discussion and takes place.
- ii. If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other interest on any matter on the agenda which is being considered at the meeting?

A Member will have 'other interests' in a matter if:

- i. A Member is a member of an external body, this must be disclosed on the interests form and declared at meetings.
- ii. When contractual, financial, consent, permission or licence matters are under consideration relating to an external body on which you sit as a Member, such an interest must be declared and you cannot participate in the meeting as a Member of the Committee and must leave the meeting whilst the matter is under discussion and takes place
- iii. When contractual, financial, consent, permission or licence matters are under consideration and you have actively engaged in supporting an individual or organisation on the matter, you cannot participate in the meeting as a member of the Committee and must leave the meeting whilst the matter is under discussion and takes place.
- iv. Where a Member has received a gift or hospitality with an estimated value of at least £25, this must be disclosed on the register of interests form and declared at meetings.

4. If you have other interests in an item on the agenda you must:

- i.
- ii. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- iii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iv. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- v. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Suki Binjal, Director of Legal and Governance on 020 8356 6234 or email suki.binjal@hackney.gov.uk



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MINUTES OF A MEETING OF THE CABINET

HELD ON MONDAY, 16TH DECEMBER, 2019 AT
COUNCIL CHAMBER HACKNEY TOWN HALL, MARE STREET, LONDON E8
1EA

Present: Mayor Philip Glanville in the Chair

Councillors
Deputy Mayor Anntoinette Bramble (Vice-Chair)
Cllr Christopher Kennedy
Cllr Jon Burke
Cllr Guy Nicholson
Cllr Caroline Selman
Cllr Carole Williams

Also in Attendance:

Officers: Tim Shields, Chief Executive
Ian Williams, Group Director of Finance & Corporate Resources
Anne Canning, Group Director of Children and Adults and Community Health
Ajman Ali, Interim Group Director of Neighbourhoods & Housing
Dawn Carter-McDonald, Head of Legal and Governance
Tess Merrett, Governance Manager.

1	Apologies for Absence
	<p>Mayor Glanville welcomed everyone to the meeting. He congratulated Meg Hillier and Diane Abbott for their successful re-election to Parliament at last week's General Election. He also congratulated Deputy Mayor Clark for her successful election as MP for Enfield North.</p> <p>Apologies for absence were received from Deputy Mayor Clark and Cllrs Rennison, McKenzie and Moema.</p>
2	Urgent Business

	There were no items of urgent business. NOTED
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3	Declarations of interest - Members to declare as appropriate
	There were no declarations of interest. NOTED

Notice of intention to conduct business in private, any representations received and the response to any such representations

5	Questions/Deputations
	There were no questions/deputations. NOTED

6	Unrestricted minutes of the previous meeting of Cabinet held on 18 November 2019
	RESOLVED That the unrestricted minutes of the Cabinet meeting held on 18 November 2019 be approved as a true record.

7	Unrestricted minutes of Cabinet Procurement Committee held on 7 October 2019
	RESOLVED That the unrestricted minutes of the Cabinet Procurement Committee held on 7 October 2019 be received and noted.

8	Schedule of Local Authority School Governor appointments
	There were no School Governor appointments. NOTED

9	Capital update report - Key Decision No. FCR Q1
	The Mayor introduced the report which showed a commitment to investment in infrastructure. The Mayor highlighted the capital approval for the Children's Centre at Woodberry Down. Cllr Kennedy welcomed the investment in this project which included a view platform over the reservoir providing a learning environment for the children. The Mayor also commented that the centre was a facility for a very diverse community.

RESOLVED

- i. That approval be given to the schemes for Finance and Corporate Resources as set out in section 9.2 of the report, and as follows:

ICT Development of Cloud Based REST Application Program Interfaces (API)s: Virement and Spend approval of **£1,200k (£600k in 2019/20 and £600k in 2020/21)** to fund the Council's Corporate ICT development of cloud based APIs (connectors to system databases) to enable secure real time integration of data over the internet.

- ii. That approval be given to the allocation of resources for the S106 schemes as set out in section 9.3 of the report and summarised below as follows:

S106	2019/20 £'000	2020/21 £'000	Total
	£'000	£'000	£'000
Capital	0	1,271	1,271
Total S106 Resource and Spend approvals	0	1,271	1,271

- iii. That the schemes outlined in section 9.5 of the report be noted.

REASONS FOR DECISION

The decisions required were necessary in order that the schemes within the Council's approved Capital programme could be delivered as set out in this report.

In most cases, resources had already been allocated to the schemes as part of the budget setting exercise but spending approval was required in order for the scheme to proceed. Where however resources had not previously been allocated, resource approval was requested in this report.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

10**Overall financial position, property disposals and acquisitions report (October 2019) - Key Decision No. FCR Q2**

The Mayor introduced the report. He highlighted the continued pressure on Children, Adult Social Care and Community Health and managing this would be challenging. Despite the publication of the 2019 Spending Review, there was still significant uncertainty about future funding and particularly its sustainability. Ian Williams highlighted the regularisation of the position regarding the acquisition of a long leasehold for De Beauvoir Square.

RESOLVED

- i. That the overall financial position for October, 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 be noted;
- ii. that the acquisition of a long leasehold interest in De Beauvoir Square (land shown edged red in Appendix 1) be authorised;
- iii. that authority be delegated to the Group Director of Finance and Corporate Resources to settle all the commercial terms of the transaction; and
- iv. that authority be delegated to the Director of Legal and Governance to settle and enter into all legal agreements necessary to conclude the matter.

REASONS FOR DECISION

To facilitate financial management and control of the Council's finances and to approve the property proposal.

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

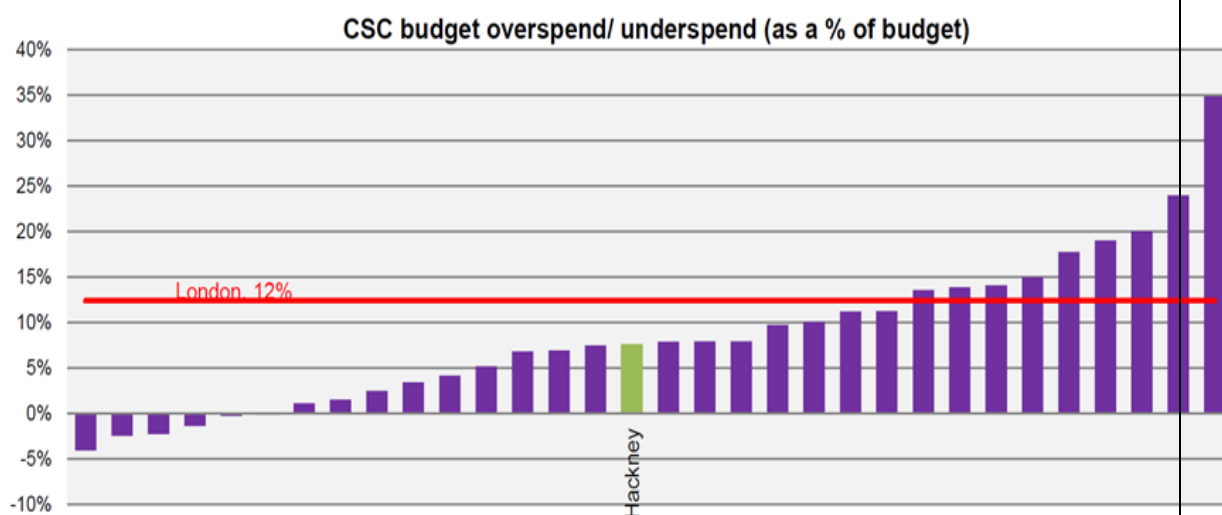
The CACH directorate was forecasting an overspend of £5,261k after the application of reserves and drawdown - an unchanged position from previous month.

Children & Families Service

Children & Families Service (CFS) was forecasting a £1,562k overspend against budget after the application of reserves and grants. The draw down from reserves included:

- £2,300k from the Commissioning Reserve, set up to meet the cost of placements where these exceeded the current budget.
- £1,100k for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted focused visit earlier in the year.
- £460k was drawn down to offset pressures in relation to the increase in young people currently held on remand.

The sustained pressure on CFS budgets was a position that was not unique to Hackney, as shown by the results of a 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.



A similar survey was currently underway in relation to 2018/19 outturn and this would be reported as soon as it was available.

The main budget pressures in CFS were in relation to looked after children (LAC) placements within Corporate Parenting, young people held on remand within Youth Justice and staffing in several areas across the services. Further details are set out below.

Corporate Parenting was forecasting to overspend by £1,133k after the use of £2,300k of commissioning reserves and £280k one-off staffing reserves. This position also included the use of £1,200k of non-recurrent Social Care funding that was announced in the October 2018 Budget. Spend on LAC and LC placements (as illustrated in the table below) was forecasted at £20.3m compared to last year's outturn of £18.3m – an increase of £2m.

Table 2: Placements Summary for LAC and Leaving Care

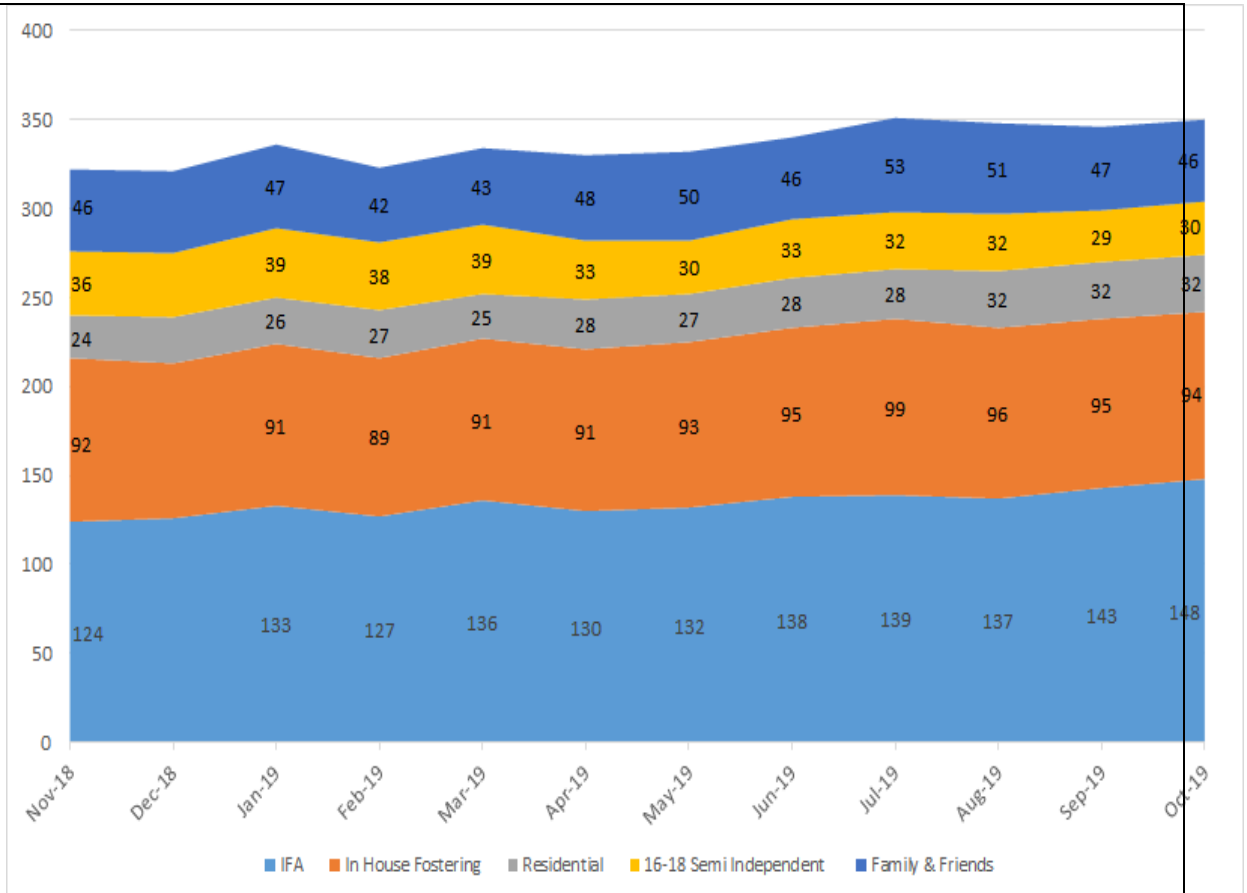
Service Type	Budget	Forecast	Forecast Variance	Budgeted Placements*	Current Placements	Management Actions
Residential	4,331	5,320	989	21	31	There are a number of initiatives in place to which we seek to contain these costs. Pressures, for example the Family Learning Intervention Project (FLIP), the Edge of Care workers, the Residential project and re-negotiation of high cost placements. The first two of these have been in track for some time and tracking the financial impact undertaken on a case by case basis. Evidence from the tracking suggests significant costs avoided suggesting the cost pressure would be significantly greater if these were not in place. We will continue to monitor residential placement movements and the resulting effect on
Secure Accommodation (Welfare)	-	140	131	-	1	
Semi-Independent (Under 18)	1,570	1,867	297	26	30	
Other Local Authorities	-	216	216	-	5	
In-House Fostering	1,800	2,167	367	77	94	
Independent Foster Agency Carers	6,488	6,957	469	136	148	
Residential Family Centre (M&Baby)	-	135	135	-	-	
Family & Friends	569	850	281	30	46	

Extended Fostering	-	29	29	-	1	other placement types across future periods. The impact of Mockingbird, the extended family model for delivering foster care with an emphasis on respite care and peer support, and new arrangements for implementing Supported Lodgings will also be reviewed going forwards.
Staying Put	200	357	157	13	23	
Overstayers	290	458	168	17	21	
Semi-independent (18+)	1,370	1,816	446	71	108	
Total	16,618	20,312	3,685	391	508	

**based on average cost of placements. Residential budget also includes one-off social care funding of £1.2m)*

The table below shows the trend in LAC placements over the past 12 months.

Table 3: Headcount Data for LAC



There was an increase in Independent Fostering Agency placements (net increase of 5) since September, which had led to an additional pressure of £169k in the forecast this month. As illustrated in Table 3 above, since this time last year there had been a favourable movement in the ratio between IFA and in-house placements (although this has declined in the last few months). This was driven primarily by the in-house foster carer recruitment which had seen some success and the matching officer post which had been in the structure since 2018. At around £50k per annum the cost of a child placed in independent foster care was double that of a placement with one of Hackney’s own foster carers.

One of the main drivers for the cost pressure in Corporate Parenting continued to be the rise in the number of children in costly residential placements and the number of under 18s in high-cost semi-independent placements. Where children in their late teens were deemed to be vulnerable, and in many cases were transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages. The Service was also noticing the number of IFA placement was rising again.

In the current year there had been significant pressures on staffing. This was mainly due to posts additional to the established number, recruited to meet the increase in demand (e.g. rise in caseloads), additional capacity to support the response to the Ofsted focused visit earlier in the year and cover for maternity/paternity/sick leave and agency premiums.

Children in Need was forecasted to overspend by £491k. The overspend was mainly due to staffing overspends relating to supernumerary social worker posts to meet service pressures from high caseloads and response to the Ofsted

focused visit, maternity cover, agency premiums associated with covering vacant posts and these items collectively total £503k. Underspends in non-staffing expenditure totaled £12k.

The Disabled Children's Service was forecasted to overspend by £438k. Staffing was projecting an overspend of £222k due to additional staff brought in in response to increased demand in the service. The remaining overspend was attributed to care packages (£326k, including Home Care, Direct Payments and Residential respite) and £38k on other expenditure. This was offset by a £148k reserve drawdown.

The Adoption Service was forecasted to overspend by £285k. Primarily the overspend related to the Regional Adoption Agency which were operated with the neighbouring boroughs. This had incurred transitional costs in staffing, inter-agency services and IT costs. There was a projected overspend of £61k from the Adoption Support Fund which was related to high cost cases which required match funding contributions from the Council.

Parenting Support Services was forecast to overspend by £81k which related to staff covering 2 maternity leavers, 2 long term sick leavers and one over-established family support practitioner within the service.

The Youth Justice Service was forecasting a balanced position after the use of £434k of remand reserves and an additional £27k of reserves which had been repurposed from an existing reserve to offset pressure in the service due to a major incident resulting in three young people held on remand earlier this year.

Overspends across the service were partly offset by an underspend in the Directorate Management Team.

Directorate Management Team was forecasted to underspend by £575k. This was due to the utilisation of additional reserves within the service to offset staffing pressures, including those in Children in Need and Parenting Support service referred to above.

Hackney Learning Trust (HLT)

The Hackney Learning Trust (HLT) forecast was consolidated into the Children and Families position. As part of the delegated arrangements for HLT, any overspend or underspend at year end would result in a drawdown-from or contribution-to the HLT reserve and expenditure was reported 'on budget'.

HLT were forecasting a significant drawdown on the HLT reserve (between £4.0m and £5.0m), mainly due to pressures in special educational needs. This forecast had been updated following the latest funding updates announced by the government in July 2019. The forecast would continue to be adjusted as data on any new demands on HLT services were to become known throughout the year.

Special educational needs activities cost £9.5m in excess of agreed budgets in 2018/19; and expenditure was currently expected to increase by a further £2.0m in 2019/20. Within the HLT forecast, the SEND over-spend was partly offset with savings made across other HLT departments. Costs associated with special educational needs had complex cost drivers and senior leadership across HLT and the wider Council continued to look into ways where the Council might be

able to bring expenditure under control. Recent reports submitted to HLT SLT estimated that HLT reserves would be fully utilised in 2019/20.

The SEND cost pressure was attributable to the increase in the number of Education and Health Care Plans (EHCPs) as the pupil population had grown significantly and there were growing demands on the system since the reforms introduced by the Children and Families Act 2014. The impact of those factors was that, in Hackney, the number of EHCP's had increased by more than 50% since 2011. With the exception of SEN transport, SEN costs should be met from the High Needs block of the Dedicated Schools Grant– however, despite the significant rise in numbers & costs there had not been an adequate increase to this funding source.

There was a risk of overspend within children's centre budgets due to fully implementing estimated savings attributable to the in-year (Sept 19) introduction of a new fees structure. Increased childcare charges were expected to result in significant savings. However, the impact of the changes in the fees structure was uncertain in terms of continued demand for childcare, particularly from those families that would be in higher fee bandings. The financial impact was currently being assessed in detail and would be finalised after analysing occupancy level reports from the centres. This work would result in an updated forecast.

Adult Social Care & Community Health

The service was forecasting a £3.669k overspend. The position for Adult Social Care last year was an overspend of £4,083k, however there had been adjustments for corporate growth items and additional use of non-recurrent funding at the start of this financial year. The revenue forecast included significant levels of non-recurrent funding including iBCF (£1,989k), Social Care Support Grant (£1,200k), and Winter Pressures Grant (£1,400k).

Recent announcements on social care funding as part of the Spending Review 2019 had provided further clarity on funding levels for 2020/21, however, it was still unclear what recurrent funding would be available for Adult Social Care post 2020/21. The non-recurrent funding was only intended to be a 'stop-gap' pending a sustainable settlement for social care through the Green Paper, however this was subject to ongoing delay. The implications of any loss of funding would continue to be highlighted in order that those can be factored into the Council's financial plans. This would include ensuring that it was clear what funding was required to run safe services for adults. Alongside this the service continued to take forward actions to contain cost pressures.

Care Support Commissioning (external commissioned packages of care) contained the main element of the overspend in Adult Social Care, with a £2,900k pressure. The forecast included £1,400k of the Winter Pressures grant to fund additional costs resulting from hospital discharges. It was anticipated that the grant funding would be released through the year to offset additional pressures from hospital discharges, however an analysis of information on discharge levels and care packages had identified that the full £1,400k had already been committed.

Service type	2019/20 Budget	October 2019 Forecast	Full Year Variance to budget	Variance from Sept 2019	Management Actions
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	£k	£k	£k	£k	
Learning Disabilities	14,937	16,220	1,283	137	<ul style="list-style-type: none"> - ILDS transitions/demand management and move on strategy - Multi-disciplinary review of care packages (delivered £720k) - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	12,843	13,584	742	110	
Memory, Cognition and Mental Health ASC (OP)	7,710	8,363	653	(82)	
Occupational Therapy Equipment	740	943	203	(1)	
Asylum Seekers Support	170	211	41	26	
Total	36,399	39,321	2,922	190	

The Learning Disabilities service was the most significant area of pressure with a forecast £1,300k overspend, which reflected a worsening of £137k on the September position. The adverse movement was primarily driven by increasing complexity of care needs for Learning Disability clients. The pressure was still significantly less than last year due to the application of both budget growth and one-off funds in this service area.

Work was ongoing with Clinical Commissioning Group (CCG) colleagues to embed the joint funding model for high cost Learning Disability packages as business as usual. There was an agreement between both parties for all packages to be reviewed for joint funding. A process of financial reimbursement would be managed through the Learning Disability Section 75 review group on behalf of the Planned Care Workstream. The CCG had committed to ring-fence £1,900k - £2,700k within their financial planning for 2019/20 and £1,900k had been factored into the forecast above. The partners also acknowledged that by implementation of the joint funding policy the amount paid for health need would be based on the assessment of patient/residents and that health needs for individuals could be potentially less or more than the initial identified range. Progress had been slow in embedding the joint funding model which resulted in fewer than expected cases going through the panel process to date. This was being closely monitored by all partners and measures were being taken to try to ensure the completion of all joint funding assessments by the end of the year, which included having dedicated project support to ensure the smooth day to day operation of the process, given its high priority and funding risk.

Physical & Sensory Support was forecasting an overspend of £742k, whilst Memory, Cognition and Mental Health ASC (OP) was forecasting an overspend of £653k. The cost pressures being faced in both service areas had been driven by the significant growth in client numbers as a result of hospital discharges in 2018/19, which had been partially mitigated by one-off funding from the Winter Pressures grant of £1,400k.

Discussions were being 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. These actions included the creation of a multi-disciplinary team (MDT) to facilitate the review of care packages, and this had delivered savings to date of £720k (full year effect). As a result of the savings achieved the MDT project had been extended for a further six months to the end of Jan 2020.

The Mental Health service was provided in partnership with the East London Foundation Trust (ELFT) and was forecasted to overspend by £570k. The overall position was made up of two main elements - a £715k overspend on externally commissioned care services and £145k underspend across staffing-related expenditure.

Provided Services was forecasting a £91k overspend, which was largely attributed to:

- Housing with Care overspend of £191k. The forecast included additional resources to respond to issues raised from the CQC inspection in December 2018. The service had recently been re-inspected in July 2019, and the service had now been taken out of 'special measures' and the rating had changed to 'requires improvement'.
- Day Care Services were projected to underspend by £99k, primarily due to the current staff vacancies across the service.

Preventative Services was forecast to underspend by £245k. This variance represented an underspend on the Concessionary Fares' budget due to a reduction in demand of £150k plus an on-going underspend of £220k within the Median Road Resource Centre budget which supported wider Care Management service expenditure. Cost pressures of £56k were linked to staffing challenges for which the Hospital Social Work Team included IBCF non-recurrent funds towards supporting staffing levels necessary to ensure hospital discharge targets were met.

ASC Commissioning was forecasting a £512k budget overspend which reflected an improvement of £224k on September position. The favourable movement this month was primarily driven by the delivery of Housing Related Support (HRS) savings of £140k in year, which was linked to the overall savings delivery plan for HRS. Delays in savings delivery from the Housing Related Support (HRS) service now represented £634k. In addition, there had been a cost reduction of £83k arising from reduced voluntary sector payment by results activity.

Public Health

Public Health was forecasting a breakeven position. There were pressures in the service due to the delay with implementing Public Health restructure and the review of physical activity for adults. However, this pressure was being managed within the overall budget and it was not anticipated to result in an overall overspend.

The Sexual Health forecast was updated to reflect the agreed increase of tariffs which commenced from 1 October 2019 across London following the recent Integrated Sexual Health Tariff (ISHT) review. There had been a 5% increase in sexual health costs, associated with PrEP activity (PrEP is Pre-Exposure Prophylaxis, the use of anti-HIV medication to keep HIV negative people from becoming infected) and a progressive uptake of e-services alongside clinical service provision. Both activities were subject to continuous review with commissioners to ensure sustainable future provision remained within the allocated sexual health budget in the current financial year.

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate as at October

2019 was a £36k overspend. This was due primarily to an increase in the income shortfall in planning, which was partially offset by a reduction in Streetscene net expenditure. These were discussed below. The forecast included the use of £1,900k of reserves, the majority of which were for one off expenditure/projects.

There was a forecast overspend in the Planning Service of £312k which was due to a projected shortfall against the planning application fee income target of £2,300k. The total shortfall against the income budget was £363k (which compares to £147k in September) but this was partly mitigated by additional income from other parts of the service. The Planning Service was currently re-modelling staff expenditure in the Major Applications Team, with an opportunity for Team Leaders to take on additional case load work for major applications whilst achieving cost savings. This would reduce staffing costs to mitigate the impact of reduced income.

The Building Control service was forecast to overspend by £63k, though it was important to note that Building Control income was significantly higher than in 2018/19. The service had embarked on a review of the staffing and fee structure that would culminate in a revised schedule of increased fees, to achieve full cost recovery without losing share of the Building Control market.

Streetscene was forecast to under spend by £346k due to additional income. There was an ongoing analysis of Street scene income to determine potential improvements in the outturn position for 2019/20, as initial figures indicated that due to increasing numbers of developments across the borough Street scene was likely to over achieve its income budget for the year resulting in an increased underspend for the full year. This analysis would also consider the sustainability of the additional income received in-year.

Parking, Leisure, Green Spaces and Libraries and Community Safety, Enforcement and Business Regulation were forecasting break-even positions, with Directorate Management continuing to forecast a marginal underspend.

Housing General Fund was forecast to be marginally favourable to budget at this stage, mainly due to underspends within staffing.

Regeneration was forecast to be on budget for this financial year.

4.4 FINANCE & CORPORATE RESOURCES

The forecast was an overspend of £370k.

Financial Management and Control were forecasting an underspend of £326k due to vacancies across all services, while the Directorate Finance Teams were projecting an underspend of £103k which mainly related to salaries and projected additional income from service fees

The overspend in Facilities Management (£370k) was primarily due to increases in business rates costs on council owned buildings in the borough which were partially offset by reserves. The largest increases were in Hackney Town Hall, Hackney Service Centre and Florfield Road.

In Property services, the cost pressure primarily results from: providing additional staffing resources within the service to address essential works; and the re-classification of a significant revenue item as a capital receipt. The service was currently reviewing their operations to address the former and the allocation of

overall budget, both capital and revenue, needs to be reviewed to address the latter.

Revenues and Benefits and Business Support, Registration and Audit and Anti-Fraud were forecast to come in at budget.

Housing Needs was forecast to come in at budget after the application of the Flexible Homeless Grant and Homelessness Reduction Act Grant. Whilst there would be a continued receipt of the Flexible Homeless Grant, it was probable that this grant would reduce over time and there may be other calls on the Grant. Further, since April 2018 when the Homelessness Reduction Act was introduced there had been a 33.4% increase in approaches for housing advice, expected to result in significantly higher accommodation costs over time.

4.5 CHIEF EXECUTIVE

Overall the Directorate was forecasting to overspend by £413k after forecast reserves usage, which was an increase of £317k from September which as can be seen below was largely due to a £250k increase in the net expenditure in Legal Services.

Communications, Culture & Engagement

The service was forecasting an overspend of £210k. £150k of this related to Hackney Today. This was an increase on last month's projected overspend following a review of the expenditure and income so far. Hackney Today was published fortnightly for the first quarter of the year but following a court order was now only published once every 3 months with a new information publication 'Hackney Life' published in the months in between. Due to this, advertising income had dropped significantly, from around £33k pcm to £6k pcm. Although distribution and print costs had halved, these only saved £14k pcm. Staff costs were largely unaffected by the change in publication but had actually increased due to maternity leave.

This projection did not include any legal costs which were not yet charged to the service (and would be funded from reserves) nor did it include the impact of this decision on other services such as Planning which would now have to place statutory notices in other publications.

The remaining £60k was in relation to venues, primarily due to costs relating to Hackney House, which the council was no longer responsible for.

The Culture team spent a higher amount on the Carnival this year due to increasing numbers of attendees and the need to move the main stage to a new location due to this. It had been agreed for the funding to come from Neighbourhood Community Infrastructure Levy.

The rest of Communications including Design & Film were forecast to break even.

Legal & Governance

The combined Legal & Governance Service were forecasting an overspend of £186k on their budget.

There was an overspend reported in Governance which was primarily due to Internal Printing Recharges estimated at £34k which had no budget and £39k was

for an unfunded Team Manager's post previously funded by HRA.

Recharge income and recharges to Capital were forecast to be under budget by £233k while External Income projections had been forecast to under-achieve by £28k. The management team was also reviewing current and future income to establish sources of additional income for the 2020/21 financial year.

There was additional income from Traded Services £19k and HLT £28k. This was used to fund an additional cost of £11k on Supplies.

All other services were forecast to come in at budget.

HRA

The projected outturn on the HRA was at budget.

Income

There was a surplus of £325k on Dwelling Rents which was due to a new lease agreement for properties rented to housing associations. The other major variance was a surplus of £949k for Other charges for services and facilities which is mainly due to the extension of LBH collection of water rates on behalf of Thames Water. The commission earned on the Thames Water contract was to pay for the staff that collected the money. LBH currently only needed to collect rent from about 60% of tenants, as about 40% were on full HB; but as LBH collected Thames Water charges from all tenants and leaseholders, there needed to be staff/process/systems to collect from the remaining 40% of tenants. This cost was paid for by the Thames Water commission. The surplus was due to the fact that the contract extension was negotiated after the HRA budget was set and so the income was not accounted for in the budget, but the income was accruing throughout the year.

Expenditure

Repairs and Maintenance was £1,190k over budget mainly due to reactive repair costs and an increase in legal disrepair expenditure. This was currently partly offset by vacant posts within the new R&M structure. The Special services overspend of was due to agreed increased costs within estate cleaning, but this was expected to reduce in 2020/21 as the effects from restructuring of the service were realised.

There was an overspend on Supervision and Management which was due to an increase in recharges from housing needs.

There was an increased cost of capital due to the interest costs on the returned 1-4-1 funding from the pooling of capital receipts, but this was offset by a reduction in the Revenue Contribution to Capital (RCCO).

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

This report was primarily an update on the Council's financial position and there were no alternative options. On De Beauvoir Square, the Council offered to purchase the freehold, but this was declined by the owner. The Council's only other option was to vacate the site and pass back management to the freeholder. This option was rejected as stepping away from the management would make the

	<p>future of the square uncertain. The square had been managed by the Council for a long time and uncovering this legal anomaly should not prevent the Council continuing to maintain the square to the high standards it had achieved.</p>
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<p>11</p>	<p>Introduction of motorbike charging Key Decision No. NH P58</p>
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	<p>Cllr Burke expressed his delight in bringing this report to Cabinet. It brought motor cycles into the charging regime and it was hoped that it would incentivise motor cyclists to switch to motor cycles with lower emissions.</p> <p>RESOLVED</p> <p>i. That approval be given to the commencement of consultation with the general public to take place for a period of twelve weeks from January 2020, on the motorcycle parking proposals, with the consultation to include the following proposals:</p> <ul style="list-style-type: none"> a. that motorcycles will be required to hold a valid permit to park in any permit holder bays; b. that visiting motorcycles will be required to obtain an e-voucher to park in any permit holder bays at current visitor parking permit prices; c. that existing solo motorcycle bays will be converted into solo lockable pay and display bays for short stay parking with fees aligned to pay and display prices, with maximum waiting restrictions applying in line with other pay and display bays in certain areas to discourage commuting; d. That motorcycles will continue to be charged across the borough for using both pay and display along with shared use parking bays at standard rates; and <p>ii. That the consultation results be reported to Cabinet in autumn 2020 together with the final proposals on the introduction of the motorcycle parking strategy for reconsideration.</p> <p>REASONS FOR DECISION</p> <p>Rationale for the proposed changes</p> <p>Hackney Council recognised more needed to be done to develop uniform parking policies in order to ensure that it delivers the overall objective of improving air quality across the borough for everyone. Hackney has a statutory obligation to improve local air quality and reducing emissions, being also an objective in the Road Traffic Regulation Act 1984.</p> <p>Approximately five motorcycles could fit into one car space, therefore there was the potential for five times the current level of equivalent car pollution per car space.</p>
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	<p>Furthermore, research has shown that motorcycles emit nitrogen oxide (NO_x) within the range of petrol and diesel cars. In particular, we are keen to take action to improve the air quality in parking zone B towards the south of the borough near the city where there was a high demand for commuter motorcycle parking.</p> <p>The Parking and Enforcement Plan (PEP) 2015-20 set out Hackney's current parking policies. It described the issues facing the Council and explained the recommendations over five years. The PEP had an approved recommendation to introduce motorcycle parking permits and was the basis for requesting to consult on wider proposals.</p> <p>Additionally, the Air Quality Action Plan 2015-19 addressed how the Council planned to tackle air quality across the borough with recommendations designed to influence residents' businesses and visitor choice of transportation through emissions-based parking charges. This further supported the rationale behind the need to introduce permits for motorcycles, as currently, motorcycles did not need to pay for parking and were often used for commuting, especially in the south of the borough which was close to the city.</p> <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>Do nothing – this was also rejected as it went against the Mayor's priorities to prioritise quality of life and the environment by tackling air pollution.</p> <p>The removal of all solo motorcycle bays to discourage commuting to the borough and only allowing motorcycles to park in pay and display or shared use bays at the same price as other vehicles - this would be a fair approach to all motorists, but would be likely to be unpopular amongst motorcyclists. This approach was rejected as it may lead to problems with motorcyclists utilising whole spaces for vehicles instead of parking perpendicular to the kerb and may also increase parking pressure. There was also a significant cost associated with removing and changing the bay type.</p> <p>Reviewing the CO₂ bands for all permit types – LB Hackney proposals to introduce motorcycles and scooters at the same fee as other vehicles, was driven by the vehicle's emissions, and was not its size. Therefore this would be entirely consistent with LB Hackney's policy. Changing the CO₂ bandings to take into consideration all types of polluting vehicles was also considered and would be taken forward as part of a separate project.</p>
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12	Appointments to Outside Bodies
	<p>There were no appointments to outside bodies.</p> <p>NOTED</p>

13	New items of unrestricted urgent business
	<p>There were no urgent items of unrestricted business.</p> <p>NOTED</p>

	Exclusion of the press and public
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	As there were no members of the press or public present at the meeting, the meeting did not move into an exempt session.

14	Exempt minutes of Cabinet Procurement Committee held on 7 October 2019
	RESOLVED That the exempt minutes of Cabinet Procurement Committee held on 7 October 2019 be received and noted.

15	New items of exempt urgent business
	There were no urgent items of exempt business. NOTED

Duration of the meeting: 6pm - 6.20 pm

Mayor Philip Glanville
Chair at the meeting on
Monday, 16 December 2019

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<p>TITLE OF REPORT: CALCULATION OF 2020/21 COUNCIL TAXBASE AND LOCAL BUSINESS RATES INCOME: FCR Q45</p>	
<p>CABINET MEETING DATE 2019/20</p> <p>20 January 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p>
<p>WARD(S) AFFECTED</p> <p>All Wards</p>	
<p>CABINET MEMBER</p> <p>Councillor Rebecca Rennison</p> <p>Cabinet Member for Finance and Housing Needs</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending or Savings</p>	
<p>GROUP DIRECTOR</p> <p>Ian Williams Finance and Corporate Resources</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report is a key component of setting the Budget and Council Tax for the forthcoming financial year. The monies available for service delivery this year depend on the amount of Council Tax that we believe will be collected and we must be careful to estimate this accurately.
- 1.2 In addition, Members are asked to agree the baseline level of Local Business Rate income the Council will be likely to receive for 2020/21.
- 1.3 The Government has decided it will not provide for the continuation of the 75% London Business Rates Retention and Pooling Pilot scheme. However, the Leaders of each borough have collectively decided to retain a pilot arrangement in 2020/21 but reverting back to the required 2017/18 scheme parameters where the shares of locally retained rates are as follows: - GLA 37%; Central Government 33% and London Boroughs 30%. This will reduce the amount of business rates retained by Hackney from 48% to 30% but the losses in income will be mitigated to some extent by additional Government funding.
- 1.4 The report puts forward a proposal to further vary the empty homes premium so that the premium for properties that have been empty for at least 5 years is increased to 200%, whilst still maintaining the premium at 100% for those properties that have been empty for more than 2 years and up to 5 years.
- 1.5 There has still been little progress in dealing with the appeals to business rates valuations that arose from the 2017 revaluation. This brings an increased risk regarding the forecasting of the amount to be collected and the position is made more unpredictable by the length of time it takes for the Valuation Office to deal with these. Unfortunately, this is entirely outside the control of the Council.

2.0 GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 Section 33 of the Local Government Finance Act 1992 requires that the authority must agree Hackney's Council Tax Base for 2020/21 as calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. This decision must be taken and communicated to preceptors by 31 January 2020. This report recommends a Council Tax Base of 74,386 Band D equivalents based on a Council Tax collection rate for 2020/21 of 95.5%.
- 2.2 Section 3 of The Non-Domestic Rating (Rates Retention) Regulations 2013, requires that for 2020/21, the authority must estimate Hackney's billing authority Non-Domestic Rating income and calculate the major preceptor's share due to the Greater London Authority and the Government share, and any deductions to be made for qualifying relief. The figures contained in this report will become the effective starting point for setting the Council's Budget for 2020/21, subject to the completion of 2020/21 NDR1 (an official return that is submitted to Government).

- 2.3 This report asks the Council to approve the estimate of business rates yield for 2020/21, to be used in the budget and tax setting report before Council on 26 February 2020.
- 2.4 It should also be noted that the Welfare Reform Act 2012 abolished Council Tax Benefit in March 2013 and replaced it with the Council Tax Reduction Scheme (CTRS). We are proposing changes to the 2019/20 scheme for 2020/21, which are set out in another report on this agenda. The impact of the proposed changes is however accounted for within the proposed taxbase

3.0 RECOMMENDATION(S)

Cabinet is recommended to:

- 3.1 **Recommend to Council that in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Hackney Council as its Council Tax Base for 2020/21 shall be 74,386 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 95.5%.**
- 3.2 **Recommend to Council that in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2020/21 is £149,750,650 subject to completion of the NDR1. This comprises three elements.**
- **£54,074,195 which is payable in agreed instalments to the Greater London Authority**
 - **£44,040,077 which is retained by Hackney Council and included as part of its resources when calculating the 2018/19 Council Tax requirement.**
 - **£51,636,378 which is payable in agreed instalments to Central Government**
- 3.3 **To note that changes are proposed to the current CTRS scheme in 2020/21 and that these are covered by another report on this agenda.**
- 3.4 **Recommend to Council that the Council Tax Empty Property Premium on properties that have been empty for 5 years or more is increased from 100% to 200%**
- 3.5 **To agree the recommendations on the proposed 2020/21 Business Rates Pool as set out in Appendix 2.**

Council is recommended to agree:

- 3.6 **That in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Hackney Council as its Council Tax Base for 2020/21 shall be 74,386 Band D equivalent properties adjusted for non-collection. This represents an estimated collection rate of 95.5%.**

- 3.7 That in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013 Hackney's non-domestic rating income for 2020/21 is £149,750,650 subject to completion of the NDR1. This comprises three elements.
- £54,074,195 which is payable in agreed instalments to the Greater London Authority
 - £44,040,077 which is retained by Hackney Council and included as part of its resources when calculating the 2018/19 Council Tax requirement.
 - £51,636,378 which is payable in agreed instalments to Central Government
- 3.8 To note that changes are proposed to the current CTRS scheme in 2020/21 and that these are covered by another report on this agenda.
- 3.9 To agree that the Council Tax Empty Property Premium on properties that have been empty for 5 years or more is increased from 100% to 200%

4. REASONS FOR DECISION

Council Tax Base

- 4.1 The rules for calculating the Council Tax Base are set out in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The calculation is based on the valuation list and other information available on the 26th November 2019.
- 4.2 Firstly, the authority must estimate the number of properties in each band after allowing for exempt properties. These figures are also adjusted to allow for discounts (e.g. single person discount and Council Tax Reduction Scheme) and the impact of changes in discounts and exemptions which allow the Council to charge additional Council Tax to the owners of empty homes and second homes. A formula is then used to calculate the total number of Band D equivalent properties. This gives a higher weighting to properties in bands above Band D and a lower weighting to properties in bands below Band D. This can therefore be thought of as the average number of properties liable to pay Council Tax. The calculation is set out at **Appendix 1**.
- 4.3 The Authority then must estimate what percentage of the total Council Tax due for the year it will be able to collect. This is usually referred to as the collection rate. This percentage is then applied to the total number of Band D equivalent properties to give the tax base to be used for setting the Council Tax. Another way of considering the tax base is that it represents the amount of Council Tax income that will be received from setting a Band D Council Tax of £1.

- 4.4 There are a number of factors to be considered when assessing the likely ultimate collection rate for 2020/21. 2013/14 marked the first year of the new Local Council Tax Reduction Scheme and significant changes in the level of discounts allowed for second homes and empty properties, which in turn led to increased volatility regarding the eventual collection rate to be achieved, particularly as the Council was often issuing bills for monies it has not had to previously collect. In the event, collection rates have held up very well since this time and it is anticipated, given the recent trend in in-year collection performance, that a budgeted collection rate of 95.5% is achievable in 2020/21 and is sustainable going forwards. This is 0.5% higher than that was applied in 2019/20. In 2013/14 the actual rate was 95.3%, which increased to 95.7% in 2016/17 and then to 95.9% in 2018/19. This will increase our budgeted income by c. £0.46m in 2020/21.
- 4.5 If actual collection in the forthcoming year exceeds the budgeted collection rate this is likely to generate a surplus in the Collection Fund which would provide additional one-off resources available for use in 2021/22 and beyond, either for one-off revenue or the Capital Programme.
- 4.6 A collection rate of 95.5% will result in a tax base of **74,386** Band D equivalents, as shown in the table below.

2020/21 TAX BASE/COLLECTION RATE	
	2020/21
Aggregate of Band D Equivalents Estimate	77,892
of Collection Rate	95.5%
Tax Base (Band D Equivalents)	74,386

- 4.7 This compares to a tax base of 72,552 Band D equivalents used in the 2019/20 budget setting. Most of the increase in the tax base has already occurred during 2019/20.

Business Rates and the Local Business Rates Retention Scheme

- 4.8 The Local Business Rate retention scheme came into effect from 2013/14 as part of the changes to Local Government funding in the Local Government Finance Act 2012.
- 4.9 In essence the scheme allowed Local Government to keep 50% of any Business Rate growth from its baseline position. For Hackney and all other London Boroughs the remaining 50% share was split on a 60/40 basis with the Greater London Authority (GLA). In 2017/18 these proportions were amended to GLA 37%; Central Government 33% and London Boroughs 30%.

- 4.10 A change to the system was made in 2018/19 with the introduction of the London 100% Business Rates Retention and Pooling Pilot scheme. Under this scheme Hackney retained 64% of the rates raised and the GLA kept 36% with no Government share.
- 4.11 Yet another change was made in 2019/20 with the introduction of a 75% London Business Rates Retention and Pooling Pilot scheme. Under this scheme, Hackney retains 48% of the rates raised, the GLA retains 27% and Central Government 25%.
- 4.12 The Government has decided it will not provide for the continuation of the 75% London Business Rates Retention and Pooling Pilot scheme in 2020/21 and that the 2017/18 shares of business rates income will apply, i.e. GLA 37%; Central Government 33% and London Boroughs 30% . This will reduce the amount of business rates retained by Hackney from 48% to 30% but the losses in income will be mitigated to some extent by additional Government funding.
- 4.13 In October 2019, the London Councils Leaders' Committee agreed to continue the London business rates pool in 2020/21, despite the loss of pilot status. The 2017/18 shares will still apply but London Councils have estimated that the anticipated financial benefit of the Pool is approximately £25 million, all of which will be distributed to boroughs following the Mayor's agreement to forego any financial benefit, and Leaders' agreement not to have a Strategic Investment Pot (SIP) next year. London Council's latest modelling estimates our share at £1.1m. Further details on the arrangement and the required recommendations which require **Cabinet approval only** are attached at **Appendix 2**.
- 4.15 It is anticipated that we will go back to the 2019/20 London Business Rates Retention scheme in 2021/22 with 75% local shares.
- 4.16 To determine its budgetary position Hackney, along with all other Local Authorities has to complete an NDR1 form which includes the number of rateable local businesses (which is not limited to commercial organisations as it includes schools, churches and of course an authority's own civic estate) multiplied by the appropriate business rate multiplier to arrive at a total cash sum which is then adjusted for various allowable reliefs and discounts to give the final baseline position. This form is required to be completed and submitted to CLG by 31 January each year in respect of the following financial year.
- 4.17 Up until 2013/14, the calculation within NDR1 had not required formal approval by Members as it has had no direct impact on the Council's finances. From 2013/14 onwards, under the current Council constitution, this does now require formal agreement by Members and as such is the subject of the formal recommendation at paragraph 3.2 and 3.6.

4.18 It should be noted that we, at the time of writing this report, we are still in the process of completing the NDR1 form. The figures included within this report and recommendations are therefore based on officers' latest estimates of the figures to be included in NDR1 but it is anticipated that the final version of this will have been completed by the time of Cabinet and Council meetings. Members will be informed if there are any changes required to the estimate as a result of the completion of the form.

4.19 As part of the 2018 Autumn Budget, the Chancellor announced rate reliefs for all retailers with a rateable value of £51,000 or less that will receive a one third reduction in their business rates bill in 2020/21. In addition, in previous Budgets, the Government announced various other business rates reliefs which will be rolled forward into 2020/21. Also, the change to the inflation rate which was used in the calculations that were made in 2019/20 will also be rolled forward which will reduce the amount of business rates payable in 2020/21. In order that Local Authorities are not disadvantaged by these additional reliefs and the inflation rate change, an equivalent special grant will be payable to them.

It is estimated that Hackney Council will receive £5.939m in s31 grant in this respect of previous national budgets and other Government policies.

4.20 In addition to this, the Council retains a cost of collection allowance for the administration of the collection of business rates and for 2020/21, this allowance is **£572k**

4.21 The total resources therefore available to the Council in respect of Non-Domestic Rates and to be included in the budget to be approved by Council in March will therefore be **£49.979m**, as follows:

Net rates yield retained by Hackney	44.160
Share of 2017/18 Surplus c/fwd.	-0.692
S31 grant re Budget reliefs	5.939
Cost of Collection allowance	0.572
Total NDR resources	49.979

4.22 200% Council Tax Empty Property Premium

Under the current statutory arrangements, the Government has provided us with a means of encouraging empty properties to be brought back into use by allowing us to levy a 100% premium on properties that are empty for more than two years as from 1st April 2019. We currently operate this policy. However, as from April 2020, a further power will be introduced which will allow us to levy a premium of 200% on properties that have been empty for more than 5 years. We propose that we take this power as it should further discourage property owners from using a property as a simple asset, rather than the home it was built for.

4.23 Council Tax Reduction Scheme (CTRS)

It is a statutory requirement that the Council approves the CTRS scheme each year. As stated above, changes are proposed to the current scheme which are covered by a separate report on this agenda.

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 The requirement to calculate the Council Tax base and business rates has been laid down by Statute. As such, there are no alternatives to be considered.

6.0 BACKGROUND

6.1 Policy Context

This report sets out the Council Taxbase and estimated NNDR income in 2020/21. Both of these are required by statute. Hackney's tax base for 2020/21 must be notified to the GLA and to the various levying bodies which base their levies on the Council Tax Base. Under regulations this must take place before 31 January 2020. The appropriate bodies will be notified by the due date once the tax base is confirmed

6.2 Equality Impact Assessment

This is not a service but one element of a statutory obligation for residences to pay council tax. The calculation of this element – Taxbase – is determined by statute and regulations.

6.3 Sustainability

As above

6.4 Consultations

Relevant consultations have been carried out involving, the Mayor, the Member for Finance, and Directors of Finance.

6.5 Risk Assessment

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

7.0 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 7.1 The setting of a realistic and prudent collection rate for Council Tax in 2020/21 is an essential component of the overall budget strategy. If the collection rate set is over-optimistic, this may result in a deficit on the collection fund at the end of 2020/21, the major part of which would need to be met from Hackney's 2021/22 Budget. This would impact adversely on the overall budget strategy.
- 7.2 The proposed tax base of 74,386 Band D equivalents would result in Council Tax income of £84.4m for Hackney's element, assuming no increase in the Council Tax in 2020/21. The overall resources for the 2020/21 budget will be dependent on the outcome of the Final Local Government Finance Settlement due to be announced in early February 2020, although we do now have the provisional settlement figures.
- 7.3 Similarly, the setting of an accurate baseline Local Business Rates is essential to enable the Council to be able to plan effectively. Once agreed the amount of Business Rates attributable to the GLA will need to be paid over at certain dates irrespective of whether or not the income has been received by the Council from local businesses. Thus, an overly optimistic or simply erroneous baseline could have significant cash flow implications as well as adverse impact on the future year's budgets.
- 7.4 **As set out in section 4.18, the NDR1 form that is used to calculate the baseline Business rate yield for the following financial year is still subject to finalisation. The figures included within this report are therefore based upon Officers' best estimate at this stage, which may change as we receive updated technical guidance on the operation of the BRR Pool.**

8. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 8.1 Cabinet is being asked to recommend to Council, and Council is being asked to agree, the calculation of the Council Tax Base as required by s.33 Local Government Finance Act (LGFA) 1992. S.33 imposes a duty on the Council, as a billing authority, to calculate the basic amount of its council tax by reference to a formula set out in the Act and Regulations made under the Act.
- 8.2 S.67 LGFA originally provided that adopting the council tax base had to be a decision of full Council. This section was amended by s.84 Local Government Act 2003 which abolished that requirement. However, the calculation is not an "executive" function and it cannot be discharged by the Mayor and Cabinet. It could be delegated to an officer, but Hackney has not delegated the decision to an officer so the responsibility rests with full Council.
- 8.3 As the report makes clear, the decision must be taken by 31 January in each year and therefore **this report** will be considered by Council on 23 January 2020.

- 8.4 An important part of the calculation of the council tax base is the collection rate which is assumed in the calculation. It is important that Members adopt a prudent approach to agreeing this assumption since, as the report makes clear, an unrealistic assumption is likely to lead to a deficit on the account which will have to be met from elsewhere thus undermining the integrity of the Council's budget. Members will therefore wish to satisfy themselves that the proposed collection rate of 95.5% is realistic.
- 8.5 Members are reminded that the calculation of the Council Tax Base is covered by s.106 of the Local Government Finance Act 1992. This provides that if a Member owes two or more months' arrears of Council Tax, they are obliged to disclose this fact to the meeting and not vote on the matter. Failure to comply is a criminal offence punishable by a fine.

APPENDICES

Appendix 1 – Council Tax Base Calculation Schedule
Appendix 2 - London Business Rates Pooling 2020/21 (Cabinet Only)

Report Author	<i>Michael Honeysett, 0208 356 3332</i>
Comments of the Group Director of Finance and Corporate Resources	<i>Michael Honeysett, 0208 356 3332</i>
Comments of Director of Legal and Governance	<i>Dawn Carter-McDonald , 0208 356 4817</i>

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Calculation of the 2020/21 Council Tax Base and Local Business Rate income

Key Decision No. FCR Q45

Appendix 1

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2020-21 COUNCIL TAX TAXBASE

APPENDIX 1

	Band	@	A	B	C	D	E	F	G	H	Total
<u>Actual current properties</u>											
1	Dwellings on database 25/11/18	0	7,866	31,741	34,848	23,778	12,170	4,432	1,185	42	116,062
2	Exemptions (minus)	0	1754	1111	607	435	192	104	6	3	4,212
Disabled Reductions of Band:											
3	Add to Lower Bands	3	26	43	63	46	29	2	0	0	212
4	Take from Higher Bands (minus)		3	26	43	63	46	29	2	0	212
5	Line 1-2+3-4 = H	3	6,135	30,647	34,261	23,326	11,961	4,301	1,177	39	111,850
Number in H above Entitled to											
	One 25% Discount SPD	-2	-3,532	-15,383	-11,858	-5,317	-1,826	-504	-149	0	-38,571
	One 25% Discount with disregards	0	-40	-360	-492	-299	-130	-34	-5	0	-1,360
6		-2	-3,572	-15,743	-12,350	-5,616	-1,956	-538	-154	0	-39,931
7	Line 6 x 25%	-0.50	-893.00	-3935.75	-3087.50	-1404.00	-489.00	-134.50	-38.50	0.00	-9982.75
Number in H above Entitled to											
	Two 25% (50%) Discount	0	0	-15	-13	-8	-12	-7	-4	-7	-66
9	Line 8 X 50%	0.00	0.00	-7.50	-6.50	-4.00	-6.00	-3.50	-2.00	-3.50	-33.00
10	No in H above entitled to	0	-1	-8	-12	-6	-11	-3	-4	0	-45
25% discount Uninhabitable / major works											
	25% of above	0.00	-0.25	-2.00	-3.00	-1.50	-2.75	-0.75	-1.00	0.00	-11.25
10a	No in H above entitled to		-70	-137	-195	-122	-89	-25	-14	0	-652
100% reduction for 1 month											
	8.3% of above		-5.81	-11.37	-16.19	-10.13	-7.39	-2.08	-1.16	0.00	-54.12
10b	No in H above charged		37	48	55	50	22	8	2	0	222
Empty homes premium 100%											
	100% of above		37.00	48.00	55.00	50.00	22.00	8.00	2.00	0.00	222.00
10c	No in H above charged		104	81	24	13	8	6	6	1	243
Empty homes premium 200%											
	200% of above		208.00	162.00	48.00	26.00	16.00	12.00	12.00	2.00	486.00
11	No in H above entitled to	0	197	319	287	222	163	46	18	0	1252
0% discount											
	0% of above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Total Discounts = Q	-0.50	-654.06	-3908.62	-3058.19	-1369.63	-483.14	-132.83	-40.66	-3.50	-9859.12
13	Line 5+ Line 12	0	5,480.94	26,738.38	31,202.82	21,956.37	11,477.86	4,168.18	1,136.34	35.50	101,990.88
<u>Estimated changes likely</u>											
14	* Properties Awaiting Banding	0	0	0	49	0	299	0	0	0	348
15	**New Properties	0	0	0	500	0	0	0	0	0	500
16	Line 14 + Line 15	0	0	0	549	0	299	0	0	0	848
17	Properties to be Deleted		0	-1	-2	-4	-1	-3	-1	0	-12
18	Known Errors in Valuation List		0	0	0	0	0	0	0	0	0
19	Line 17 + Line 18	0	0	-1	-2	-4	-1	-3	-1	0	-12
20	Line 16 + Line 19	0	0	-1	547	-4	298	-3	-1	0	836
21	Assumed Exemptions		0	0	-237	0	0	0	0	0	-237
27	Line 20+21= J	0	0	-1	310	-4	298	-3	-1	0	599
<u>CTRS Discount</u>											
	Ttl Band reduction based on total monetary award	-0.83	-1480	-7587	-6577	-3079	-1711	-613	-63	0	-21111
Expected in year changes											
			0	0	0	0	0	0	0	0	0
28	Total CTS Band Equivalent	0	-1480	-7587	-6577	-3079	-1711	-613	-63	0	-21111
Total CTR Discount = Z											
		-0.83	-1480.07	-7586.95	-6577.34	-3079.03	-1710.94	-612.93	-62.68	0.00	-21110.78
29	H - Q + J - Z	1.67	4000.87	19150.43	24935.47	18873.35	10064.93	3552.24	1072.65	35.50	81479.10
30	To calculate band equivalents	0.55	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
31	Band D Equivalent:Lines 29x30	0.92	2667.25	14894.78	22164.86	18873.35	12301.58	5131.01	1787.76	71.00	77891.58
34	Band D equivalent for Taxbase calculation										77,892
35	Band D Equivalent for Taxbase Calculation									Before allowance for collection rate	77892
36	Band D equivalent for Taxbase calculation after non-collection allowance 4.5% applied										74386

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Cabinet

20 JANUARY 2020

**Calculation of the 2020/21 Council
Tax Base
and Local Business Rate income**

Key Decision No. FCR Q45

Appendix 2

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LONDON BUSINESS RATES RETENTION POOL 2020/21

1.0 Introduction

- 1.1 This report sets out the proposed arrangements for the London Business Rates Retention Pool in 2020/21 and seeks approval for Hackney's participation in the Pool.
- 1.2 This year, in common with all boroughs, we are operating under the 2019/20 London Business Rates Retention Pilot Pooling arrangement.
- 1.3 The 2019-20, the 75% pilot pool under which the boroughs retain 48% of the business rates income received, is forecast to generate £181 million in net financial benefit for the boroughs and the GLA as a result of paying no levy on growth (that would otherwise have been paid) and retaining 75% of growth rather than 67%, which would be the case under the 2017/18 scheme. The distribution will be as follows:
- London Boroughs and the City - £98 million
 - Greater London Authority - £55 million
 - Strategic Investment Pot - £27 million
- 1.4 Hackney's share of the net benefit is estimated to be £3.9m
- 1.5 Following the publication of the 2019 Spending Review, the Government announced that the planned reforms to a national 75% business rate retention scheme will be postponed by a year until April 2021 and has chosen not to continue the London pilot in 2020/21.
- 1.6 This means that in 2020/21, the 2017/18 shares of business rates income will apply, i.e. GLA 37%; Central Government 33% and London Boroughs 30% . This will reduce the amount of business rates retained by Hackney from 48% to 30% but the losses in income will be mitigated to some extent by additional Government funding.
- 1.7 In October 2019, the London Councils Leaders' Committee agreed to continue the London business rates pool in 2020/21, despite the loss of pilot status. The 2017/18 shares will still apply but London Councils have estimated that the anticipated financial benefit of the Pool is approximately £25 million, all of which will be distributed to boroughs following the Mayor of London's agreement to forego any financial benefit, and Leaders' agreement not to have a Strategic Investment Pot (SIP) next year. London Council's latest modelling estimates our share at £1.1m. The advantages from continuing with the pooling arrangements which are further discussed below.

2.0 Recommendations

- 1. To approve and accept the designation by the Secretary of State as an authority within the London Business Rates Pilot Pool pursuant to 34(7)(1) of Schedule 7B Local Government Finance Act 1988;**
- 2. To participate in the London Business Rates Pilot Pool with effect from 1 April 2020 to 31 March 2021;**
- 3. To delegate the authority administrative functions as a billing authority pursuant to the Non- Domestic Rating (Rates Retention) Regulations 2013, to the City of London Corporation ("COLC") acting as the Lead Authority;**
- 4. To authorise the Lead Authority to sub-contract certain ancillary administrative functions [regarding the financial transactions [payment of tariffs and top-ups] within the Pool to the GLA as it considers expedient];**
- 5. To delegate authority to Group Director of Finance and Corporate Resources in consultation with the Mayor to agree the operational details of the pooling arrangements with the participating authorities;**
- 6. To agree to enter into a Memorandum of Understanding (attached at Annex 1) with the other participating authorities as may be necessary to implement and/or regulate the pool and to delegate authority to the Group Director of Finance and Corporate Resources in consultation with the Director of Legal and Governance to negotiate, finalise and execute the same on behalf of the authority.**
- 7. To authorise the Mayor to represent the authority in relation to consultations regarding the London Business Rates Pilot Pool as may be undertaken by the Lead Authority pursuant to the Memorandum of Understanding;**

These recommendations are subject to the requirement that actual funding allocations from the Lead Authority are in line with expectations based on previous financial modelling carried out by London Councils.

3.0 Advantages of Pooling in 2020/21

3.1 Direct Financial Benefits

The financial benefits of pooling under the 67% scheme are not as great as under the current 75% retention pilot. Firstly, there would be less growth retention (67% versus 75%), and, secondly, there would be a lower saving on levy payments, as the pool would pay a levy on growth (as all tariff areas would normally do). The financial benefit comes from the pool overall paying less in levy than the London tariff authorities would have paid individually.

Based on the latest forecasts from July rolled forward (i.e. no real terms growth assumed next year), suggests a non-pilot pool of all London authorities would produce a net financial benefit of approximately £25.4 million. This comes from the pool only paying a levy of £92.9 million on growth of 9% above baselines level, compared to individual payments totalling £118.3 million across the tariff authorities in the pool.

Following the Mayor of London's agreement to forego any financial benefit, and Leaders' agreement not to have a Strategic Investment Pot (SIP) next year. London Council's has estimated our share at £1.1m.

Another reason why authorities choose to pool is to spread risk collectively – it being less likely that the entire pool will see rates decline than an individual borough.

The original pilot pool was underpinned by the principle - underwritten in 2018-19 by the “no detriment” guarantee from Government - that no participating authority could be worse off than it would otherwise be. In a straightforward, “non-pilot” pool it is not possible to offer such a guarantee. This was technically the case in the current 75% pilot pool this year - although the scale of financial benefit made the possibility of boroughs being worse off very unlikely. It is also true of all the other non-pilot pools across the country. While more likely in a 67% non-pilot pool, there would need to be a significant downturn for the pool not to be able to ensure that any one borough was not worse off than it would otherwise be. Modelling suggests that a reduction across the pool of 4.8% compared with the current forecast would have to occur (a fall in overall rates of around £400 million) for this to be the case. In the context of annual real terms growth of over 2% per annum in the last 6 years since the first year of the scheme, this is unlikely. Given that even in 2009 following the biggest economic downturn in 80 years, business rates grew in London, this also seems unlikely.

3.2 Strategic Benefits

There could be strategic benefits in continuing to pool business rates without pilot status. Further retention of business rates in the capital has been a long-held ambition of London Government, with London boroughs and the GLA working closely on business rates retention since the Government announced plans to implement 100% retention in October 2015. The pilot pool was seen as a platform from which to develop further arguments about London Government genuinely retaining 100% of the business rates it collects, while providing an important step towards broader fiscal devolution ambitions, in line with the recommendations of the London Finance Commission in 2013 and 2017.

Maintaining a collaborative arrangement for a further year would likely give London Government a more influential voice with regard to the eventual design of the full 75% scheme, now due to be implemented in 2021-22. It may be that ministers would look even more favourably on a London pool that was genuinely seen to work under the “normal” conditions of risk and reward outside of the conditions of a pilot that Government may maintain, is somewhat artificial.

3.3 Administrative Benefits

The current pilot has provided a platform for greater openness and sharing of information about assumptions regarding those elements of the NNDR process that authorities have more judgement over. It has enabled stakeholders to improve their technical understanding of how the system works and has raised the level of awareness amongst both members and officers of the key drivers of business rate growth, the importance of accurate forecasting, and the impact that appeals judgements have on the system.

Treasurers regularly discuss the progress of the pilot and any issues that the pool may foresee in the future, and the Lead Authority has established a technical working group of finance and revenues officers to consider operational issues, which has developed a regular monitoring process to improve the accuracy and reliability of forecasts for the pool throughout the year.

4.0 Next Steps

- 4.1 As was the case for the original pilot, each council will need to make its own individual decision to participate in the pool, in time for the resulting business rate and funding baselines to be incorporated within the Final Local Government Finance Report in February. The Scheme has been designated by the Secretary of State in the 2020/21 Provisional Local Government Finance Settlement. Boroughs have 28 days after the Provisional Local Government Finance Settlement was published to withdraw from the pool. If no authority withdraws then the 2020-21 pool will go ahead as from 1st April 2020. The Group Director Finance and Corporate Resources will report at the Cabinet meeting if any borough has withdrawn from the scheme which appears unlikely at the time of writing this report.
- 4.2 The key principles that underpin the London pooling agreement are set out in the Memorandum of Understanding (MOU) between the boroughs and the GLA, which is attached at Annex 1 to this Appendix. The MOU sets out the basis on which the Participating Authorities have collectively agreed to continue to operate a Business Rates Pool across London and distribute the financial benefits. It comes into effect for the financial year 1 April 2020 to 31 March 2021 and is presumed to continue to operate for 2020-21 only. The key points are summarised below.
- (a) From 1 April 2020 the Participating Authorities shall retain 67% of their non-domestic rating income, with tariffs and top-ups reverting back to the levels calculated by government within the 2020-21 Local Government Finance Settlement that reflect the underlying 50% retention scheme, with a borough share of 30%. The Participating Authorities shall also continue to receive Section 31 Grant from the Government in respect of changes to the business rates system. Section 31 Grant shall amount to 100% of the value of the lost income so will also be calculated on a 67% retention basis.
 - (b) This MOU comes into effect for the financial year Non-Domestic Rating Income on 1 April 2020 to and terminates on 31 March 2021.
 - (c) Where there is sufficient retained income in the pool to guarantee it, each of the Participating Authorities shall receive at least as much from the Pool as they would have individually under the non-pooled 67% retention scheme;
 - (d) Any Financial Benefit will be distributed through the Redistribution Pots agreed by Participating Authorities in the former Business Rates Pilots. However, London Councils Leaders' Committee and the Mayor of London agreed to remove the Strategic Investment Pot (**SIP**) as a redistribution pot. The Financial Benefit will therefore be proportionally apportioned using the three remaining pots in the agreed proportions set out below

- i) Incentives Pot. 18% of the Financial Benefit to incentivise Growth by allowing the Billing Authorities where Growth occurs to keep a proportion of the additional resources retained as a result of the Pool. The proportion shall reflect, for authorities with Growth, each Billing Authority's share of the total Growth prior to Levy;
 - ii) 41% to reflect each Billing Authority's share of the total the Settlement Funding Assessment (a proxy for needs) for the London Billing Authorities;
 - iii) 41% according to each Billing Authority's per capita formulation as calculated by the most recent available ONS projection for 2020 at the time of distribution;

- (e) The GLA will be included in the 2020-21 pool. However, the GLA shall not receive any of the Financial Benefit arising from pooling, (as agreed at the London Councils Leaders' Committee and with the Mayor of London in October 2019.

- (f) In the event of the Pool generating a financial deficit (being in a worse position than the aggregate position had Participating Authorities not agreed to pool), any authority who would have qualified for a safety net payment had they not been part of the pool will be guaranteed to retain a level of business rates equal to their safety net level as calculated by government. The remaining net Financial Deficit will be shared among all Participating Authorities in accordance with the approach agreed, with the GLA funding 36% of the Financial Deficit and those remaining boroughs, who would not receive safety net payments had they not been part of the pool (the Remaining Billing Authorities) funding the remaining 64% of the Financial Deficit. The distribution to the Remaining Billing Authorities of their 64% of a Financial Deficit will reflect the following proportions:
 - 1. 50% of the Remaining Billing Authorities' share of a Financial Deficit according to each Remaining Billing Authority's share of the total Settlement Funding Assessment for the Remaining Billing Authorities not receiving safety net payments;(Needs Pot);
 - 2. 50% of the Remaining Billing Authorities' share of a Financial Deficit according to each Remaining Billing Authority's per capita formulation as calculated by the most recent available ONS projection for 2020 at the time of distribution. (Population Pot).

- (g) The City of London (COLC) shall continue to act as the accountable body to the Government and administer the Pool. The GLA shall provide transactional support to the COLC, including treasury management issues and making any monetary transfers between billing authorities in respect of the Pool on behalf of the Lead Authority including any sums due to the GLA.

- (h) The City's responsibilities include: - all accounting for the finances of the Pool and the balance of Strategic Investment Pot funds remaining from prior years including payments to and from the Government; management of the Pool; receiving payments from Participating Authorities and making payments to central government on behalf of Participating Authorities on time; administering the schedule of payments between Pool members in respect of the financial transactions that form part of the Pool's resources; all audit requirements in relation to the Pool; and production of an annual report of the Pool's activity following final allocation of funds for the year;
- 4.3 The pooling agreement MOU between the 34 London authorities will be signed by each Leader or elected Mayor of the 32 London boroughs, the Chairman of the Policy and Resources Committee of the City of London and the Mayor of London.

MEMORANDUM OF UNDERSTANDING

In relation to Extended London Business Rates Pool 2020/21

1. Background

1.1 This Memorandum of Understanding (**MOU**) and the appendices which form part of the MOU sets out the basis on which the Participating Authorities have collectively agreed to continue to operate a Business Rates Pool across London and distribute the Financial Benefit. No provision within this MOU is intended to create any legal relations between the Participating Authorities.

1.2 The Participating Authorities agree to act collaboratively and to co-operate with each other in utmost good faith.

1.3 The Government designated a pan-London business rates pool in 2018-19, which piloted 100% retention in that year, and was revised to pilot 75% retention in 2019-20 (the Business Rates Pilots). It confirmed in September 2019 its intention not to renew the London pilot in 2020-21, and for London to revert back to the pre-existing 2017-18 67% retention scheme (which was a partial pilot, reflecting the incremental impact of the rolling in of the Greater London Authority's (**GLA**) Revenue Support Grant (**RSG**) and the Transport for London investment grant).

2 Aim/Rationale of the Pool

2.1 The Pool continues to aim to improve the well-being of the communities served by the Participating Authorities in London. By working together, they can retain a greater proportion of business rates Growth within London, providing additional resources to support local communities and strengthen financial resilience following a decade of significant funding reductions.

3 Principles of the Pool

3.1 The Participating Authorities hereby confirm their agreement to continue to participate in compliance with this MOU and confirm that they have resolved or intend to duly and properly resolve to accept the Designation Order in satisfaction of Schedule 7B, Paragraph 34(2) of the Local Government Finance Act 1988 (**LGFA 1988**) and to enter into this MoU.

3.2 From 1 April 2020 the Participating Authorities shall retain 67% of their Non-Domestic Rating Income. The Participating Authorities shall also continue to receive Section 31 Grant from the Government in respect of changes to the business rates system. Section 31 Grant shall amount to 100% of the value of the lost income so will also be calculated on a 67% retention basis.

3.3 In returning to 67% rates retention, the Ministry of Housing, Communities and Local Government (**MHCLG**) will once again pay RSG to the Participating Authorities in 2020-21 with tariffs and top-ups reverting back to the levels calculated by government within the 2020-21 Local Government Finance Settlement that reflect the underlying 50% retention scheme, with a borough share of 30%. The GLA's tariff will be calculated based on its partial pilot of 37% retention, to reach the total 67% retention scheme.

3.4 The Safety Net level of the pool will be 92.5% of the aggregate Baseline Funding Level of the pool, and the Levy rate (reflecting the relative scale of the pool's aggregate Business Rates Baseline and Baseline Funding Level) is estimated to be 19 pence in the pound (the Final Local Government Finance Settlement will formally confirm the levy rate).

3.5 This Pool shall have no impact on Enterprise Zones or "designated areas" where the designations made by the Secretary of State came into force on or before 1 April 2020, along with other special arrangements, such as the statutory provision to reflect the unique circumstances of the City of London Corporation (**COLC**), as currently contained in Part II of Schedule 7 to the LGFA 1988 and paragraph 1(2) of Schedule 1 to the Non-Domestic Rating (Rates Retention) Regulations 2013/452.

4.1 Subject to clause 4.2, this MOU comes into effect for the Non-Domestic Rating Income on 1 April 2020 and terminates on 31 March 2021 (the **Term**), unless otherwise agreed in writing by all the Participating Authorities or unless terminated in accordance with paragraph 9 below ("Dissolution of the Pool") or extended on the same basis for 2021-22.

4.2 Notwithstanding termination or expiry of the MOU Participating Authorities will continue to implement / operate any outstanding Activities agreed for the Term till such time as the Activities are complete, the annual report is issued, and the final Reconciliation Payments are settled by the Lead Authority.

5 Distribution of any Financial Benefit or Deficit

5.1 This MOU shall constitute the agreement for the operation of the Pool in which:

5.1.1 Where there is sufficient retained income in the pool to guarantee it, each of the Participating Authorities shall receive at least as much from the Pool as they would have individually received under the non-pooled 67% retention scheme;

- 5.1.2 Any Financial Benefit will be distributed through the Redistribution Pots agreed by Participating Authorities in the former Business Rates Pilots. However, London Councils Leaders' Committee and the Mayor of London agreed to remove the Strategic Investment Pot (**SIP**) as a redistribution pot. The Financial Benefit will therefore be apportioned using the three remaining Redistribution Pots, in in the agreed proportions set out in clause
- 5.1.3 The distribution of Financial Benefit arising from the pooling arrangement will be allocated to Billing Authorities on the basis of the following proportions:
- (a) Incentives Pot: 18% of the Financial Benefit to incentivise Growth by allowing the Billing Authorities where Growth occurs to keep a proportion of the additional funds retained as a result of the Pool. The proportion shall reflect, for authorities with Growth, each Billing Authority's share of the total Growth prior to Levy;
 - (b) Needs Pot: 41% of the Financial Benefit to reflect, as proxy for need, each Billing Authority's share of the total the Settlement Funding Assessment for the London Billing Authorities;
 - (c) Population Pot: 41% of the Financial Benefit according to each Billing Authority's per capita formulation as calculated by the most recent available ONS projection for 2020 at the time of distribution.
- 5.1.4 The GLA will be included in the 2020-21 pool. However, the GLA shall not receive Financial Benefit arising from pooling (as discussed at the London Councils Leaders' Committee and with the Mayor of London in October 2019).

5.1.5 In the event of the Pool generating a Financial Deficit (being in a worse financial position than the aggregate position had Participating Authorities not agreed to pool), any Participating Authority who would have qualified for a Safety Net payment had they not been part of the Pool will be guaranteed to retain a level of business rates equal to their Safety Net level as calculated by government. The remaining net Financial Deficit will be shared among all Participating Authorities in accordance with approach agreed, with the GLA funding 36% of the Financial Deficit and the Billing

Authorities who would not have qualified for a Safety Net payment had they not been part of the Pool (the Remaining Billing Authorities) funding the remaining 64% of the Financial Deficit The distribution to the Remaining Billing Authorities of their 64% of a Financial Deficit will reflect the following proportions:

- (a) 50% of the Remaining Billing Authorities' share of a Financial Deficit according to each Remaining Billing Authority's share of the total Settlement Funding Assessment for the Remaining Billing Authorities (Needs Pot);
- (b) 50% of the Remaining Billing Authorities' share of a Financial Deficit according to each Remaining Billing Authority's per capita formulation as calculated by the most recent available ONS projection for 2020 at the time of distribution (Population Pot).

6 Lead Authority

6.1 COLC, as the Lead Authority, shall continue to act as the accountable body to govern and administer the Pool. The Participating Authorities hereby acknowledge that the Lead Authority is carrying out valuable services on behalf of the Participating Authorities, and that it is entitled to reimbursement of its reasonable costs and expenses in providing those services. This MOU makes provision for the reimbursement in the calculation of Financial Benefit.

6.2 The GLA shall provide transactional support to the Lead Authority, including administering and operating treasury management and making any monetary transfers between Participating Authorities in respect of the Pool on behalf of the Lead Authority including any sums due to the GLA.

6.3 These monetary transfers between Participating Authorities will be collected or paid by the GLA on the basis of a schedule of payments which will be determined by the GLA in consultation with the COLC, reflecting the Government's Payment Requirements and scheduled instalment dates, which are prescribed in secondary legislation. (This reflects the fact that the GLA already has the systems in place to manage payment flows to and from Billing Authorities for the existing business rate retention scheme).

6.4 The GLA shall also transfer any sums required to COLC based on the schedule of instalments agreed with MHCLG so that COLC as Lead Authority can pay the net Tariff payment payable by the Pool as approved in the Local Government Finance Settlement.

6.5 COLC shall also transfer any sums COLC receives from MHCLG in Safety Net payments to the GLA so that the GLA can distribute this to Participating Authorities if applicable.

6.6 The Lead Authority's responsibilities shall include:

- 6.6.1 all accounting for the finances of the Pool and the balance of SIP funds remaining from prior years including payments to and from the Government;
- 6.6.2 management and administration of the Pool;
- 6.6.3 receiving payments from Participating Authorities and making payments to Government on behalf of Participating Authorities on time;
- 6.6.4 maintaining a cash account on behalf of the Pool and paying Interest on any credit balances;
- 6.6.5 liaising with and completing any formal Pool returns to central government;
- 6.6.6 administering the schedule of payments between Participating Authorities in respect of the financial transactions that form part of the Pool's resources;
- 6.6.7 providing the information required by Participating Authorities in preparing their annual statement of accounts in relation to the activities and resources of the Pool;
- 6.6.8 leading on reporting to understand the Pool's position during and at the end of the financial year;
- 6.6.9 responsibility for the Pool's net Tariff payment to Government as well as the Tariff and Top up payments to and from the Participating Authorities individually;

- 6.6.10 all audit requirements in relation to the Pool;
- 6.6.11 production of an annual report (**Annual Report**) of the Pool's Activities following final allocation of funds for the year, which along with any final reconciliation payments required, concludes the rights and obligations of the Participating Authorities under this MoU (unless it has been extended for a further financial year);
- 6.6.12 the administration of the dissolution of the Pool;
- 6.6.13 all communications with the MHCLG including year-end reconciliations;
- 6.6.14 convening a Technical Group to advise the Lead Authority and Participating Authorities on the implications of the Pool and other proposed changes to business rates retention;
- 6.6.15 the collation and submission of information required for planning and monitoring purposes.

6.7 The Lead Authority may resign from its role on 3 months' written notice to all the Participating Authorities (or longer if required by the Government or where another Participating Authority is neither ready nor willing to assume the role of Lead Authority).

6.8 Transfers outside the pool relating to retained business rates (e.g. Section 31 Grant Payments, MHCLG's share of individual Billing Authority collection fund surpluses or deficits, MHCLG's share of business rates income and transitional protection payments) will continue to be made between MHCLG and Participating Authorities.

7 Governance

7.1 The Participating Authorities have resolved, if required, to delegate Administrative Functions in respect of their Powers in Relation to Business Rates Retention to COLC as the Lead Authority.

8 Participating Authorities' responsibilities

8.1 Each of the Participating Authorities shall promptly provide the Lead Authority with full and accurate relevant information (the "**Reporting Information**") in order to enable the Lead Authority to make payments to Government and to and from the Participating Authorities.

8.2 The Lead Authority shall request the Reporting Information and each Participating Authority shall provide timely Reporting Information to the Lead Authority.

8.3 Each Participating Authority shall make or receive payments to or from the Lead Authority based on the schedule of payments dates referred to in paragraph 6.2 and as required after the end of the financial year to settle any outstanding balances under this MOU.

9 Dissolution of the Pool

- 9.1 The pool is presumed to continue to operate for 2020-21 only in respect of which the Government Designation Order continues in force. These Designation Orders are made and remain in force until revoked.
- 9.2 Any Participating Authority seeking to leave the Pool should inform MHCLG and all other Participating Authorities as soon as possible. In the event of one or more Participating Authorities leaving the Pool, this Pool would cease to operate at the end of 31st March of that year and the Pool would be dissolved in accordance with the provisions of this MOU. Once the Pool has been established, any Participating Authority leaving the Pool must notify the other Participating Authorities by 30th September in any year, to allow the remaining Participating Authorities time to seek designation of a new pool for the following year.
- 9.3 The Lead Authority shall make the necessary calculations and submit the required returns associated with the dissolving of the Pool in accordance with paragraph 9.2.
- 9.4 In the event that the Pool is dissolved in accordance with paragraph 9.2, the Lead Authority shall distribute to the Participating Authorities any resources held on behalf of the Pool in accordance with the distribution formula set out at paragraph 5.1.2 above. The final balance of SIP funds shall be allocated in a further round, once the financial year of dissolution is completed and the amount finalised.
- 9.5 Subject to paragraph 6.7, COLC shall continue to act as Lead Authority for as long there are any outstanding responsibilities under this MoU.
- 9.6 The remaining Participating Authorities of the Pool may in their discretion agree to form a new pool and, if they wish, include new members for the following year (subject to a new Designation Order being made by the Secretary of State).

This MOU may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the MOU



TITLE OF REPORT	HOUSING REVENUE ACCOUNT BUDGET 2020/21 INCLUDING TENANTS RENTS AND SERVICE CHARGES
Key Decision No.	FCR Q41

CABINET MEETING DATE (2019/20) 20th January 2020	CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.
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WARD(S) AFFECTED All Wards
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CABINET MEMBER Councillor Clayeon McKenzie Housing Services
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KEY DECISION Yes
REASON Affect two or more wards

GROUP DIRECTOR Ian Williams Group Director of Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 There were significant changes to the financing regime for the Housing Revenue Account (HRA) in 2018, the most significant being the removal of the HRA Debt cap. The Council lobbied for the removal of the debt cap for a number of years and we recognise that, whilst the debt cap has been removed this does not allow unconditional borrowing to either build affordable housing or to invest in our housing stock; the HRA has to remain financially viable and borrowing costs will quickly impact on the ability of the HRA to remain a viable going concern. We will proceed with our ambitious housing regeneration programmes and invest in our housing stock prudently as set out in the Asset Management Strategy approved by Cabinet in March last year. We will use the flexibility that the removal of the debt cap gives us, in order to maintain a robust HRA so that good quality, well maintained affordable homes are secured for Hackney residents for many years to come.
- 1.2 The Government's plan to set a long term rent deal, which permits annual rent increases of up to CPI + 1% for a period of at least five years, comes into effect from April 2020. The policy will help to provide a stable financial platform to better plan the Council's financial resources to manage and maintain its assets.
- 1.3 The budget proposals set a balanced HRA budget in line with the approved HRA business plan. It is worth reiterating that the savings achieved and the rent increase within the HRA will be used to invest in the Council's housing stock, and deliver improvements to services. They do not financially support the Council's ambitious housing regeneration programmes which are self funding. We are planning to invest £75m in our existing housing stock in 2020/21 and £80m in our regeneration programmes, which will be funded from sales, subsidy and future rental income.
- 1.4 I am pleased to announce that we will be holding tenant service charges for another year; we are able to do this as we are making savings whilst maintaining and/or improving services to our residents. We are continuing to manage inflation and cost pressures in service charges because our savings strategy continues to deliver improved value for money for our residents through service modernisation and integration of services. We will continue this strategy going forward.
- 1.5 I commend this report to Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report sets out the proposed budget and rent levels for the forthcoming financial year. The rent will be increased by CPI + 1% which is in line with Government policy.

2.2 The HRA Business Plan, approved by Cabinet in March 2019 as part of the Asset Management Strategy sets out the savings requirements to ensure that the investment in the existing housing stock can be maintained to ensure the housing stock is sustainable in the long term. The necessary savings have been identified for 2020/21 and are included in this proposed budget.

3. RECOMMENDATION(S)

- 3.1 **To approve the HRA budget proposals as set out in section 11 and Appendix A.**
- 3.2 **To approve the increase in rent of 2.7% (CPI + 1%) in line with The Social Housing Regulator's rent standard and agree that rents will increase on average by £2.67 from £98.97 per week to £101.64 per week with effect from Monday 1st April 2020.**
- 3.3 **To approve the increase in HRA fees and charges in line with inflation 1.7% as set out in Appendix B.**
- 3.4 **To agree the level of tenant service charges as set out in paragraph 12.6; and the service charges for the Concierge service as set out in paragraph 12.7.**
- 3.5 **To delegate to the Group Director of Finance and Corporate Resources in consultation with the Lead Member for Housing the setting of communal heating charges to reflect the unit costs of utilities.**
- 3.6 **To agree the Housing Capital Programme budget and spend approval as set out in Section 16.**

4. REASONS FOR DECISION

- 4.1 The Local Government and Housing Act 1989 Section 76 requires local authorities with a Housing Revenue Account (HRA) to set a budget for the account, which is based on best assumptions, that avoids a deficit and furthermore to keep the HRA under review.
- 4.2 Local authority rent setting powers are set out in section 24 of the Housing Act 1985, this provides that:
 - (1) A local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.
 - (2) The authority shall from time to time review rents and make such changes, either of rents generally or of particular rents, as circumstances may require.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 The budget has been built from reviewing the base budget and includes current experience with items of essential expenditure, maintenance and investment to preserve the housing service and its assets.
- 5.2 The budget setting for the HRA continues to be challenging due to the previous Government policy to reduce rents by 1% for four years ending 2019/20. Although rents are now increasing by CPI + 1% the effects of the rent reduction policy are still being managed.
- 5.3 Alternative rent increases were considered in setting the budget, but any reduction to the rent standard set by the Regulator of Social Housing would result in additional savings that would impact on services to tenants, and substantial savings for Central Government in the subsidy of Housing Benefit. This reduction would also have a long term impact on future rent levels and income.

6. BACKGROUND

6.1 Policy Context

- 6.1.1 The HRA budget has been set in line with the HRA Business Plan and the Council's budget setting process. The HRA Business Plan sets out the Council's plans for managing and maintaining its housing stock (including leasehold properties) and other assets held in the HRA. The HRA Business Plan financial model informs the budget setting and capital programme over the Business Plan period. Its fundamental purpose is to set out the resources required to ensure the effective and sustainable management of these housing assets.
- 6.1.2 The Social Housing Regulator set a new rent standard effective from 1st April 2020. The direction is to revert to a rent increase of CPI +1% over the next 5 years, in line with the rent policy before the recent rent reduction policy. This policy is intended to reestablish a stable financial platform for councils and registered providers to plan ahead.
- 6.1.3 The first HRA Business Plan was approved by Cabinet in December 2013. As a result of substantial changes to the capital investment profile, updates were approved by Cabinet in December 2014 and 2016. In order to reflect the Asset Management Strategy, approved by Cabinet in March 2019, a revised HRA business plan was included setting out the financial plan to manage and maintain the Council's Housing stock and other assets held in the HRA.
- 6.1.4 In addition, there has been a significant change to housing finance as a result of the removal by the Government of the HRA debt cap. This means the Council now has the freedom to manage its investment in new and existing housing stock without an artificial barrier hampering good business planning.
- 6.1.5 The Council has been lobbying for the removal of the debt cap for a number of years and whilst the debt cap is removed, this does not allow unconditional

borrowing to build affordable housing or to invest in our housing stock; the HRA has to remain financially viable and borrowing costs will quickly impact on the ability of the HRA to remain a viable going concern.

- 6.1.6 Whilst the HRA business plan is for a period of 30 years, more focus is on the medium-term (five years) as there is more certainty on costs, demands, resources and pressures, which will enable the prioritisation of housing investment. However, the view of the medium term is also considered in the light of the strategic objectives of the Council and the impact of Government policies on rents, disposals and regeneration.
- 6.1.7 The Council wishes to sustain its investment in its housing assets by ensuring all homes are maintained to a high standard, through a wide range of works and cyclical programmes that ensure compliance with legal and safety regulations and that protect against, and prevent deterioration of its buildings. Stock condition information is primarily based on historic works programmes and periodic survey data. An extensive stock condition survey was undertaken during 2018 in order to update information in the stock database and this has been used to inform the Asset Management Strategy and delivery plan.
- 6.1.8 In addition to investment in existing properties, the Council continues to progress three extensive regeneration programmes within the borough: Woodberry Down, the Estate Regeneration Programme (ERP), and the Housing Supply Programme (HSP). The removal of the HRA debt cap provided an opportunity to review the business planning of the HRA, and so the financial plan for the existing HRA stock and the regeneration programmes are presented and monitored separately to ensure the viability of both investment in existing stock and housing regeneration programmes.
- 6.1.9 Under the self-financing system, introduced in April 2012, the Government calculated that Hackney's HRA could sustain £168m of debt. Whilst the debt cap has been removed, this figure is still a relevant measure of viability and so will be used as a guide. However, resources and delivery plans will be profiled to deliver effective investment plans and respond to issues, and so this benchmark may be exceeded for short periods provided prudent assumptions and forecasts are made on medium-term resources.
- 6.1.10 The HRA Business Plan financial model requires savings of £2.5m over the period 2021/22 to 2023/24. However due to additional cost pressures the savings requirement increased to £4.5m. The development of savings proposals is being undertaken in the context of the strategic objectives for housing services and the housing improvement plan and also to need to balance the competing priorities of
- Maintaining and improving the service we deliver to our tenants and leaseholders
 - Maintaining the investment in our housing stock;
 - The delivery of our housing regeneration programmes; and

- Sustainable borrowing for the HRA now that the Government has removed the HRA debt cap.

6.2 Equality Impact Assessment

- 6.2.1 Under Section 149 of the Equality Act, the Public Sector Equality Duty, the Council has a duty to eliminate unlawful discrimination, harassment and victimisation and advance equality of opportunity between people who share a protected characteristic and those who do not. The protected characteristics cover age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation. The Cabinet is required to consciously consider this duty at every stage of the decision making process.
- 6.2.2 Work has been undertaken to ensure that all savings proposals have had the appropriate Equality Impact Assessments undertaken, where applicable. The savings proposals protect frontline housing services and are therefore intended where possible to have either a neutral or beneficial impact on services, including for groups who share the protected characteristics under the Equality Act. A number of the proposals, in particular those relating to savings through negotiating better prices or limiting inflation, ultimately mean the same service at less price.
- 6.2.3 In terms of the equalities impact of the proposed rent increase we are relying on the Government's impact assessment of September 2018. It concluded that they did not consider that any specific equalities impacts will arise.
- 6.2.4 The recommended budget will allow for capital resources as required by the HRA Business Plan to improve and maintain the quality of the Council's housing stock. Good quality housing is a generally accepted key determinate of health and general well-being and investment in the housing stock will have a positive impact on tenants including some of the most deprived people in the borough.

6.3 Sustainability

- 6.3.1 This report sets the overall HRA budget for 2020/21. The budget includes a significant contribution to capital which will enable the delivery of the 2020/21 capital programme. The capital planned maintenance budget will continue to include provision for sustainability. We will continue to explore external funding opportunities to invest in programmes to increase energy efficiency in the Council's housing stock.

6.4 Consultations

- 6.4.1 The Council consults with tenants on the levels of rent increases every year. This year, consultation has taken place via the Residents Liaison Group (RLG) and an article in Our Homes. The consultation runs until early January 2020 and any feedback will be reported at the cabinet meeting.

6.5 Risk Assessment

- 6.5.1 There have been a number of significant announcements from the Government which impact upon the HRA budget and Business Plan. These are not always joined up to the extent that they often appear contradictory. While welfare reform remains a significant risk it is one that we have managed reasonably well for the last couple of years. Universal Credit was rolled out in Hackney in October last year on a full service basis which means that claimants with a change in circumstances or making a new claim are migrated onto Universal Credit. Claimants are expected to be digitally ready as they are required to manage their claim online and complete online tasks e.g. Job search activities.
- 6.5.2 The impact on arrears in 2019/20 is likely to be approximately £1.5m, however this should not fully translate into bad debt. Total Universal Credit arrears currently amount to 30% of total rent arrears. The budget for bad debt reflects this latest trend and the impact is being closely monitored as part of the budget monitoring process.
- 6.5.3 The tragedy at Grenfell has changed the focus of housing investment and could potentially increase or divert investment to ensure all Council properties meet any additional fire safety requirements arising from the public enquiry. In response to the tragedy, the Council continues to source independent advice on fire safety and, this advice, together with the recommendations of the public enquiry will be incorporated into the HRA Business Plan.
- 6.5.5 The Asset Management Strategy, approved by Cabinet in March, set out the Council's long-term objectives for, investing in the Council's housing stock, ensuring we build on recent successes, and demonstrating continuous improvement. The strategy provides an overarching framework for investment decision-making across the Council's homes and estates. The finances from the strategy have been used to inform the HRA Business Plan financial model. In addition to managing the costs/borrowing, there are operational risks to increasing the investment that need to be considered:
- Capacity and technical skills of the staff required to deliver an increased and complex capital programme.
 - Appropriate governance is required to ensure efficient investment, value for money is delivered and, that the programme does not overcommit resources.
 - Expectation that there will be a need to manage on what can be delivered in the transition period until appropriate contracts and processes are in place.
 - The backlog of planned capital investment in recent years has increased the cost of reactive maintenance. Reactive repairs are inefficient and capital investment would not only be more cost effective, but also improve tenant satisfaction.

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

7.1 Finance comments are set out in the report.

8. VAT IMPLICATIONS ON LAND & PROPERTY TRANSACTIONS

Not Applicable

9. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

9.1 Section 74 Local Government and Housing Act 1989 requires the Council to keep a separate ring fenced Housing Revenue Account. Section 75 and Schedule 4 of that Act deal with the items to be credited and debited to the Account, which by virtue of Section 76 must not go into deficit. Subsection 76(2) requires the Council during January or February of each year to formulate proposals in relation to the likely income and expenditure to the Account to secure that the Account for the year does not show a deficit.

9.2 Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses and that the authority shall from time to time review rents and make such changes, either of rents generally or of particular rents, as circumstances may require. Under subsection 24(5) a local housing authority must have regard in particular to any relevant standards set out for them under Section 193 of the Housing and Regeneration Act 2008. Section 193 gives the Regulator of Social Housing (RSH) the power to set standards concerning amongst other things rent levels. To date the RSH has not set a rent level standard for the Council.

9.3 Section 23 of the Welfare Reform and Work Act 2016 provides that in relation to each relevant year, registered providers of social housing must secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing in England is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months.

9.4 Section 102 of the Housing Act 1985 provides that a variation of tenancy conditions that relates to rent or to payments in respect of services provided by the landlord may be varied in accordance with a provision in the tenancy agreement. Condition 3.7 of the tenancy agreement provides that at least 4 weeks' notice of a rent and/or service charge increase will be given to tenants.

9.5 This report makes recommendations which are designed to fulfil the Council's duties as set out above and the Cabinet must be satisfied that the proposals recommended are reasonable and achievable and will not result in a deficit to the HRA.

10. HRA PROJECTED POSITION FOR 2019/20

10.1 The HRA budget is monitored monthly and reported to Cabinet in the Overall Financial Position reports. As at November 2019 the HRA is forecast to break

even. Any underspend will provide additional Revenue Contributions to Capital Outlay (RCCO).

- 10.2 At the start of the year the HRA had £15m of revenue balances and £10.1m of earmarked reserves. It is proposed to broadly maintain the overall quantum of reserves at this level over the medium term, which gives us flexibility in ensuring a sustainable level of borrowing in line with the HRA Business Plan assumptions.

11 2020/21 HRA BUDGET

- 11.1 The proposed 2020/21 HRA budget is shown in the table below and detailed in Appendix A.

HRA BUDGET SUMMARY 2020/21	
	£'000
Income	
Dwellings rent gross	(113,503)
Non dwellings rents gross	(4,555)
Tenant charges for services and facilities	(12,450)
Leaseholder charges for services and facilities	(11,134)
Other Charges for services and facilities	(2,935)
Gross income	(144,577)
Expenditure	
Repairs and maintenance	25,793
Services to Estates	15,876
Supervision and Management	46,686
Rents, Rates and Other Charges	1,536
Increase in provision for bad debts	1,754
Cost of Capital Charges	1,593
Depreciation	44,127
Gross Expenditure	137,365
Net Cost of Service	(7,212)
Revenue Contribution to Capital Outlay	8,712
Contribution from Reserves	(1,500)
Net HRA (SURPLUS) / DEFICIT FOR YEAR	-

12. INCOME

- 12.1 The HRA self-financing regime aim was to give the local authority financial certainty to develop longer term plans for the HRA. The assumptions in the self-financing settlement, set by the Government, were based on local authorities continuing to implement rent restructuring and setting rent increases at RPI plus ½%. Following consultation in 2013 the DCLG amended the rent restructuring arrangements to allow for full convergence to take place in 2014/15 and to fix future rent increases to 1% above the Consumer Prices Index (CPI) for a period of ten years. Then the summer 2015 budget required a 1% rent reduction to be delivered for four years from 2016/17. It is estimated that the 1% rent reduction will have a cumulative impact on the HRA Business Plan of a £142m reduction in revenue over ten years, and £644m over the 30 year life of the HRA Business Plan.
- 12.2 Following the 1% rent reduction, it is proposed that rent increases revert to CPI+1% in line with the rent standard. This will result in an average rent increase of £2.67 from £98.97 per week to £101.64 per week. The rent direction has been set to increase by CPI + 1% for 5 years from April 2020.
- 12.3 Year on year the increase in income in 2020/21 arising from the 2.7% rent increase is £2.97m. In addition there is increased income from the renegotiation of leased HA properties, the completion of new build properties and the improved void turnaround included in savings, the total increase in rent income is £3.7m.
- 12.4 The proposed fees and charges are shown in Appendix B. Service charges for tenants are based on a pooled cost approach, where all tenants receiving a service are charged the same amount.
- 12.5 We are proposing to hold service charges for a further year. This is possible because the increase in the cost of the service from the pay award and other inflationary cost pressures can be contained due to the savings we have delivered and continue to deliver.

The proposed service charges for 2020/21 are as follows:

	2020/21 Proposed Charge £ per week
Block Cleaning	5.63
Estate Cleaning	2.45
Grounds Maintenance	2.01
Landlord Lighting	1.36

- 12.6 For those blocks with a concierge service, Cabinet approved the ending of the subsidy for tenants and leaseholders in January 2016. Cabinet further approved in January 2018 that increases to charges for the concierge service, which now includes a requirement for the service provider to pay London Living Wage, will be phased over four years from 2018/19.

There are 823 households across 13 blocks receiving a concierge service and the proposed charges for 2020/21 are as follows:

Block	2019/20 Charge £ per week	2020/21 Proposed Charge £ per week
Angrave Court	21.93	23.62
Bryant Court	21.93	23.33
Fellows Court	28.38	30.41
Gooch House	22.60	23.96
Granard House	27.19	28.78
Hugh Gaitskell House - Pathmeads	21.43	22.80
Laburnum Court	21.93	23.33
Regents Court	21.93	23.33
Seaton Point	32.34	35.16
The Beckers One	22.45	23.88
The Beckers Two	22.45	23.88
Vaine House	27.19	28.78
Welshpool House	22.80	23.30

- 12.7 The methodology for calculating communal heating charges for tenants was approved by Cabinet in December 2011. The energy purchasing consortium that the Council is a member of has a contract year running from April to March. Therefore the unit prices for utilities will not be available until March. We are also currently undertaking a review of communal heating charges as the cost of providing communal heating is not being fully recovered. The charges to tenants and leaseholders will be reviewed once all data has been analysed. It is recommended to delegate authority to the Group Director of Finance and Corporate Resources, in consultation with the Lead Member for Housing Services, to approve the 2020/21 charges, calculated in line with the approved methodology.
- 12.8 Leaseholders' service charges reflect actual costs incurred for their block/estate. So their service charge will be different to that of a neighbour who is a tenant. The increase in income arising from Leaseholder service charges reflects the increase in the number of Right to Buys over the last year and the sale of private and shared ownership properties on completed regeneration estates. Leaseholder' service charges reflect actual cost incurred for the service to the block/estate. Therefore the savings included in the 2020/21 budget that impact on the service to leaseholders i.e. cleaning,

will be passed on to leaseholders when calculating the actual service charge after year end.

- 12.9 It is proposed to increase fees and charges in line with inflation of 1.7%. It is proposed to increase garage rents by £1 per week to reflect the cost of maintaining them at a lettable standard and to bring them more in line with the local rental market.
- 12.10 Charges for Travellers sites are set in line with rent policy within the HRA Business Plan, so charges are proposed to be increased by CPI plus 1%. For 2020/21 this would be a 2.7% increase which would equate to an average increase of £3.25 per week.

13. EXPENDITURE

- 13.1 The budget setting assumptions are based on 1.7% inflation except in contractual cases. Budgetary provision has been made for the pay award.
- 13.2 Energy costs have stabilised but are sensitive to volatility and the direction of price movements remains difficult to predict. Significant savings in energy costs have been made in previous years and with the introduction of an improved process for meter readings we have more accurate billing and are therefore able to hold the current budget for energy. These savings have been offset by a reduction in recharges to tenants.
- 13.3 The number of Right to Buy sales following the increase in discount and the reduction in the qualifying period to three years has reduced significantly from 2016/17 with an estimated 56 sales this year. The impact on the HRA income is noted in paragraph 12.3, there are a number of budget adjustments made on the expenditure side of the budget to reflect the number of sales, and these are in line with the HRA Business Plan assumptions.
- 13.4 The budget proposed has been set to reflect the additional cost pressure on repairs and maintenance of £1m for reactive repairs and £0.5m for legal disrepair costs. The budget also includes £0.2m contribution to reserves for the repayment of debt relating to the acquisition of Sherry's Wharf.

14. ROLL OUT OF UNIVERSAL CREDIT

- 14.1 Universal Credit (UC) was implemented in Hackney from 3 October 2018 and those authorities that have piloted the scheme have seen a significant increase in rent arrears. Universal Credit moves from direct payment of Housing Benefit to collection from all tenants. Pilots have shown an adverse impact on collection rates and bad debt that need to be factored in to the budgets.
- 14.2 The roll out of UC on a full service basis means that claimants with a change in circumstances or making a new claim are migrated onto UC and are

expected to be digitally ready as they are required to manage their claim online and complete online tasks e.g. Job search activities. The impact on arrears has been significant with £1.5m of arrears relating to UC however in most cases arrears has been related to the increased administrative time in processing claims therefore should not fully translate into bad debt. Total UC arrears currently amount to 30% of total rent arrears. It should be noted that we have a very good collection rate compared to our peers – over 96% - which is an excellent position and we will continually review and refine our strategy to respond to changes as the roll out of UC continues.

- 14.3 There is sufficient resource for the bad debt provision included in this HRA budget and in addition the Group Director of Finance and Corporate Resources has redirected earmarked reserves to establish a HRA reserve to assist with managing some of the impact of the introduction of UC albeit should be noted that this may not mitigate the substantial impact of policy.
- 14.4 The full roll out of UC in Hackney has been operational for just over a year and the figures show that there are increased levels of rent arrears which has the potential for increased levels of bad debt. Increasing rent arrears is not sustainable for housing services, therefore we are developing operational and procedural changes that minimise the build-up of arrears into the development of the new housing system and on-line rent accounts. Alongside these service developments, we carry out close monitoring of rent accounts and are in communication with other income services of the Council to support residents at risk of falling into debt.
- 14.5 We have been planning for the implementation of UC for a number of years and measures we have taken to mitigate the impact on residents are as follows:
- A strong income collection service that supports early intervention and identification of support needs.
 - Online rents portal, empowering customers and providing an effective communication channel.
 - Investment in in-house customer support services
 - Resident Sustainment team
 - Financial Inclusion team
 - A Council-wide welfare reform group drawing together services already supporting affected residents
 - Working closely with the local DWP delivery partner
 - Strong voice on the DWP local authority welfare steering group

15 SAVINGS STRATEGY

- 15.1 The 2020/21 savings strategy focuses on the integration of services and the sharing of resources to deliver the savings under the headings of; stop doing something, change how we do it or start doing something.

- 15.2 Stop doing something is looking at the services we deliver and deciding if all the elements/functions add value and assessing if by not continuing will impact our residents and leaseholders. For example
- Stop paying for extended boiler warranties as we repair them rather than call on the warranty.
 - Reduce the use of external contractors by training staff to deliver procured services.
- 15.3 Change is about changing how we deliver our services in order to make savings not just continuing to do things the way they have always been done. For example reviewing processes to ensure services are delivered more efficiently reducing dissatisfaction amongst our residents.
- 15.4 Start doing something is looking at things we do well and sharing expertise with other departments in order to replicate success throughout the council such as using our teams of experts to provide services rather than contracting services out.
- 15.5 For 2020/21 we are proposing savings of £3.99m to deliver the savings requirement per the HRA business plan; these have been achieved without the need for compulsory redundancies and are set out in the table below.

	2020/21 £000
Stop	
Stop sending out quarterly rent statements (to only be sent on request)	33
Stop paying for warranties on boilers	100
Recruit to permanent posts to stop using agency staff.	100
Fire risk assessments completed in house	80
Asbestos analysis completed in house	40
ASB mediation completed in house	20
Stop inspecting servicing done by DLO	40
Change	
Improve Void Turnaround time by 5 days	50
Renegotiate HA leased properties payments	300
Management Review	150
Improve Legal disrepair process	100

Recharge full cost of communal energy	50
Improve payment administration and reduce admin staff	67
Merge repairs and neighbourhood contact centres	100
Improved systems for reactive repairs	1,000
Repairs HUB	163
Service efficiency Savings	400
Start	
Collective enfranchisement	50
Purchase mobile CCTV	50
Recharge leaseholders for all communal works	30
Previously agreed	
Increase garage rent by £1 per week	120
Restructure - management saving	100
Additional Cleansing savings	50
Extension of Thames Water contract	800
TOTAL	3,993

15.6 These savings increase the productivity and efficiency of the Housing Service, deliver the business plan requirements and enable us to continue the investment in our stock and regeneration programmes. The savings strategy to ensure a financially sustainable business plan for 2020/2021 onwards is to develop proposals from service modernisation and commercialisation. Savings will be delivered from proposals which will improve our business processes, improve outcomes and deliver value for money.

16. HOUSING CAPITAL PROGRAMME

16.1 The Housing Capital Programme 2020/21 has been developed with due regard to the Asset Management Strategy and the Housing Development Strategy approved by Cabinet in March and April 2019. The Asset Management Strategy sets out the Council's long-term objectives for investing in our homes and provides an overarching framework for investment decision-making across the Council's homes and estates. It also considers the values we have as an organisation, the relevant local and national policy context, set out the ambitions that Hackney has for the quality of its homes

and the priorities that will be established to ensure that the limited available resources are directed at the greatest need.

- 16.2 The capital programme for housing covers the investment in HRA stock and assets managed by Housing Services, the housing regeneration programmes, investment in HRA hostels and housing grants managed by Housing Needs and Private Sector Housing.
- 16.3 The proposals in this budget allow for RCCO of £9.6m and the depreciation charge of £43.9m which will be used along with the relevant grant contributions, contributions from leaseholder for Major Works, and sales receipts from completed Regeneration properties (outright sale and shared ownership).
- 16.4 These sources of funding will be supplemented with borrowing to support the housing capital programme as reflected in the HRA Business Plan. The borrowing will be funded and repaid with future rental income from HRA and regeneration properties
- 16.5 The table below summarises the Housing Capital Programme for 2020/21 based on the HRA business plan model.

	2020/21 £'000
Asset Management Plan	71,708
Estate Regeneration Programme	45,149
Housing Supply Programme	20,557
Woodberry Down	15,202
Other	3,329
TOTAL EXPENDITURE	155,945

- 16.6 A main component of the capital programme is the delivery plan for the housing stock. The Asset Management Strategy sets out proposals for a move from a previous component based approach, to an area/zone based approach which takes a holistic view to the improvements of blocks and estates by considering all the elements/components in an area/zone. This approach has been used to develop the capital programme over the life of the HRA business plan.
- 16.7 The investment in existing stock follows a 7 year cycle, where properties are surveyed and works are consulted on in the preceding year, with the works programme extending to up to 18 month.
- 16.8 The £71.1m budget reflects year 1 of the cycle. Of this £49m relates to Contract 1 works where surveys and consultation are underway and there are

13 schemes totalling £13m that will commence early in 2020. A summary of these schemes are shown in the table below, with further detail shown in appendix C.

No.	Estate Name	Ward	No. Properties
1	11 Springfield Estate	Springfield	23
2	Beck House Estate	Stoke Newington	20
3	Chatsworth Estate	Kings Park	54
4	Downs Estate	Shacklewell	210
5	Fairholt Close Estate	Stamford Hill West	12
6	Jack Dunning Estate	Homerton	418
7	Lenthall Road Properties	London Fields	9
8	Lushington Terrace Properties	Hackney Central	15
9	Middleton House Estate	London Fields	19
10	Priory Court Estate	Kings Park	48
11	Shacklewell House Estate	Shacklewell	59
12	Sherry's Wharf Estate	Kings Park	144
13	St Johns Estate	Hoxton West	355

- 16.9 The remaining £36m of works on the other year 1 schemes, as set out in the Asset Management Strategy, will be presented to Cabinet later in the year along with an annual report on the Asset Management Strategy.
- 16.10 The Council's response to the Grenfell Fire tragedy has been regularly reported to Cabinet throughout the year and the capital programme makes provision for the financial requirements of the fire safety work that the Council knows of or anticipates will come from the Fire Risk Assessments. In respect of the outcome of the Public Enquiry findings and any recommendations arising from that will be reflected in future iterations of the HRA business plan.
- 16.11 The budget requirement for the Regeneration programmes reflects the current delivery programme, which is reported and monitored by the Housing Development Board. During the past year, with the uncertainty of Brexit, the cost, sales and programmes have been subject to fluctuation and extension due to the uncertainty. Whilst every effort is made to maintain the delivery and viability of the programme, there are many factors that impact on them and so by following the programme's governance structure, decisions are made at the appropriate point about the programmes commitments, costs and delivery.

APPENDICES

Appendix A HRA Budget Proposals

EXEMPT

None

BACKGROUND PAPERS

None

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Cabinet

20 JANUARY 2020

**Housing Revenue Account Budget
2020/21 Including Tenants Rents
and Service Charges**

Key Decision No. FCR Q.41

Appendix A

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HOUSING REVENUE ACCOUNT BUDGET SUMMARY

	2018/19 Outturn £000	Budget 2019/20 £000	Budget 2020/21 £000	Change from 2019/20 to 2020/21 £000	Change from 2019/20 to 2020/21 %
Income					
Dwellings rent gross	(110,434)	(111,908)	(113,503)	(1,595)	1.43%
Non dwellings rents gross	(4,611)	(4,507)	(4,555)	(48)	1.07%
Tenant charges for services and facilities	(11,890)	(12,282)	(12,450)	(168)	1.37%
Leaseholder charges for services and facilities	(11,229)	(10,736)	(11,134)	(398)	3.71%
Other Charges for services and facilities	(3,572)	(2,261)	(2,935)	(674)	29.81%
Gross income	(141,736)	(141,694)	(144,577)	(2,883)	
Expenditure still to finalise					
Repairs and maintenance	27,965	25,855	25,793	(62)	-0.24%
Services to Estates	16,855	14,896	15,876	980	6.58%
Supervision and Management	47,400	45,610	46,686	1,076	2.36%
Rents, Rates and Other Charges	1,824	1,380	1,536	156	11.30%
Increase in provision for bad debts	1,560	1,568	1,754	186	11.86%
Cost of Capital Charges	2,220	1,000	1,593	593	59.30%
Depreciation	43,677	43,089	44,127	1,038	2.41%
Gross Expenditure	141,501	133,398	137,365	3,967	
Net Cost of Service	(235)	(8,296)	(7,212)	1,084	
Revenue Contribution to Capital Outlay	5,582	8,296	8,712	416	5.01%
Contributions to/from Reserves	(5,347)	0	(1,500)	(1,500)	
Net HRA (SURPLUS) / DEFICIT FOR YEAR	0	0	0	0	

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Housing Revenue Account Budget 2020/21 Including Tenants Rents and Service Charges

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Appendix B

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HOUSING REVENUE ACCOUNT FEES & CHARGES 2020/21

	Other Information	2020/21	2019/20	Change	Comments
HOUSING SERVICES					
COPY DOCUMENTS (TENANT FILES)	Contract Price	£10.17	£10.00	1.70%	Increased by Inflation 1.7%
REPLACEMENT KEY FOBS	Cost per Key Fob	£20.34	£20.00	1.70%	Increased by Inflation 1.7%
CARPORT	Cost per Week	£3.56	£3.50	1.71%	Increased by Inflation 1.7%
GARAGES ABOVE GROUND	Cost per Week	£16.90	£15.90	6.29%	Increased £1p.w as per savings plan
GARAGE UNDERGROUND	Cost per Week	£12.75	£11.75	8.51%	Increased £1p.w as per savings plan
PARKING SPACE (UNCOVERED)	Cost per Week	£2.14	£2.10	1.90%	Increased by Inflation 1.7%
PARKING SPACE (COVERED)	Cost per Week	£3.56	£3.50	1.71%	Increased by Inflation 1.7%
HIRE OF COMMUNITY HALLS DIRECTLY MANAGED BY HOUSING SERVICES					
New Lettings (private functions and non community linked events)	Daily Rate	£356.00	£350.00	1.71%	Increased by Inflation 1.7%
New Lettings (private functions and non community linked events)	Hourly rate (maximum of 5 hrs)	£30.50	£30.00	1.67%	Increased by Inflation 1.7%
Community Bookings (community activities, provisions and functions)	Daily Rate	£203.50	£200.00	1.75%	Increased by Inflation 1.7%
Community Bookings (community activities, provisions and functions)	Hourly rate (maximum of 5 hrs)	£20.50	£20.00	2.50%	Increased by Inflation 1.7% (rounded)
LEASEHOLD SERVICES					
Processing applications to carry out alterations	Ranges from £100 to £750				
Providing pre-sale information packs and reply to further enquires		£250.00	£250.00	0.00%	
Providing mortgage packs and dealing with remortgage enquiries		£250.00	£250.00	0.00%	
Registration of subletting		£30.00	£30.00	0.00%	
Providing copies of lease/transfer agreement		£30.00	£30.00	0.00%	
Advising on and processing requests to extend leases		£1,500.00	£1,500.00	0.00%	
Advising on and processing enfranchisement applications		£1,500.00	£1,500.00	0.00%	
Processing shared owners requests to staircase		£1,100.00	£1,100.00	0.00%	

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Cabinet

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**Housing Revenue Account Budget
2020/21 Including Tenants Rents
and Service Charges**

Key Decision No. FCR Q.41

Appendix C

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Appendix C

Interim Report Year 1 Capital Programme Surveys

December 2019

Introduction

This report sets out details of the 13no. estates, containing 1,386 properties, which are proposed to commence delivery during the 20/21 financial year. The estimated budget requirement is £13m.

These estates are all in Year 1 of the council's new 7-year rolling programme as established in the Housing Asset Management Strategy. This was agreed in March cabinet and is available online here: <https://hackney.gov.uk/housing-strategy>

As explained further below, this is an interim report on the Year 1 capital programme; in total there are about 3,500 properties in Year 1, and a full report on these will be brought to cabinet in June 2020.

Reasons for an Interim Report

In the capital programme, every property is assigned a year when it will be inspected and considered for major works, but these will only be commissioned if required. Properties not requiring works will be set back to a later year for further inspection.

Work is ongoing to implement the full provisions of the Asset Management Strategy, as it brings in substantial changes to the working processes for capital works. This current 19/20 year is an interim year with implementation 'in progress'. Additionally, the current major works framework contract ends in August 2020; this is the last date when new projects can start on site, though they can complete after that date. Work to procure new contracts is underway but these are not expected to be in place until early Summer 2021. This means that it is essential to prepare adequately for the period in between.

Due to the ongoing implementation work of the Asset Management Strategy and the need to prepare for the end of the current contracts, this proposed commission of capital works to 13no. estates is an interim report only on the Year 1 inspection surveys.

Summary of Survey Process

Every block in these estates has been inspected by an in-house Hackney Council surveyor. Most of these need major works, though some require only minor works. The principle of the Asset Management Strategy is to keep works to blocks on estates in the same year in so far as reasonably practicable. This is to reduce disruption for residents, make works operationally easier to deliver, and to ensure homes on estates are kept to a similar overall quality.

This was explained in the Asset Management Strategy with the following example:

EXAMPLE:

An estate of four blocks is commissioned in the external works programme. They are in various condition, due to differing years and extents of previous works. One block is in particularly good condition but council surveyors kept it in the commission to ensure the estate is worked on together.

Resident consultation reveals this difference in condition is keenly noticed by residents with those in poorer condition blocks eager for new windows, while others want to improve the overall look of the estate.

As a result the following decision on scope of works is made:

One block is to receive no works to the external facade or communal areas. A second is to have decorations and fire safety work to communal areas only, while the other two in poorer condition will have full external repair and decoration works requiring scaffolding, and window renewal. A decision is made to do significant estate grounds works to harmonise the look of the estate, and make sure those residents in blocks with limited works still see improvements.

The approach allows works to be tailored to each block, bring the estate together in condition and ensure future works are done in the same year.

The surveys carried out to date are visual inspections only. In some cases, the condition of various components is clear enough to draw attention to particular required works, however, all are subject to full detail surveys once the project commences.

This report presents a high level summary of these results, and presents key estate information relevant to the forming of a capital budget. It also presents illustrated maps and photos of each estate for clarity on the properties included. All estate boundaries have been reviewed as part of this data checking exercise.

Budgets have been set in line with the Housing Revenue Account Business Plan in the Asset Management Strategy.

Summary of Estates and Budget Allocations

Estate	No. Properties	No. Tenant	No. L/H	No. Estate F/H
11 Springfield Estate	23	14	9	0
Beck House Estate	20	14	6	0
Chatsworth Estate	54	41	13	0
Downs Estate	210	160	50	0
Fairholt Close Estate	12	5	1	6
Jack Dunning Estate	418	233	132	53
Lenthall Road Properties	9	4	5	0
Lushington Terrace Properties	15	7	0	8
Middleton House Estate	19	15	4	0
Priory Court Estate	48	20	28	0
Shacklewell House Estate	59	42	17	0
Sherry's Wharf Estate	144	81	59	4
St Johns Estate	355	234	121	0
TOTAL NO PROPERTIES	1,386	870	445	71
Provisional budget per property		£9,700	£9,700	£3,700
Provisional Budget	£13,018,200	£8,439,000	£4,316,500	£262,700

Notes:

- L/H = Leaseholders, Estate F/H = Freeholders on estates
- Budgets set for estate freeholders relate to works to estate grounds
- These works are external only; budgets for internal works to these properties are separately allowed for in capital budgets.

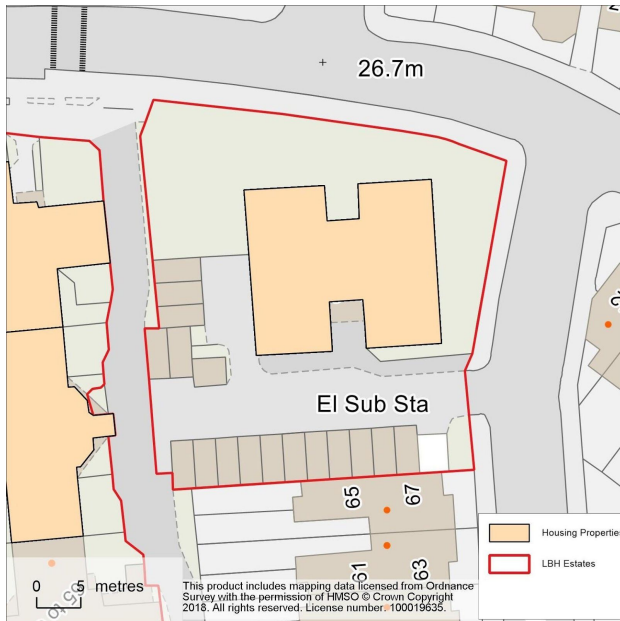
Note on Full Report in June 2020

In June 2020, a full report will be brought to cabinet which will contain:

- summary survey results of all properties in Year 1 of the capital programme with a recommendation on whether works should be commissioned, or deferred to a later year
- a review of works delivered in the 19/20 financial year, and the benefits of these works to residents.

Works to any blocks commissioned in this report will be undertaken once the new capital contracts are in place from summer 2021.

1. 11 Springfield Estate



Description:

A purpose built six story block of flats of brick and concrete construction with flat roof.

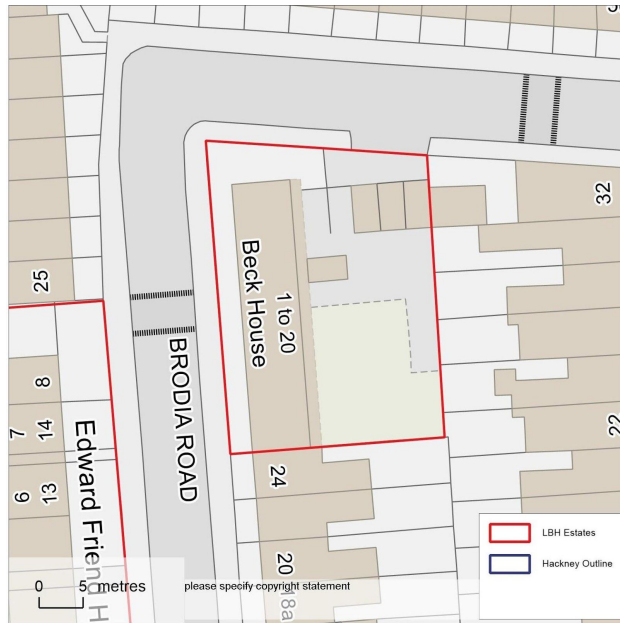
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
23	14	9	0

Recommendation:

Major works required to cover communal areas decorations, communal fire doors, remedial damp proofing, brick repairs, and flat roof (felt water penetration). Scope of works subject to detailed surveys.

2. Beck House Estate



Description:

A purpose built four story block of flats of brick and concrete construction, pitched roof and open-air communal walkway.

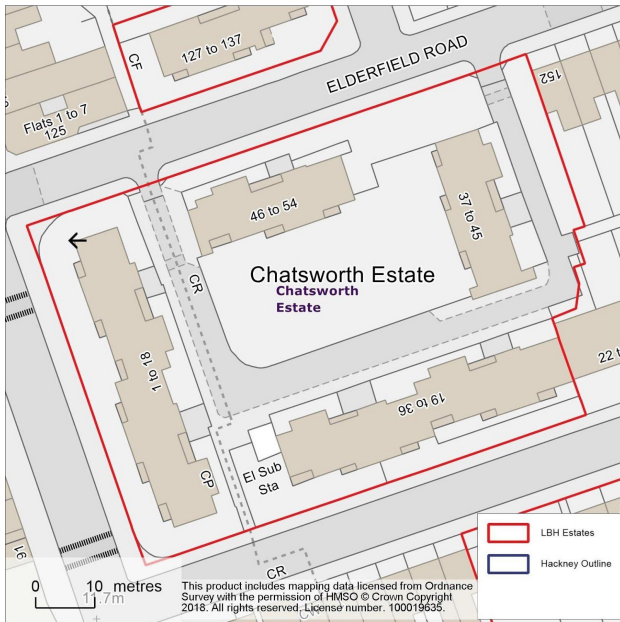
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
20	14	6	0

Recommendation:

Major works required for windows, brick repairs, structural works to lintels, roof and chimney stacks. Scope of works subject to detailed surveys.

3. Chatsworth Estate



Description:

Four purpose built three storey blocks of flats of brick and concrete construction, with flat roofs.

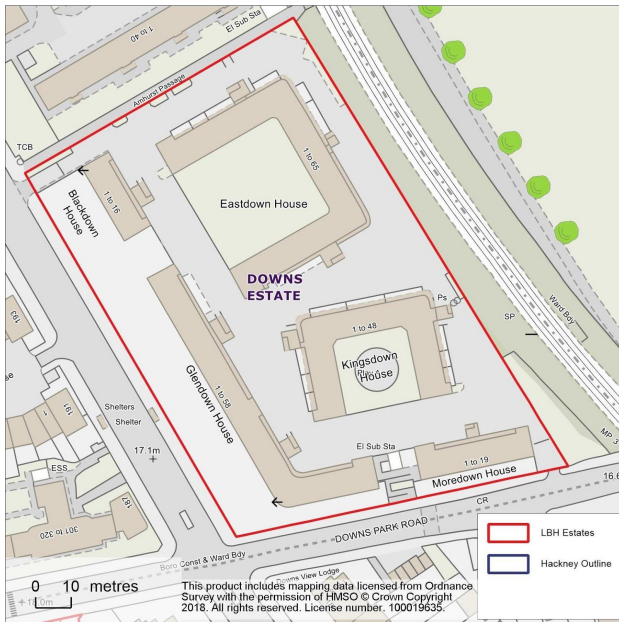
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
54	41	13	0

Recommendation:

Major works required to cover brick and concrete repairs, communal decorations and roofs. Scope of works subject to detailed surveys.

4. Downs Estate



Description:

Five purpose built six storey blocks of flats of brick and concrete construction, with pitched roofs and open-air communal walkway.

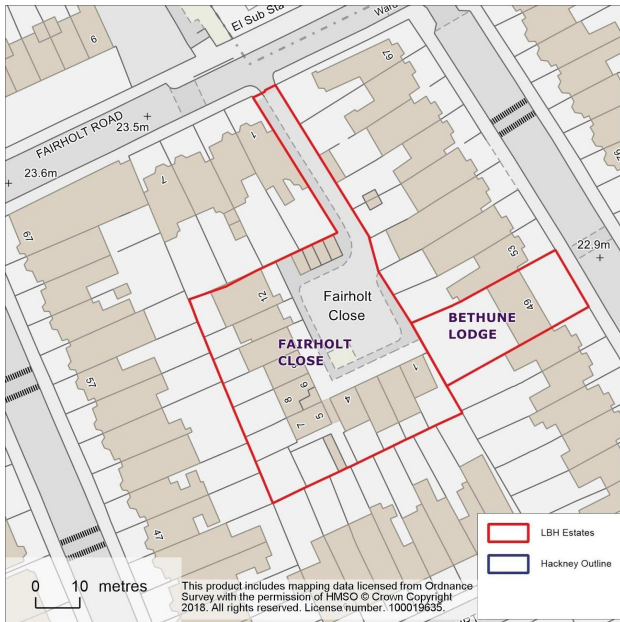
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
210	160	50	0

Recommendation:

Major works required to cover brick repairs, roofs, windows and communal walkways. Scope of works subject to detailed surveys.

5. Fairholt Close Estate



Description:

Two rows of purpose built estate houses adjacent to a low rise purpose built block of flats, all of which are two storey height and of brick and concrete construction, with flat roofs.

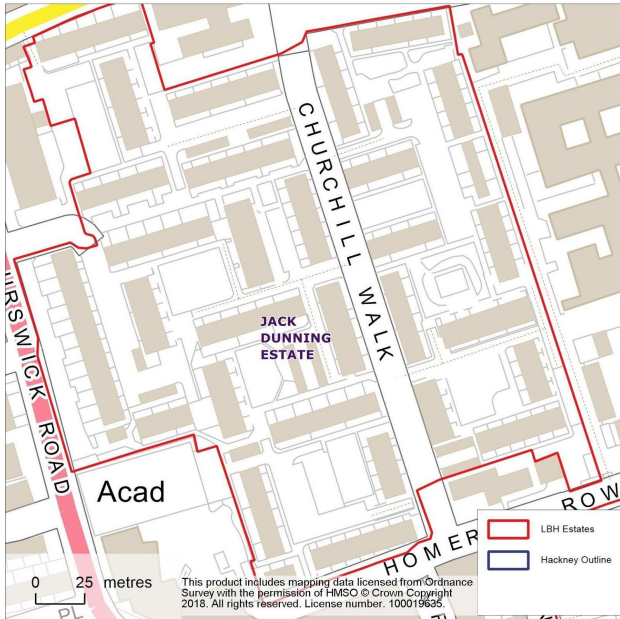
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
12	5	1	6

Recommendation:

Major works required to cover communal decorations throughout, brick repairs, communal handrails, soffits and fascias. Scope of works subject to detailed surveys.

6. Jack Dunning Estate



Description:

Low rise large estate with purpose built blocks of flats and maisonettes, and rows of estate houses. Brick and concrete constructions with pitched roofs.

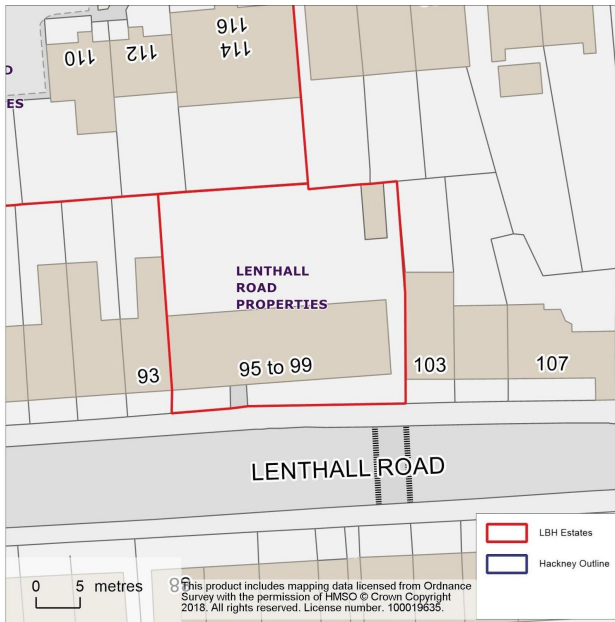
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
418	233	132	53

Recommendation:

Major works required, further investigation of possible subsidence at all blocks. Scope of works subject to detailed surveys.

7. Lenthall Road Properties



Description:

A purpose built three storey block of flats of brick and concrete construction with pitched roof.

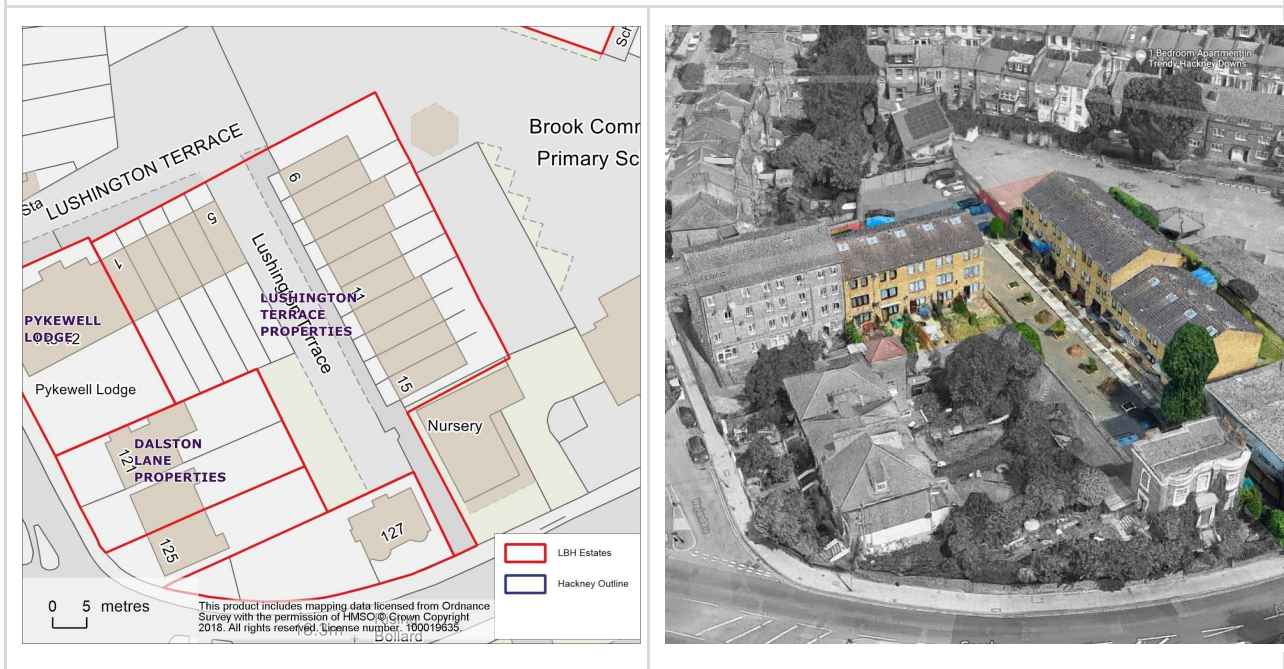
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
9	4	5	0

Recommendation:

Major works required to cover brick repairs, concrete repairs, communal decorations, front entrance door and emergency lighting. Scope of works subject to detailed surveys.

8. Lushington Terrace Properties



Description:

Two rows of purpose built three storey and two storey estate houses with pitched roofs.

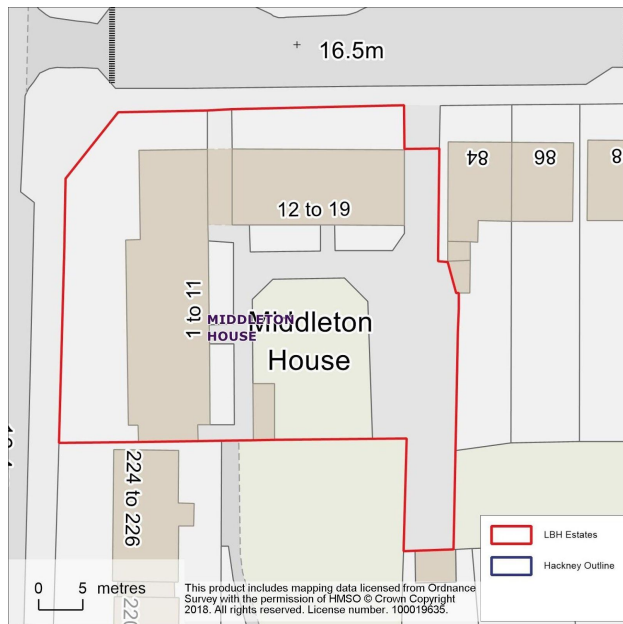
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
15	7	0	8

Recommendation:

Major works required for windows, entrance porches, concrete repairs, brick repairs and roofs. Scope of works subject to detailed surveys.

9. Middleton House Estate



Description:

A purpose built four and three story block of flats of brick and concrete construction with pitched roof.

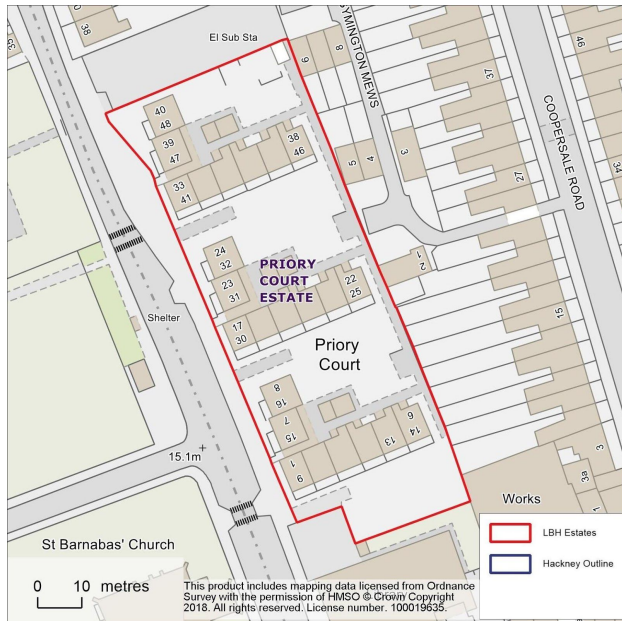
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
19	15	4	0

Recommendation:

Major works required to communal decorations, scope of works subject to detailed surveys.

10. Priory Court Estate



Description:

Six purpose built adjoining two storey block of flats and four storey block of maisonettes of brick and concrete construction and flat roofs.

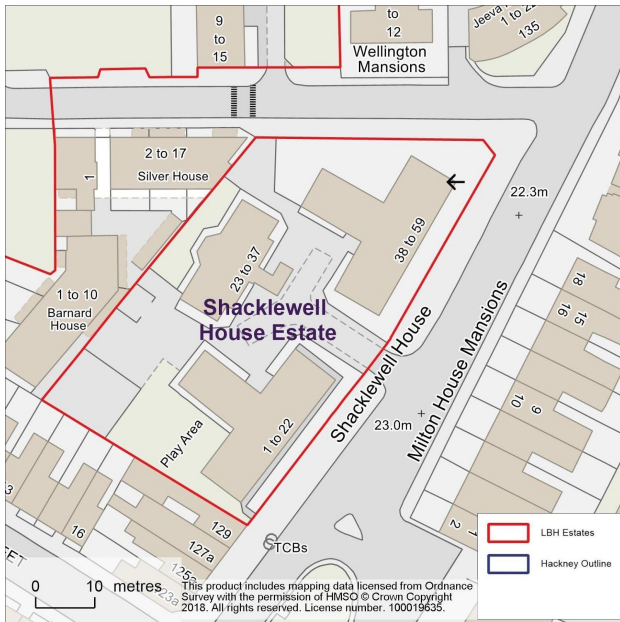
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
48	20	28	0

Recommendation:

Major works required to cover windows, communal railings, communal walkways, lateral mains, brick and concrete repairs and communal decorations. Scope of works subject to detailed surveys.

11. Shacklewell House Estate



Description:

Two six storey purpose built blocks of flats of brick and concrete construction with pitched roofs, and one five storey purpose built blocks of flats of brick and concrete construction with flat roof.

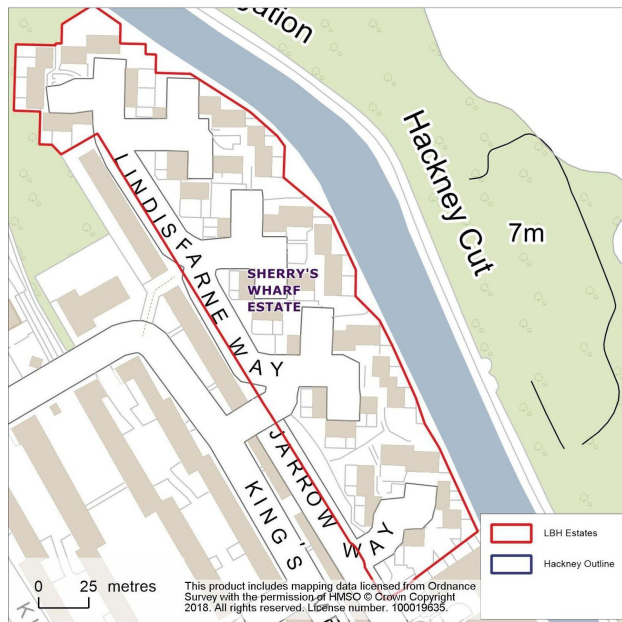
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
59	42	17	0

Recommendation:

Major works required for windows, brick and concrete repairs, communal decorations, communal walkways and roofs. Scope of works subject to detailed surveys.

12. Sherry's Wharf Estate



Description:

Low rise estate with a mix of purpose built three storey blocks of flats and rows of estate houses, all of brick and concrete construction with pitched roofs.

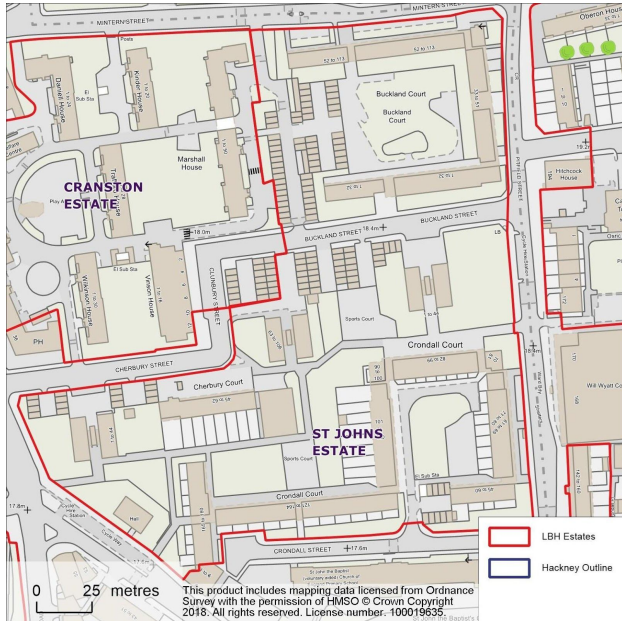
Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
144	81	59	4

Recommendation:

Major works required for windows, roofs and communal walkways. Scope of works subject to detailed surveys.

13. St Johns Estate



Description:

Large estate with eleven storey blocks of flats, four storey block of maisonettes/flats and adjoining four storey block of maisonettes and six storey block of flats, all of brick and concrete construction with flat roofs.

Properties:

Total No Properties	Tenants	Leaseholders (as per Nov 2019)	Freeholders (as per Nov 2019)
355 (does not include 1-44 Cherbury Court)	234	121	0

Recommendation:

1 to 44 Cherbury Court - currently external and internal works have just been completed. Major works required for the rest of the blocks to include window replacement and communal windows, brick and concrete repairs, communal decorations, lateral mains and roof, except 1 to 113 Buckland Court where minor works are required, likely to communal areas. Scope of works subject to detailed surveys.

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<p>TITLE OF REPORT - CHANGING THE COUNCIL TAX REDUCTION SCHEME</p> <p>Key Decision No – FCR Q.46</p>	
<p>CABINET MEETING DATE (2019/20)</p> <p>20th January 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED</p> <p>all wards</p>	
<p>CABINET MEMBER</p> <p>Cllr Rebecca Rennison</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending/or saving</p>	
<p>GROUP DIRECTOR</p> <p>Ian Williams Finance and Corporate Resources</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1. In April 2013, Hackney Council put in place a local Council Tax Reduction Scheme (CTRS) to provide financial assistance to those Taxpayers on a low income who had difficulty with paying their Council Tax. This scheme replaced Council Tax Benefit which was a national scheme administered by the Department for Work and Pensions (DWP).
- 1.2. Funding for the local scheme was provided by way of a grant by the Department for Communities and Local Government (DCLG), with the level of funding based on the previous Council Tax Benefit expenditure but with a considerable 10% cut; this meant the Council was required to tailor its provision accordingly or absorb the cut elsewhere.
- 1.3. This change in funding arrangements represented a fundamental move away from a demand-led benefit (met by 100% subsidy) to a fixed budget scheme. The management of financial risk was effectively shifted to the Council. At the time the estimated shortfall between the funding provided and cost of the scheme was £3.2m and this has continued to rise steeply ever since.
- 1.4. After considerable deliberation and following a full consultation, the Council agreed that the fairest way to deal with the Government's reduction was by spreading it across the claims of Hackney's 27,000 working-age claimants. It should be noted that the council were legally prescribed from adjusting Council Tax Support for pension age applicants within the provision of the new scheme.
- 1.5. When first introduced, the scheme required all Council Tax Benefit claimants of working age to pay at least 15% of their weekly Council Tax charge to offset the initial shortfall in funding from Central Government. However, the continuing attack on local Government finances and the huge reduction in funding Hackney Council was required to manage made it necessary to increase this minimum contribution to 17% of the weekly charge in April 2018, alongside this the Council decided to exempt our Care Leavers from Council Tax until the age of 25.
- 1.6. At the time of this decision, it was agreed to monitor and report two years on from implementation on the impact of the additional costs to households on collection rates, administration of the hardship fund and the work undertaken to promote this to residents.
- 1.7. The subsequent review has identified that the current level of a maximum 83% award has not materially impacted on collection rates and that the calls for assistance from the hardship fund (which we continue to actively promote) remain very small.
- 1.8. However, the review has also taken into account changes in external circumstances; the continued impact of welfare reform on some of our poorest communities means that households with the least financial resources have been hardest hit by government cuts, changes to benefits, and increases in everyday living costs such as food, rent, and utilities. As a result some of our poorest residents are facing financial hardship and will find it difficult to pay contributions towards their Council Tax going forward.

- 1.9. It is therefore proposed that the minimum contribution required from working age households be reduced from 17% back to 15%. The proposal follows on from an analytical assessment and modelling undertaken by an external consultant (Policy in Practice), and represents a balance between continuing to support low income households whilst in a position to fund vital council services.
- 1.10. Whilst the move to a 100% maximum award is the political aim of the administration, given the Council's current and future uncertain financial position this is not something we could contemplate immediately. The administration and the Council has committed to further reduce the maximum contribution to 10% by 2025/26 at the latest and move to a fully funded scheme by 2030 and will be taking forward scoping work on achieving this in the course of 2020.
- 1.11. A consultation exercise with Hackney residents and other stakeholders and partners on this proposed change to the scheme identified that the majority of the respondents were very supportive of the proposed changes to the Council Tax Reduction Scheme (73% in favour).
- 1.12. I recommend this report to Cabinet and Council.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. The Local Government Finance Act 2012 required local authorities in England to design and implement their own localised Council Tax Support Schemes from April 2013. These local schemes replaced Council Tax Benefit, a national social security benefit administered for the DWP by local councils.
- 2.2. Local authorities were nominally given the freedom to design their own schemes, however there were a number of conditions placed on councils including the requirement to ensure that the level of Council Tax Support for pension age applicants was not to be reduced as a result of the introduction of the new scheme
- 2.3. When introduced in 2013/14, our scheme required that all current Council Tax Benefit claimants of working age paid at least 15% of their weekly Council Tax charge to offset, at least in part, the shortfall in funding provided by central Government.
- 2.4. However, the continuing reduction in funding to the Council meant it became extremely difficult to protect the CTRS and those receiving assistance without requiring cuts to other services.
- 2.5. Subsequently, the minimum contribution was increased to 17% and the change delivered a saving to the Council of £0.5m at a time when the Council's budget gap was projected to reach £31m by 2021/22. At the time of that decision we committed to reviewing the impact of the change in minimum contribution on residents two years on from implementation and this report sets out the impact on collection rates, administration of the hardship fund and the work undertaken to promote this to residents.

- 2.6. It is important that the review of the CTRS is considered against the backdrop of £140m funding cuts since 2010 and the need to make further savings, plus the financial uncertainties that lie ahead, in particular the introduction of Fair Funding in 2021/22.
- 2.7. The Council has expressed an ambition to move to a fully funded scheme by 2030 to provide additional financial support to our poorest residents, but funding cuts means the options available at this time are limited. It is expected that Government funding will have decreased from £310 million to £140 million by 2022. The Council therefore needs to strike a balance between the need to provide extra support to residents who we think need it, while maintaining a scheme that is financially sustainable for the Council's wider budget and limits the impact on our ability to deliver essential front line services that residents depend on.
- 2.8. The Council is seeking to further reduce the maximum contribution to 10% by 2025/26 and move to a fully funded scheme by 2030 bearing in mind the financial uncertainties that lie ahead. As a first step, we will examine the time period over which we could move to a 100% maximum award scheme in an affordable manner, after we have certainty about the impact of Fair Funding on our financial position in 2021/22 and beyond.

3. RECOMMENDATION(S)

- 3.1. That Cabinet and full Council note the contents of the report and the financial implications attached to each of the options outlined within the report and that the report be referred to full Council.
- 3.2. That Cabinet recommend to full Council that Members, recognising the financial constraints placed on the Council, agree to revise the Council's current Council Tax Reduction Scheme by reducing the minimum contribution which all working age CTRS claimants have to pay from 17% to 15% of their Council Tax liability.
- 3.3. That Cabinet and full Council commit to campaigning for the return to a fully funded benefit, paid for by Central government.
- 3.4. That Cabinet and full council note the ambition that we further reduce the maximum contribution to 10% by 2025/26 and move to a fully funded scheme by 2030.

4. REASONS FOR DECISION

- 4.1. When the Council agreed to amend the Council Tax Reduction Scheme in 2017 it also committed officers to undertake a review of the revised scheme in 2019.
- 4.2. The Council has recognised the continued impact of welfare reform on some of our poorest communities. Some households with the least financial resources have been hardest hit by government cuts, changes to benefits, and increases in everyday living costs such as food, rent, and utilities. As a result some of our

poorest residents are facing financial hardship and have found it difficult to pay contributions towards their Council Tax.

- 4.3. Whilst seeking to provide additional financial support to low income households the scope for amending the scheme is constrained by the need to manage ongoing cuts in Central Government funding with the expectation that funding to Hackney Council from the Government will have decreased from £310 million to £140 million by 2022.
- 4.4. The option of decreasing minimum contributions from 17% to 15% balances both the increasing financial pressures that our low income households face, against the ongoing cuts in government funding. The change will affect working age households only as the Council is legally prevented from making any changes to the scheme that will reduce the level of support payable to a pensioner household.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1. As part of the review process, the Benefits & Housing Needs Service commissioned an external consultant, Policy in Practice, to carry out the analytical assessment of the revised scheme and to model the financial impact on the Council and on residents of four options for 2020/21 to 2021/22. These options were:
 - 5.1.1. Rolling forward the current scheme (with the maximum award of 83% of liability) in both years;
 - 5.1.2. Changing the scheme to provide a maximum award of 100% of liability in both years. This is equivalent to the award maximum prior to the Government's introduction of the localised system in 2013/14;
 - 5.1.3. Changing the scheme to provide a maximum award of 85% of liability in both years. This is equivalent to the award maximum in Hackney from 2013/14 to 2017/18;
 - 5.1.4. Changing the scheme to provide a maximum award of 70% of liability in both years;
- 5.2. The initial modelling demonstrated that reducing the maximum award to 70% of the liability was significantly punitive to low income households and no further development of this option was undertaken.
- 5.3. Additional analysis was undertaken with regard to changes to improve the parity between the Council Tax Reduction scheme and Universal Credit and to align the scheme with the default regulations:
 - 5.3.1. Introduce the Employment and Support Allowance for the Work Related Activity Group (claimants who are disabled but capable of work) for all those in receipt of Universal Credit with Limited

Access to Work. There will be a very small number of these claimants (c. 100) in 2020/21 but they will benefit.

- 5.3.2. align non-dependent deductions with the default scheme.
- 5.3.3. use Universal Credit as the maximum award for Universal Credit claims. Universal Credit uses slightly different applicable amounts to existing legacy benefits. The difference is very small, often only a couple of pence a week. Currently Hackney uses legacy applicable amounts to calculate Council Tax Reduction. But as more Council Tax Reduction claimants receive Universal Credit, this mismatch is causing confusion and becoming costly to administer. Mirroring our Council Tax Reduction Scheme to match the applicable amounts used in Universal Credit, makes the scheme more transparent, easier for claimants to understand, and simpler for the Council to administer. Any cost in aligning the applicable amounts in increased entitlement, is more than offset by the administrative saving achieved by aligning the two schemes)

5.4. In carrying out the modelling, a 4% Council Tax increase in both 2020/21 and 2021/22 is assumed together with an estimation of the number of residents who will change from legacy benefits to Universal Credit as part of natural migration as their circumstances change. In addition, the modelling also includes probable changes to welfare reform support rates, minimum wages, tax allowances, Local Housing Allowance rates and known regulatory changes. Full migration to Universal Credit is currently forecast for 2023.

5.5. If we roll forward the current scheme into 2020/21, it will increase the cost of discounts payable to CTRS recipients by £1m which is largely the result of the assumed 4% increase in Council Tax. However, in all Council Tax income modelling undertaken by Finance and Corporate Resources such as that presented in Finance Update reports and the Budget, the Council's cost in terms of discount awards to CTRS claimants of a 4% increase is netted off by the increased Council Tax income totals. It follows that the key comparisons here are the cost of the 100% and 85% maximum awards in 2020/21 compared to the cost of the current scheme rolled forward into 2020/21. The comparisons are shown below:

	£m	Change in Cost £m
Cost of Current Scheme in 2020/21	27.7	n/a
Cost of Model 1: 100% Maximum Award	31.7	4.0
Cost of Model 2: 85% Maximum Award	28.2	0.5

5.6. So, if we introduced a 100% maximum award in 2020/21, it would cost the Council an estimated £4m more than if the current scheme was rolled forward into 2020/21. If instead we introduced an 85% maximum award, the equivalent cost increase would be an estimated £0.5m.

5.7. The comparative costs for 2021/22 as follows:

	£m	Change in Cost £m
Cost of Current Scheme in 2021/22	28.9	n/a
Cost of Model 1: 100% Maximum Award	33.1	4.2
Cost of Model 2: 85% Maximum Award	29.5	0.6

5.8. If we introduced a 100% maximum award it would cost the Council £4.2m more than the current CTRS scheme would cost for 2021/22. If instead we introduced an 85% maximum award, the equivalent cost increase would be £0.6m.

5.9. Impact on Average Awards 2020/21

5.10. If awards were based on 100% of Council Tax liability in 2020/21, the average working-age award would increase by £3.50/week compared to the roll forward of the current scheme - an increase of 22%.

5.11. If awards were based on 85% of Council Tax liability in 2020/21, the average working-age award would increase by £0.41/week compared to the roll forward of the current scheme - an increase of 2.6%.

5.12. Distributional Impact 2020/21

5.13. If awards were based on 100% of liability in 2020/21, 6,020 households would see support increase by more than £5/week from current levels. If awards were based on 85% of liability 100 households would see support increase by more than £5/week from current levels

5.14. Both the 100% and 85% options have a slightly greater impact on private tenants as these tend to be in higher Council Tax bands than social tenants. Both options see private tenants gain more support than social tenants.

5.15. Couples with children gain the most and lose the most as the maximum award changes. This reflects the greater likelihood of work, and higher Council Tax bands of these households. For households in work, changes in the maximum award are proportionally greater compared to the amount of support received.

5.16. In general, working households have lower awards of CTRS and so a scheme change based on amended maximum award leads to a proportionally greater change. Employed and self-employed households gain more than households in receipt of out of work benefits under both the 100% and 85% schemes.

5.17. Under both the 100% and 85% maximum award options, support increases with the Council Tax Band.

6. BACKGROUND

6.1. Policy Context

- 6.2. The Local Government Finance Act 2012 required local authorities in England to design and implement their own localised Council Tax Support Schemes from April 2013. These local schemes replaced Council Tax Benefit, a national social security benefit administered for the DWP by local councils.
- 6.3. The Council's Council Tax Reduction Scheme (CTRS) that was launched largely mirrored the previous national Council Tax Benefit (CTB) scheme it replaced, except that all claimants of working age were required to pay a minimum payment equal to 15% of their tax liability.
- 6.4. In 2017, the scheme was amended to increase the minimum contribution from 15% to 17%, due to the scheme becoming too costly to administer as a consequence of reduced Central Government funding and increased costs.
- 6.5. The CTRS scheme is a means tested benefit: any award of financial support is calculated by comparing the needs of the household with the actual income received. Where there is a shortfall between the income and the established needs, additional support is provided; a discount is made in respect of the household Council Tax charge. To establish the needs of a household a number of factors related to living costs are identified to establish how much money the household reasonably requires to live on and whether they have the means to pay their Council Tax liability. Within the CTRS scheme, these parameters are normally referred to as applicable amounts.
- 6.6. The applicable amounts used in the calculation initially mirrored those used when calculating Council Tax Benefit, but from 2017, following the introduction and rollout of Universal Credit, the parameters of the scheme were changed to ensure that the applicable amount rates tracked and matched those used in the Universal Credit calculation.
- 6.7. When the government handed responsibility for administering CTRS to local government, it did so with a significant funding shortfall, on top of a huge reduction in overall funding for councils. And since 2013, the effective level of funding the Council has received to support those entitled to support has reduced significantly. The CTRS is not funded on actual expenditure, instead the Council receives a fixed grant as part of the Revenue Support Grant (RSG).
- 6.8. It should be noted that there is indicative evidence that the current level of a maximum 83% award has not materially impacted on collection rates and that the calls for assistance from the hardship fund remain very small. The collection rates for working age claimants has increased consistently since 2013/14. In order to mitigate the impact of restrictions to Council Tax Reduction on our most vulnerable households. Hackney Council put in place a Discretionary Hardship Scheme. This would help those residents who had difficulty paying their Council Tax due to the impact of minimum contributions.
- 6.9. Under Hackney's Council Tax Reduction Discretionary Hardship Scheme each case is considered on its individual merits, with additional awards focused on

households that are vulnerable or under particular financial stress. The payment can cover up to full loss caused by minimum contributions.

- 6.10. Since the minimum which claimants had to pay increased to 17%, the hardship scheme has been extensively promoted, including articles in Hackney Today, information in the annual Council Tax booklets sent to every bill payer, leaflets and other communication materials shared with Hackney residents and through the Council's webpages.
- 6.11. In addition, where residents are eligible our revenues collection staff make sure vulnerable bill payers are aware of and know how to access the hardship scheme before proceeding with summons and recovery.
- 6.12. In 2018/19, the Council made awards totalling £7,800 out of the fund; officers will also always consider Council Tax relief when someone is awarded a discretionary housing payment to assist with their rent. Following the concerted effort to raise awareness the rate of spend has increased and as of October 2019 we have made awards totalling £9884.00. Increasing awareness of the discretionary scheme and improving take up remains a priority in addressing hardship. This is identified as an action in the Equality Impact Assessment

6.13. How residents are likely to be impacted

- 6.14. The table below illustrates how working age claimants will be impacted by a decrease to 15% minimum Council Tax Reduction contributions in 2020/21. To enable comparison an indicative annual increase of 4% in Council Tax has been used.

<i>Unemployed couple with 1 non dependant working 35 hours per week earning £350.00 per week living in a band E property, includes an assumed increase in non dependant deductions of 2.6%</i>			
Estimated weekly household income	Estimated weekly Council Tax Charge 2019/20	How much they pay per week 2019/20 (17% contribution)	How much they pay per week in 20/21 (15% contribution)
£114.85 per week	£34.01 per week	£13.88 per week	£13.62 per week
<i>Couple with 2 school age children, one working, living in a Band D property; Includes tax credits, earnings of 246.30 and child benefit</i>			
Estimated weekly household income	Estimated weekly Council Tax Charge 2019/20	How much they pay per week 2019/20 (17% contribution)	How much they pay per week in 20/21 (15% contribution)
£439.31 per week	£27.83 per week	£24.91 per week	£24.54 per week

Unemployed Lone parent with 4 children living on Universal Credit, living in a band E property			
Estimated weekly household income	Estimated weekly Council Tax Charge 2019/20	How much they pay per week 2019/20 (17% contribution)	How much they pay per week in 20/21 (15% contribution)
£252.27 per week	£25.51 per week	£4.34 per week	£3.99 per week
Single person over 35, no dependants, working 16 hours a week (minimum wage) in a band B property.			
Estimated weekly household income	Estimated weekly Council Tax Charge 2019/20	How much they pay per week 2019/20 (17% contribution)	How much they pay per week in 20/21 (15% contribution)
£131.36 per week	£16.23 per week	£13.41 per week	£13.19 per week
A disabled Couple with no children, whose partner is the main career, receives ESA(IR),high rate PIP & Carers Allowance in a Band C property.			
Estimated weekly household income	Estimated weekly Council Tax Charge 2019/20	How much they pay per week 2019/20 (17% contribution)	How much they pay per week in 20/21 (15% contribution)
£363.20 per week	£24.73 per week	£4.20 per week	£3.87 per week

6.15. The table below shows how each Council Tax Band payment is affected by the 15% option (assuming a Council Tax Increase of 4%).

Ctax Band	Current Annual Ctax 19/20	Minimum Weekly Contribution 19/20 (17%)	Estimated Annual Ctax 20/21	Minimum Weekly Contribution 20/21 (17%)	Minimum Weekly Contribution 20/21 (15%)
A	£969.90	£3.15	£1008.70	£3.29	£2.90
B	£1131.56	£3.68	£1176.82	£3.84	£3.39
C	£1293.21	£4.20	£1344.94	£4.38	£3.87
D	£1454.86	£4.73	£1513.05	£4.93	£4.34
E	£1778.16	£5.78	£1849.29	£6.03	£5.32
F	£2101.47	£6.83	£2185.53	£7.12	£6.29
G	£2424.76	£7.88	£2521.75	£8.22	£7.25
H	£2909.72	£9.46	£3026.11	£9.87	£8.70

6.16. The table below shows the maximum Council Tax reduction awards for other London boroughs in 2019/20:

Borough	Max CTRS	Comments
Barking and Dagenham	75%	
Barnet	100%	
Bexley	80%	
Brent	80%	100% for vulnerable households
Bromley	75%	
Camden	100%	
City of London	100%	
Croydon	85%	
Ealing	75%	100% for vulnerable households
Enfield	73.50%	100% for those entitled to a disability/carers premium
Greenwich	85%	
Hackney	83%	100% for care leavers
Hammersmith and Fulham	100%	
Haringey	80.20%	100% if a child is in the household
Harrow	70%	86% vulnerable
Havering	75%	80% for those entitled to disability/carers premium
Hillingdon	75%	90% for those entitled to a disability premium
Hounslow	100%	
Islington	91.50%	
Kensington and Chelsea	100%	
Kingston upon Thames	100%	
Lambeth	80%	100% for protected (Disabled / Ben cap / War widows / carers)
Lewisham	75%	
Merton	100%	
Newham	80%	
Redbridge	75%	85% where the claimant or partner is getting DLA/PIP/AFIP/AA
Richmond upon Thames	100%	
Southwark	85%	

Sutton	80%	
Tower Hamlets	100%	
Waltham Forest	76%	
Wandsworth	70%	
Westminster	100%	

6.17. Equality Impact Assessment

6.18. In July 2019 there were around 30,600 households in Hackney receiving some level of support through the current CTRS, this fluctuates through the year and we have experienced a reduction in caseload over recent months. Equalities data on CTRS recipients is extremely limited; we are able to derive the age, and, to a certain extent, disability of those getting assistance from the application process, but no record is made of marital/civil partnership status, sexual orientation, religion, gender reassignment or pregnancy. Some data is available on household gender but this is fragmented. There is an option for applicants to record their ethnicity, but so few complete the field, the data recorded is considered unreliable.

6.19. A full EIA has been undertaken and has been attached at appendix 1

6.20. Sustainability

6.21. There is no impact on the physical and social environment as a consequence of this proposal.

6.22. Consultations

6.23. The Council is required by legislation to consult with the GLA (as a precepting authority) on any proposed changes to the Council Tax Reduction Scheme. We contacted the GLA formally in October 2019.

6.24. The GLA response was received 12 November and confirmed "The GLA supports the Council's proposal to decrease the minimum contribution level from 17% to 15%;".

6.25. The Council is also required to consult with residents. The public consultation ran from 28 October to 8 December 2019. The consultation featured on the Council's consultation and engagement platform, for the duration of the consultation period.

6.26. The public consultation received 459 responses in total via the online and paper completion surveys. The majority of responses were received via paper completions, with just a small proportion received via online completions.

6.27. The majority of respondents, 73%, agreed with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

6.28. A more comprehensive consultation report has been attached as appendix 2. We have also attached a copy of the consultation form for information as appendix 3.

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

- 7.1. Group Director of Finance and Corporate Resource's comments are included throughout the report.

8. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 8.1. The requirement to make a Council Tax Reduction Scheme was introduced by Local Government Finance Act 2012 sections 9 to 16 which made amendments to the Local Government Finance Act 1992 (LGFA 92).
- 8.2. Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by;
- 8.2.1. persons whom the authority considers to be in financial need, or
 - 8.2.2. persons in classes consisting of persons whom the authority considers to be, in general, in financial need (LGFA 92 s13A(2)).
- 8.3. The Council made such a scheme with effect from the financial year 2013/2014.
- 8.4. LGFA 92 schedule 1A regulation 5(1) provides that, for each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme.
- 8.5. The authority must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect (LGFA 92 schedule 1A regulation 5(2) as amended with effect from 12 January 2018).
- 8.6. If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.
- 8.7. LGFA 92 schedule 1A and regulations made thereunder (as subsequently amended) set out particular matters that must be included in a scheme.
- 8.8. When revising a scheme the authority must (in the following order);
- 8.8.1. consult any major precepting authority which has power to issue a precept to it,
 - 8.8.2. publish a draft scheme in such manner as it thinks fit, and
 - 8.8.3. consult such other persons as it considers are likely to have an interest in the operation of the scheme.
- 8.9. The function of revising the Council Tax Reduction Scheme can only be carried out by full Council (LGFA 92 s67(2)(aa)).

APPENDICES

Appendix 1 – Equalities Impact Assessment

Appendix 2 – Consultation Report

Appendix 3 – Consultation Document

Report Author	Ian Jones 020 8356 4023 ian.jones@hackney.gov.uk
Comments for and on behalf of the Group Director of Finance and Resources	Russell Harvey 020 8356 2739 Financial Management Finance and Resources Directorate
Comments for and on behalf of the Interim Director of Legal & Governance	Chima Obichukwu 020 8356 4538 Senior Lawyer

Cabinet

20 JANUARY 2020

**Changing the Council Tax
Reduction Scheme**

Key Decision No. FCR Q46

Appendix 1

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**London Borough of Hackney
Equality Impact Assessment Form**

Title of this Equality Impact Assessment:

The Hackney Council Tax Reduction Scheme 2020

Purpose of this Equality Impact Assessment:

To identify and report the potential equality impact of the Council Tax Reduction Scheme as revised from April 2020.

Officer Responsible: *(to be completed by the report author)*

Name :	Ext:
Directorate: Customer Services	Department/Division: Benefits and Housing Needs

Director: Kay Brown

Date:

Comment :

STEP 1: DEFINING THE ISSUE

1. Why are we amending the Council Tax Reduction Scheme?

- 1.1. The initial Council Tax Reduction Scheme (CTRS) was adopted in April 2013 following the passage of The Local Government Finance Act 2012, which required local authorities in England to design and implement their own localised Council Tax Support Schemes. Provision was made to protect Pension Age residents from changes to their entitlement. Council Tax Reduction for this group continues to be assessed in accordance with national regulations which broadly mirror housing Benefit rules and prescribe no minimum payment.
- 1.2. The scheme remained unchanged, except for technical amendments required by changes in law, until April 2018 when the minimum payment was increased from 15% to 18%, and other changes were made to bring CTRS in line with Universal Credit and changes to other welfare benefits and to restore the value of applicable amounts which had been frozen at 2013 levels.
- 1.3. Since 2013, the effective level of funding the Council has received to support claimants has reduced significantly. CTRS is not funded on actual expenditure, instead the Council receives a fixed grant as part of the Revenue Support Grant (RSG). Since 2013, the RSG has been cut from £145.8m to £34.7m (2019/20). Over the same period expenditure on the CTRS has also been dropping, but not at the same speed, the predicted cost of CTRS for 2019/20 is £26.7m.
- 1.4. When the CTRS scheme was changed in 2018 the Council made a commitment to review the impact of the changes and in particular the increase in minimum payment. The purpose of the review was to allow the Council opportunity to evaluate the impact of the CTRS changes following the roll out of Universal Credit in the borough and in the context of ongoing austerity and welfare reform.
- 1.5. Collection rates do not seem to have been unduly influenced by the change in minimum contribution from 15% to 17% in 2018. 2017/18 and 2018/19 collection rates for working age Council Tax Reduction recipients were 86.6% and 86.9% respectively. However this falls significantly below the overall collection rate of 95% in each of those financial years.
- 1.6. Collection has been maintained by increased activity by the Revenues Service to identify and assist residents at the earliest opportunity so that payments are maintained. There has been a greater emphasis on making arrangements before court proceedings to avoid unnecessary costs and maintain monthly payment arrangements.
- 1.7. Modelling of the proposed changes indicates an additional cost to the Council of £469k for 2020/21. Whilst this is a direct cost to the Council the financial benefit to residents receiving CTR is significant and will put money into the pockets of the most disadvantaged.

2. What changes are being proposed?

- 2.1. Council officers have regularly undertaken internal reviews of the CTRS using Capita's Council Tax modelling tool and commissioned Policy in Practice to model various scenarios for 2018.
- 2.2. Policy in Practice have been engaged to provide detailed modelling of four options for revising the Council Tax Reduction Scheme from 2020. The four

options are no change to the existing scheme (17% minimum contribution), a 15% minimum contribution, a 30% minimum contribution or basing maximum CTRS on 100% of the charge (no minimum contribution).

2.3. The modelling made some basic assumptions:

- An estimated council tax increase of 4% in 2020 and 2021.
- An agreed level of migration of claimants to Universal Credit of 12% for 2021/21 and 24% for 2021/22
- Known changes to welfare support rates, national minimum wage, tax allowances and proposed regulatory change.
- The modelling does not take into account economic or policy changes resulting from a change in government, nor the economic impacts of exiting the European Union.

2.4. The modelling was shaped by the understanding that ongoing reductions in Local Authority Finance require members to consider carefully the wider implication of any options that increase expenditure on the scheme. However members' considerations would be made in the context of ongoing austerity, welfare reform and roll out of Universal Credit in Hackney.

2.5. Based upon this premise, Policy in Practice identified some headline issues.

2.6. Having considered the alternative options the Council proposes that the following change to the scheme be made:

- A decrease in the minimum contribution which all working age CTRS claimants have to pay from 17% to **15%** of their Council Tax liability, regardless of income and circumstance.

3. Who are the main people that will be affected?

3.1. There are currently around 30,600 households in Hackney receiving some level of support through the current CTRS.

3.2. Equalities data on CTRS recipients is extremely limited; we are able to derive the age, and, to a certain extent, disability of those getting assistance from the application process, but no record is made of marital/civil partnership status, sexual orientation, religion, gender reassignment or pregnancy. Some data is available on household gender but this is fragmented. There is an option for applicants to record their ethnicity, but so few complete the field, the data recorded is considered unreliable.

protected characteristics	Equalities data taken from the CTRS caseload (June 2019)			
	Age	No. of Working Age Households 2,1964	No. of Pensioner households 8,704	% of Working Age Households 71.62%
Disability (Working Age Households only)	No. of disabled households 9,503	No. of non-disabled households 12,461	% of disabled households 43.3%	% of non-disabled households 56.7%

3.3. For these other groups, a more reliable indicator will be found within the Council's own shared evidence base.

3.4. *Ethnicity*

Hackney Ethnicity (2011 Census)	
White: English/Welsh/Scottish/Northern Irish/British	36.2%
White: Irish	2.1%
White: Gypsy or Irish Traveller	0.2%
White: Other White	16.2%
Mixed/multiple ethnic group: White and Black Caribbean	2.0%
Mixed/multiple ethnic group: White and Black African	1.2%
Mixed/multiple ethnic group: White and Asian	1.2%
Mixed/multiple ethnic group: Other Mixed	2.0%
Asian/Asian British: Indian	3.1%
Asian/Asian British: Pakistani	0.8%
Asian/Asian British: Bangladeshi	2.5%
Asian/Asian British: Chinese	1.4%
Asian/Asian British: Other Asian	2.7%
Black/African/Caribbean/Black British: African	11.4%
Black/African/Caribbean/Black British: Caribbean	7.8%
Black/African/Caribbean/Black British: Other Black	3.9%
Other ethnic group: Arab	0.7%
Other ethnic group: Any other ethnic group	4.6%

3.5. Religion

Religion and belief	Hackney	London	England
Christian	38.6%	48.4%	59.4%
Buddhist	1.2%	1.0%	0.5%
Hindu	0.6%	5.0%	1.5%
Jewish	6.3%	1.8%	0.5%
Muslim	14.1%	12.4%	5%
Sikh	0.8%	1.5%	0.8%
Other religion	0.5%	0.6%	0.4%
No religion	28.2%	20.7%	24.7%
Religion not stated	9.6%	8.5%	7.2%

3.6. Sexual Orientation

We do not have official Hackney level data for sexual orientation, but the Integrated Household Survey carried out by the Office for National Statistics for the year to October 2015 provided the following results for London and England.

	England	London
Heterosexual / Straight	93.5%	90.4%
Gay / Lesbian	1.2%	1.9%
Bisexual	0.6%	0.7%
Other	0.4%	0.4%
Don't know / Refused to say	4.4%	6.6%

3.7. The July 2016 GP patient survey indicated that, in Hackney there were comparatively high numbers of people who identify as gay or lesbian (5%), bisexual (1%), other (2%), a further 10% preferred not to say. These figures may under-represent the size of this population, given the problems involved in disclosure of sexual orientation.

3.8. **Gender re-assignment** Data on gender re-assignment is not available at a borough level, but a Home Office funded study for the Gender Identity Research and Education Society GIRES, estimated there were 300,000-500,000 transgender people in the UK. The study quotes from a 2007 report which estimates that 20 people per 100,000 of the UK population had sought medical care for gender variance – around 10,000 people, of which 8,000, had undergone transition. This equates to around 60 people in Hackney.

3.9. Non Binary

3.10. Non-binary, 'genderqueer', 'transsexual' and 'androgynous' are terms used to describe those who choose not to identify with a particular gender. The Practical Androgyny website estimates that around 0.4% of the UK population, 1 in 250 people in the UK is non-binary.

STEP 2: ANALYSING THE ISSUES

4. Equality Impacts

4.1. What positive impact could there be overall, on different equality groups, and on cohesion and good relations?

4.2. One of the central drivers for amending the current Council Tax Reduction Scheme has been to address the impact of welfare reform and austerity on the poorest households in Hackney.

4.3. The CTRS is at its heart a means tested benefit: any award of financial support is calculated by comparing the needs of the household with the actual income received. Where there is a shortfall between the income and the established needs additional support is provided; a contribution is made in respect of the household Council Tax charge.

4.4. The proposed change does not alter the means test element and retains the principle that as income rises the support received from CTRS reduces proportionately. For larger families and those with greatest need the starting point of the means test is higher ensuring these households retain a higher level of income before the reduction in support applies.

(Percentage change in support over current scheme: +2.37% for single households, +2.52% for lone parent household, +2.93% for couple with children)

4.5. The proposed reduction in the Minimum Contribution to 15% applies to all working age households. The monetary benefit to applicants varies according to Council Tax Banding of the property occupied. Occupants of larger, higher banded properties benefiting marginally more than those in smaller, lower banded property. This will be a positive outcome for Hackney's larger families.

(Percentage change in support over current scheme: +2.73% for bands E-H, +2.32% for Band A)

4.6. Sex- As female applicants form a large proportion of the CTRS caseload changes to the scheme will benefit more women than men, particularly lone parents. This is however proportionate to the distribution in the caseload.

4.7. As the starting point for means testing is higher there is a positive impact for working households as they will retain entitlement for longer as their income increases. This change provides increased support as applicants transition from benefits to employment.

4.8. As this is a positive change across the whole scheme there is no indication that equality groups are impacted differently.

4.9. What negative impact could there be overall, on different equality groups, and on cohesion and good relations?

4.10. Modelling indicates that less than 1% of working age households currently receiving CTR would lose support entirely under the proposals. This is fewer than would lose support if the existing scheme were retained.

5. Other considerations – Council Tax data for some equality groups is limited, unreliable or not collected, it is therefore difficult to draw detailed conclusions

about the impact of the proposed change. As the proposed change is positive across the caseload as a whole it is likely that equality groups will benefit similarly.

- 5.1. **Age** – The changes to the current CTRS scheme only apply to working age households. Pensioner households are protected by legislation and are assessed under the Council Tax Reduction default scheme.
- 5.2. **Gender identity** – As no data is collected on gender identity for CTRS purposes the council is unable to model how this group might be affected. Proposed changes apply to all applicants irrespective of gender identity.
- 5.3. **Marriage/Civil partnerships** – No data regarding applicant’s marriage/civil partnership data is recorded as it is not relevant to the CTRS assessment. There is no evidence to indicate that this group is disproportionately represented in the CTRS Caseload. The council believes that the proposed changes will not have disproportionate impact based on a person’s marital status or involvement in a civil partnership as this is not considered or part of any assessment process.
- 5.4. **Sexual Orientation** – No data regarding applicant’s sexual orientation data is recorded as it is not relevant to the CTRS assessment. The council is unable to model how this group might be affected. There is no evidence to indicate that this group is disproportionately represented in the CTRS Caseload. The council believes that the proposed changes will not have disproportionate impact based on a person’s sexual orientation as this is not considered or part of any assessment process.
- 5.5. **Race/Ethnicity** – Whilst no data exists for ethnicity distribution within the CTRS caseload ONS data indicates that BME Hackney residents are more likely to be economically inactive than white British residents. However it is considered that there can be no direct correlation of this data to the CTRS caseload as there is no further breakdown of household composition to enable a reliable comparison to be made. The council believes that the proposed changes will not have a disproportionate impact based on a person’s race or ethnicity as this is not considered or part of any assessment process. The Council has other policies which seek to address inequality of financial/economic opportunity for BME residents.
- 5.6. **Religion** – There is no available data within council systems or through the census to indicate particular religions are disproportionately represented in the CTRS caseload. The council believes that the proposed changes will not have any disproportionate impact based on a person’s religion as this is not considered or part of any assessment process.
- 5.7. **Disability and carers** – Disabled households are disproportionately reflected within the CTRS caseload. However, modelling of the proposed changes indicates that recipients of DLA/PIP, ESA or Carers allowance benefit similarly to those on other out of work benefits. (Percentage change in support compared to current scheme between +2.32% and + 2.5%)

STEP 3: REACHING YOUR DECISION

6. **Describe the recommended decision**
 - 6.1. It is recommended that Cabinet and full Council approve the proposed adjustments to the Council Tax Reduction Scheme.

STEP 4 DELIVERY – MAXIMISING BENEFITS AND MANAGING RISKS

6. Equality and Cohesion Action Planning

Please list specific actions which set out how you will address equality and cohesion issues identified by this assessment. For example,

- Steps/ actions you will take to enhance positive impacts identified in section 4 (a)
- Steps/ actions you will take to mitigate against the negative impacts identified in section 4 (b)
- Steps/ actions you will take to improve information and evidence about a specific client group, e.g. at a service level and/or at a Council level by informing the policy team (equality.diversity@hackney.gov.uk)

All actions should have been identified already and should be included in any action plan connected to the supporting documentation, such as the delegate powers report, saving template or business case.

No	Objective	Actions	Outcomes highlighting how these will be monitored	Timescales / Milestones	Lead Officer
1	Maximising resident income to support affected claimants	<p>Promote take up of welfare benefits and Additional support such as the Healthy Start programme vouchers and supplements.</p> <p>Money Advisor employed at Hackney Service Centre to work with clients impacted by Welfare Reform</p>	<p>Work is ongoing in this area</p> <p>Ongoing reports of client outcomes</p>	<p>Ongoing</p> <p>Annual report</p>	<p>Benefits and Housing needs</p> <p>Benefits and Housing needs</p>
2	Promote the move into employment	<p>Encourage the take-up of free childcare.</p> <p>Refer households to the Ways into work team for practical assistance</p> <p>Access to employment and opportunities delivery group</p>	<p>Working in partnership with the Ways into Work Team and the Economic and Community Development Board</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p> <p>Council wide initiative</p>
3	Provide additional assistance for those unable to pay	<p>Currently £100k set aside to provide additional assistance to the most vulnerable households and those facing additional hardship</p> <p>Develop an effective promotion campaign through children's centres, libraries, neighbourhood offices and community groups and online forums to raise awareness and increase take-up.</p> <p>Embed CTRS hardship fund and DHP in corporate anti poverty strategy</p>	<p>Expenditure to be monitored</p> <p>CTR Discretionary Awards actively considered for all DHP applications</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p>
4	Assist with other welfare reforms	<p>Giving claimants advice and discussing their housing options</p>	<p>Regular updates provided to Benefits and Housing needs</p>	<p>Ongoing</p>	<p>Benefits and Housing needs</p>

	<p>Help tenants to find alternative, more affordable accommodation</p> <p>Help tenants to apply for Discretionary Housing Payment to cover deposit and removal costs on a new property</p>	<p>management team.</p> <p>Activity related to the Homelessness Reduction Act through the Housing Needs Service. Monitored through HRA reporting to DCLG</p>		
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Cabinet

20 JANUARY 2020

**Changing the Council Tax
Reduction Scheme**

Key Decision No. FCR Q46

Appendix 2

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Local Council Tax Support Scheme

Consultation Report

Report Date: January 2020

Report Author:

Florence Obinna
Consultation and Engagement Manager

Contact

Hackney Consultation Team
on 020 8356 3343 or
consultation@Hackney.gov.uk



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INTRODUCTION

This report presents the findings of the consultation on proposals to update the Council Tax Reduction Scheme (CTRS). The CTRS helps people on low incomes to pay their Council Tax.

The consultation sought feedback on the proposed changes to the CTRS, which would come into effect in April 2020.

BACKGROUND

Under the current scheme, a Hackney resident liable for Council Tax could get up to 100% of the charge paid through the scheme if they are a pensioner, or up to 83% of the charge paid if they are of working age (i.e. the Council Tax Bill Payer is under pension credit age).

When Hackney's Council Tax Reduction Scheme was changed in 2017 we promised to review the revised scheme in 2019.

Hackney Council is proposing to increase the amount of support it provides to those struggling to pay their Council Tax. The changes would mean that those who qualify for the Council Tax Support Scheme (CTRS) will get up to 85% paid if they are of working age - up from 83%. Pensioners and young care leavers living in the borough will continue to get up to 100% of their Council Tax paid. The proposals follow a series of recent Government announcements which suggest they expect councils to now increase Council Tax to the maximum level each year. The Council had committed to regularly review its CTRS, to ensure the borough's poorest residents are not disproportionately affected by Council Tax increases.

At the moment, the Council Tax Reduction Scheme helps around **27,000** Hackney residents on a low income to pay their Council Tax.

Proposed change to the CTRS:

A consultation on the proposed changes, which would come into force April 2020, invited feedback on the proposal to:

- decrease the minimum contribution all working age CTRS claimants pay from 17% to 15% of their total Council Tax liability, regardless of income and circumstance.

CONSULTATION APPROACH

The public consultation ran from 28 October to 8 December 2019.

The consultation featured on the Council's consultation and engagement platform, <https://consultation.hackney.gov.uk/> for the duration of the consultation period. This included:

- A summary of the consultation proposals, including a consultation questionnaire
- An online version of the consultation questionnaire.

A letter was sent to all current CTRS recipients informing them about the consultation and giving them the opportunity to request paper copies of the consultation packs. Consultees who had any queries about the consultation could telephone or email the Benefits service.

A press release was also sent to local media and ethnic press and promoted via the Council's social media channels and via the Council's e-newsletters.

SUMMARY OF RESULTS

The public consultation received **459** responses in total via the online and paper completion surveys. The majority of responses were received via paper completions, with just a small proportion received via online completions. We also received a key stakeholder responses from the Greater London Authority (GLA)

Interpretation of the data

Percentages in a particular chart will not always add up to 100%. This may be due to rounding, or because each respondent is allowed to give more than one answer to the question. Differences between sub-groups will not always be statistically significant. We need to exercise appropriate caution where a small group of self-selecting respondents has been analysed.

The questionnaire consisted of 12 questions, inclusive of the equalities monitoring questions.

EXECUTIVE SUMMARY

The majority of the respondents to the self-completion questionnaire were very supportive of the proposed changes to the Council Tax Reduction Scheme.

The majority of respondents, **73% (322), agreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

The majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.

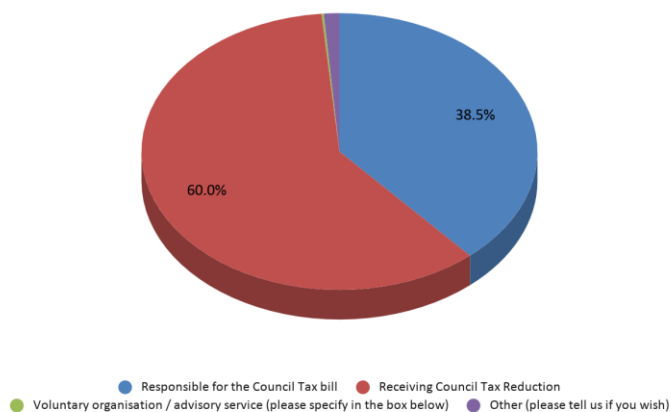
Profile of respondents

- The majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27%(7) chose the other option, which included responses such as retired and pensioner
- **22% (130)** were pensioners followed by those that identified as disabled **20%(118)**, and **15%(85)** who identified themselves as a single person.
- **64.5 %(285)** of the respondents were female compared to males 35.5% (157). .
- **28%(123)** were aged 65 – 84, 22%(97) were aged 55 – 64 and 20%(89) were aged 45-54.
- **83%(359)** don't provide support caring for someone, whilst, 17%(71) indicated that they have caring responsibilities.
- **51%(220)** answered 'yes' to having a disability, whilst 49%(210) said they didn't have a disability.
- **49% (213)** of the respondents gave their ethnicity as White British; the second largest group was other Black or Black British 25% (108).
- **48% (188)** said they were Christian, followed by Muslim 18% (74).
- **89% (300)** of the respondents said they were heterosexual, followed by 6% (21) stating that they were a Gay man.

OVERALL RESULTS ANALYSIS

Respondent profile

Which best represents you (pick more than one if applicable)?

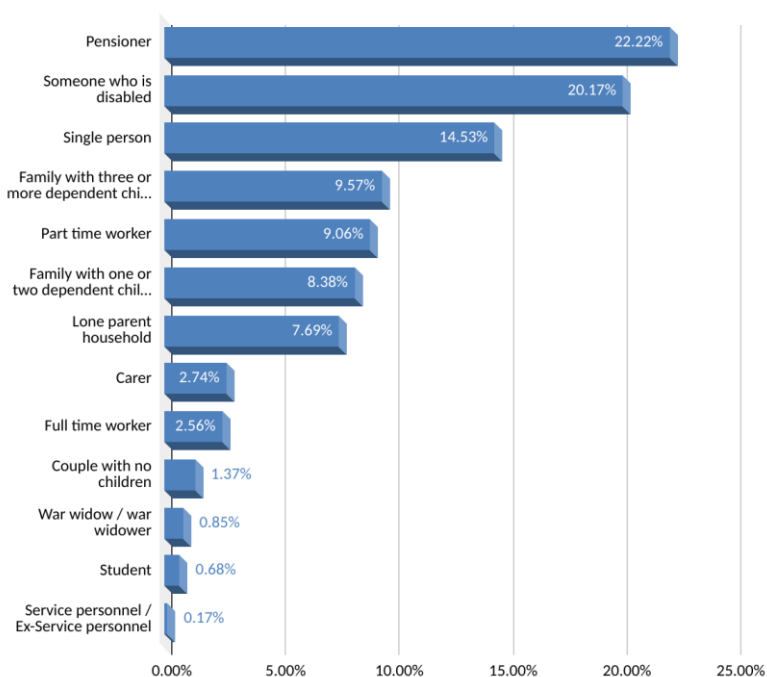


As graph 1 shows, the majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27%(7) chose the other option, which included responses such as retired and pensioner.

Graph 1: Base (550 responses)

responses)

Are you:



The majority of respondents **22% (130)** were pensioners followed by those that identified as disabled **20%(118)**, and **15%(85)** who identified themselves as a single person.

Some respondents included information in the 'other' box – describing themselves as: (provided verbatim)

- Widow
- Widower
- Self-employed
- On universal credit
- Unemployed
- Part-time worker

Graph 2: Base (585 responses)

Local Council Tax Support Scheme

Consultation Report

Report Date: January 2020

Report Author:

Florence Obinna
Consultation and Engagement Manager

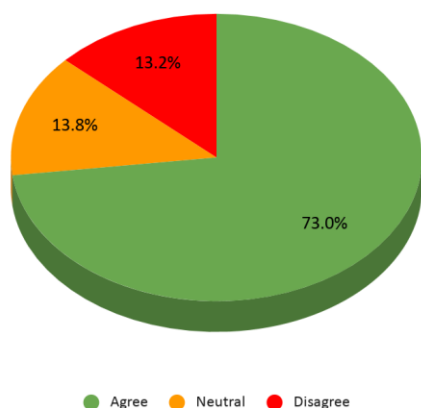
Contact

Hackney Consultation Team
on 020 8356 3343 or
consultation@Hackney.gov.uk



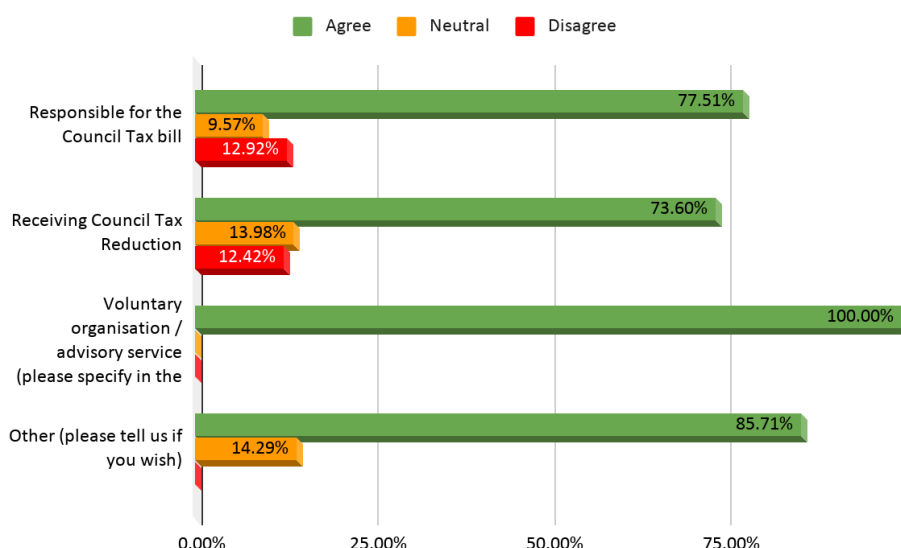
Q1 To what extent do you agree or disagree with the Council’s preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%?

The majority of respondents, **73% (322)**, agreed with the Council’s preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.



Graph 3: Base (441)

Graph 4 shows that the majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.



Graph 4 : Base (539 responses)

Table 1: Analysis of question 1, by the question which asks respondents to answer which best represents them.

	Responsible for the Council Tax bill	Receiving Council Tax Reduction	Voluntary organisation / advisory service	Other
Agree	162	237	1	6
Neutral	20	45	0	1
Disagree	27	40	0	0
Total	209	322	1	7

Q1 (a) Please provide additional comments to support your response?

Respondents to Q1 were provided with the opportunity to provide additional comments in support of their response. 188 respondents provided additional comments.

The following themes emerged when analysing the comments of those respondents that strongly agreed/ agreed with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

Themes	Response count
Makes it easier to balance other expenses/ makes council tax more affordable	61
Still going to struggle/Need more support/ the contribution should be lower than 15%	35
Proposal will have a positive impact on health and wellbeing	7
High Inflation and stagnant wages is causing debt and financial problems	6
People with disabilities should not have to pay at all	4
Proposals are a good idea/ provide support for those that need it	4

Quotes: (provided verbatim)

"I believe a reduction, though this looks quite nominal realistically is better than an increase or staying firm. Both employed and unemployed individuals can benefit from the change in the long term and given that London is an expensive place to live a reduction is positive".

"I agree with the changes, although being a single male in receipt of esa the change will have a negligible affect on me".

"Decreasing the minimum contribution from 17% to 15% will help me a great deal..because I am finding it hard to pay my council tax bill on a low income"..

"I am on Universal Credit and I am struggling to pay my council tax. so I would appreciate any further reductions, as I am really struggling to survive"

"We have so many outgoings and expenses, a reduction in council tax will really help, if the council are changing our weekly refuge collection to forthrightly then the savings should reflect in tax we pay".

The following themes emerged when analysing the comments of those respondents that **disagreed/ strongly disagreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

Themes	Response count
Support shouldn't be limited to CTRS recipients/ Everyone needs support	13
Protection should be extended to the following groups: people on low incomes, disabled people of working age and working families on low incomes	8
Everyone should pay/ should stay the same	8
Not fair on families that have to pay full amount/ Money should be used for other projects	8
Should be 0%/ Lower than 15%/ amount should be decreased further/ doesn't go far enough	5

Quotes: Provided verbatim

"The minimum contribution should be reduced to nothing. They should be one hundred per cent compensated. We are talking about some of the poorest Hackney residents. They should be the first priority in financial considerations. The council is spending millions on speculative property development, whereas this is a much better use of council money. Tower Hamlets and Camden both have hundred per cent compensation schemes. Hackney should as well".

"What about disabled people at working age?"

"I currently pay a little towards council tax I am on income support and a single mum and find this hard to do has it is".

"I agree with Council updating but I disagree with the Council decreasing payment but I am 80 years old and what I have to pay for Council tax I can hardly afford it".

Written responses to the consultation

Written responses were received from:

- Greater London Authority (GLA)
- The Hackney Green Party

Greater London Authority (GLA)

A formal written response was received from the GLA.

The bullet points below summarise some aspects of the GLA's response to the consultation¹.

GLA Response to Proposals:

¹ The GLA letter has been provided to the service to provide a formal response to the issues raised.

- The GLA response acknowledges the fact that the determination of the CTRS schemes are the responsibilities for each local authority under the provisions of the Local Government Finance Act 2012.
- The GLA concurs with the general broad principles set by Government and states that the Council should pay heed to them when implementing the final scheme.
- The GLA supports the Council's proposal to decrease the minimum contribution level from 17% to 15%; the Council states this proposal balances the increasing financial
- The GLA recognises that local authorities face difficult choices on CTS schemes, as overall funding from central government has reduced and funding for CTS is no longer identifiable within the settlement.
- The GLA welcomed the continued commitment by the Council to its discretionary hardship scheme for those who have difficulty paying their council tax and cannot get any assistance through the CTS scheme or when the assistance received still does not fully cover their bill.
- The GLA welcomed the early consultation but asserted that: "*the Council may wish to note that changes to regulations in 2017 mean that billing authorities are now required to set and agree their local council tax reduction schemes by 11 March 1 . This change from 31 January deadline reflects one of the recommendations made by Eric Ollerenshaw in his review of local council tax reduction schemes, for the deadline to be extended by Government to give councils sufficient time to design, consult and implement their schemes taking into account impacts on protected characteristics*".

The Hackney Green Party

A formal written response was received from the the Hackney Green Party

The bullet points below summarise some aspects of the The Green Party's response to the consultation

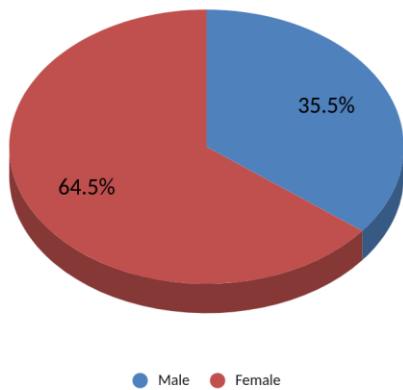
The Green Party Response to Proposals:

- The Green Party response supports the cut in minimum payment from 17% to 15%.
- The Green Party would prefer to see the rate cut to zero because the minimum payment is seeking money from people who are least able to pay
- The Green Party considers that Hackney Council should move forward with a mixture of alternative ways of raising funding, including raising fees and council tax. These measures would represent a 'spend to save' where tax and fees paid today are preventing low-income families and individuals from being pushed into poverty and a greater likelihood of a range of poor outcomes such as homelessness. The response also asserts that the Council should consider a referendum on raising council tax beyond the current cap. The Hackney Green Party also states that they would campaign in favour of a 'Love Hackney referendum' to increase council tax were the extra money to be explicitly used to protect the vulnerable.

PROFILE OF RESPONDENTS

Are you:

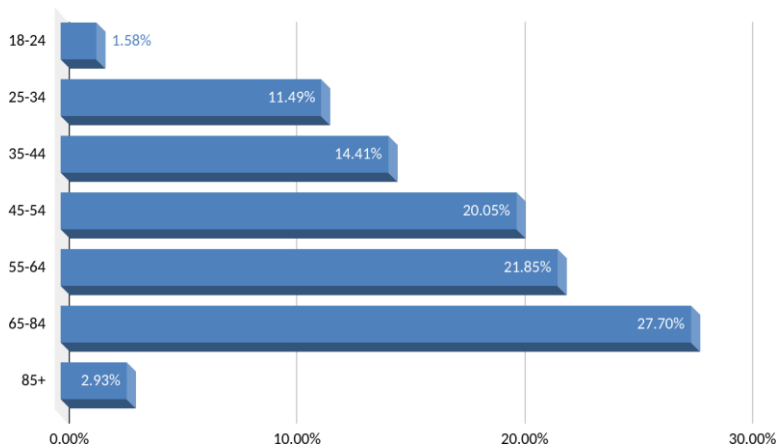
Gender analysis:



As shown in the graph, **64.5%(285)** of the respondents were female compared to males 35.5% (157). The proportion of female respondents is slightly higher than that of the borough as a whole², so this female voice may have been overstated by this particular dataset.

Graph 5: Base (442)

Age analysis:



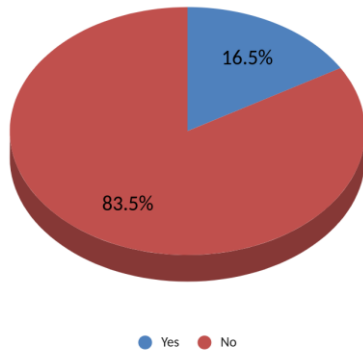
As the graph shows, the majority of respondents **28%(123)** were aged 65 – 84, 22%(97) were aged 55 – 64 and 20%(89) were aged 45-54.

Graph 6: Base (444)

Caring responsibilities:

² Around 50% of Hackney's population is Male and 50% is Female. (Hackney's Population, Borough Profile, Office of National Statistics Mid-year Population Estimates, June 2017). <https://www.hackney.gov.uk/population>

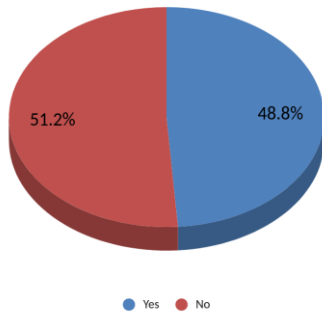
As the graph shows, the majority of respondents **83%(359)** don't provide support caring for someone, whilst, **17%(71)** indicated that they have caring responsibilities.



Graph 7: Base (430)

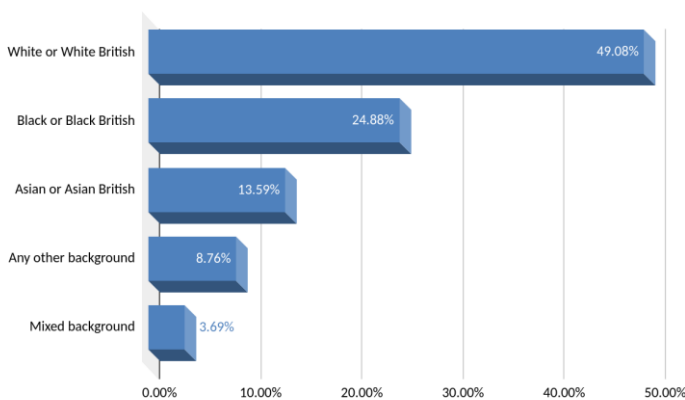
Disability analysis:

As the graph shows, the majority of respondents, **51%(220)** answered 'yes' to having a disability, whilst **49%(210)** said they didn't have a disability.



Graph 8: Base (430)

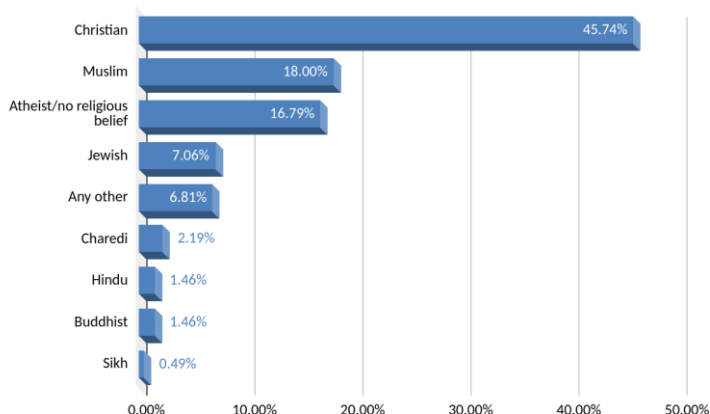
Ethnicity analysis



As the graph shows, **49% (213)** of the respondents gave their ethnicity as White British; the second largest group was other Black or Black British **25% (108)**.

Graph 9: Base (434)

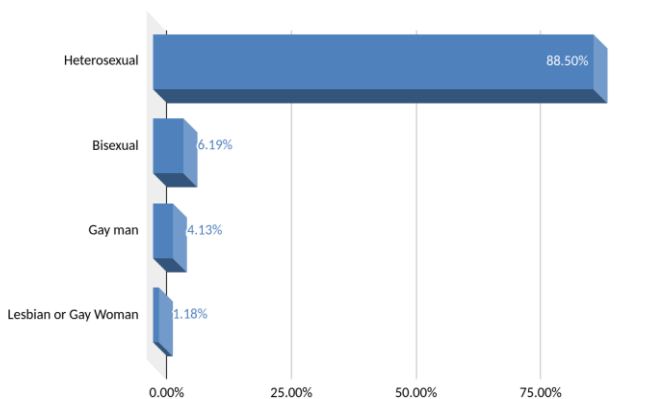
Religion analysis



As the graph shows, the highest proportion of respondents **48% (188)** said they were Christian, followed by Muslim 18% (74).

Graph 10: Base (411)

Sexuality analysis



As the graph shows, **89% (300)** of the respondents said they were heterosexual, followed by 6% (21) stating that they were a Gay man.

Graph 11: Base (339)

CONCLUSION

The majority of the respondents to the self-completion questionnaire were very supportive of the proposed changes to the Council Tax Reduction Scheme.

The majority of respondents, **73% (322), agreed** with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%.

The majority of respondents **60% (330)** indicated that they received Council Tax Reduction, **38.5% (212)** were responsible for the council tax bill, 0.18% (1) is a representative of a voluntary organisation/ advisory service. 1.27% (7) chose the other option, which included responses such as retired and pensioner

The majority of respondents agreed with the proposal, irrespective of whether they are responsible for paying the council tax bill or are current recipients of council tax reduction.

Respondents that left comments supporting the proposal alluded to the fact that the increased support would make council tax more affordable and make it easier for them to balance other expenses. There was also a recurring theme that the support doesn't quite go far enough and should be lower than the proposed 15%.

There was a feeling that the Council should be exploring other options to raising the monetary shortfall rather than implementing the CTRS proposals. Some suggestions included increasing Council Tax levels so that more affluent residents can share the financial burden.

There was a feeling amongst those unsupportive of the proposal that the support shouldn't be limited to CTRS recipients, as there are many people also struggling to pay their council tax bills.

The results of the consultation in addition to other information will be considered and the draft Local Council Tax Reduction Scheme will be reviewed in the light of the feedback received. If the draft scheme is approved, the implementation will be in place in April 2020.

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Cabinet

20 JANUARY 2020

**Changing the Council Tax
Reduction Scheme**

Key Decision No. FCR Q46

Appendix 3

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Council Tax Reduction Scheme consultation

How to have your say



You can take part in the consultation online at hackney.gov.uk/CTRS

This will save the Council the cost of return postage.

• Alternatively, you can speak to council officers at a drop-in event on **Tuesday 12 November, 11am to 3pm, Hackney Service Centre, 1 Hillman Street, E8 1DY**



Please respond by **8 December 2019**

Have your say on Hackney's proposed changes to the Council Tax Reduction Scheme

Hackney Council is consulting residents on proposals to revise the current Council Tax Reduction Scheme (CTRS). Please read this consultation summary to find out more about the proposed changes, and what this could mean for you.

What is the Council Tax Reduction Scheme?

The CTRS helps residents on a low income to pay their Council Tax. Under the current scheme, a Hackney resident liable for Council Tax could get up to 100% of the charge paid through the scheme if they are a pensioner, or up to 83% of the charge paid if they are of working age (i.e. the Council Tax Bill Payer is under pension credit age).

The amount of support a household can get through the scheme is determined through a "means test" – this means we look at your total income and any money that you and your partner (if you have one) have as savings. We then compare it against a minimum allowance that you need to live on, depending on your circumstances.

At the moment, the Council Tax Reduction Scheme helps around 27,000 Hackney residents on a low income to pay their Council Tax.

Why are we reviewing the current Council Tax Reduction Scheme?

When Hackney's Council Tax Reduction Scheme was changed in 2017 we promised to review the revised scheme in 2019.

Hackney Council is proposing to increase the amount of support it provides to those struggling to pay their Council Tax. The changes would mean that those who qualify for the Council Tax Support Scheme (CTRS) will get up to 85% paid if they are of working age - up from 83%. Pensioners and young care leavers living in the borough will continue to get up to 100% of their Council Tax paid. The proposals follow a series of recent Government announcements which suggest they expect councils to now increase Council Tax to the maximum level each year. The Council had committed to regularly review its CTRS, to ensure the borough's poorest residents are not disproportionately affected by Council Tax increases.

Whilst Hackney Council want to provide additional financial support to our poorest residents, due to the cut in money available to the Council, the options available are limited. It is expected that funding to Hackney Council from the Government will have decreased from £310 million to £140 million by 2022. The Council therefore needs to strike a balance between the need to provide extra support to residents who we think need it, while maintaining a scheme that is financially sustainable for the Council's wider budget and limits the impact on our ability to deliver essential front line services that residents depend on. For these reasons the Council wishes to review the current arrangements to develop a scheme that is affordable and fair to both Council Tax Payers and to those who benefit from the support. It is intended that these changes will take effect from **1 April 2020**.

How do the proposed changes affect me?

If you are of working age and currently receive help through the Council Tax Reduction Scheme you are going to be directly affected. However, even if this is not the case, as a Council Tax payer you have an interest in ensuring the Council is spending the money it receives through both government funding and through Council Tax receipts appropriately. It is important that the Council gets the views of all Hackney residents regardless of whether they receive Council Tax Reduction or not.

The Council is legally required to consult with its residents when it makes changes to some of its services, and the Council Tax Reduction Scheme is one of those services.

What is the Council's preferred option for amending the Council Tax Reduction Scheme?

Our preferred option is to:

- Decrease the minimum contribution which all working age CTRS recipients have to pay from 17% to 15% of their Council Tax liability, regardless of income and circumstance.

Why is this the Council's preferred option?

While the amount of money the Council gets from the government to fund the Council Tax Reduction Scheme has been reduced year on year since the scheme began, the Council recognises that the impact of welfare reform has been greatest on our poorest residents and the council feel that we can no longer pass so much of this on to our poorest households.

The option of decreasing minimum contributions from 17% to 15% balances both the increasing financial pressures that our low income households face, against the ongoing cuts in government funding.

The Council's long term ambition is to reduce contributions to zero, returning it to a fully paid benefit as it was before Government reforms in 2012. We will be bringing forward proposals in future years that will take us towards this.

Summary of cost implications			
	Estimated expenditure for this year	Estimated expenditure for 2019/20	Estimated expenditure for 2020/21
Current scheme	£26.74 million	£27.74 million	£28.97 million
Proposed new scheme	Not applicable	£28.20 million	£29.46 million

***Based on assumed Council Tax increase of 4%**

Why does the proposed change only affect Working Age households?

All pension age applicants who qualify, will continue to receive the same level of support. You are classed as a pensioner if you have reached the qualifying age for pension credit or if you are a couple and one of you has reached the qualifying age for pension credit.

Where will you find the money to fund the increased expenditure on the scheme?

The increased cost to the scheme under our preferred option could be funded through the Council's General Fund budget, while still allowing other front line services to manage the increasing demand for our services.

What alternative changes to the current Council Tax Reduction Scheme were considered?

The Council considered leaving the existing Council Tax Reduction unchanged, but recognised the severe financial pressures which the borough's low income households are currently facing.

What will I be asked to pay?

We have worked out what impact the proposed change would have based on an assumed increase of 4%, the actual change to Council Tax for 2020/21 may be different to this.

Council Tax Band	Estimated Council Tax Charge for 2020/21	Minimum Weekly Contribution required in 2020/21 (15%)*
A	£1008.70	£2.90
B	£1176.82	£3.39
C	£1344.94	£3.87
D	£1513.05	£4.34
E	£1849.29	£5.32
F	£2185.53	£6.29
G	£2521.75	£7.25
H	£3026.11	£8.70

*Based on assumed Council Tax increase of 4%

The following scenarios are examples of how residents of working age will be affected by the proposed scheme.

A single person over 35 with no dependants; working 16 hours a week (minimum wage); living in a Band B property			
Estimated weekly household income 2019/20	Estimated weekly Council Tax Charge 2020/21	How much they currently pay per week	What they will pay per week in 2020/21
£131.36	£16.23	£13.41	£13.19

Disabled couple with no children; partner who is the main carer; receives *ESA(IR), *higher rate PIP and Carers Allowance; living in a Band C property			
Estimated weekly household income 2019/20	Estimated weekly Council Tax Charge 2020/21	How much they currently pay per week	What they will pay per week in 2020/21
£363.20	£24.73	£4.20	£3.87

Unemployed couple with 1 non-dependant who works 35 hours per week earning £350 per week, living in a Band C property			
Estimated weekly household income 2019/20	Estimated weekly Council Tax Charge 2020/21	How much they currently pay per week	What they will pay per week in 2020/21
£114.85	£34.01	£13.88	£13.62

Couple with 2 children attending school; one working; living in a Band D property			
Estimated weekly household income 2019/20	Estimated weekly Council Tax Charge 2020/21	How much they currently pay per week	What they will pay per week in 2020/21
£439.31	£27.83	£24.91	£24.54

Lone parent with 4 children attending school; living on Universal Credit; living in a Band E property			
Estimated weekly household income 2019/20	Estimated weekly Council Tax Charge 2020/21	How much they currently pay per week	What they will pay per week in 2020/21
£252.27	£25.51	£4.34	£3.99

*Employment and Support Allowance(Income Related)

*Personal Independence Payments

Other help available to pay your Council Tax

There are other avenues of support to help you pay your Council Tax bill that are separate from the Council Tax Reduction Scheme.

The Council has in place a discretionary hardship scheme for those who have difficulty paying their Council Tax and cannot get any assistance through the CTRS, or the assistance received still does not fully cover their bill. Additional help can be given to households that are vulnerable and/or under particular stress. Each application is considered on its individual merits and will be based on your Council Tax bill after any discounts, exemptions, reductions for disabilities or support have been deducted.

In addition, the Council provides extra help to Hackney's Care Leavers - young people aged 18 plus who have been looked after by Hackney Council for a certain amount of time.

Care leavers living in Hackney will continue to get 100% of their Council Tax paid, provided:

- They are under the age of 25
- They live in the London Borough of Hackney
- They have claimed all the Council Tax discounts and support to which they are entitled, such as a single person discount, student exemption or assistance from the Council Tax Reduction Scheme

Taking part in the consultation

The consultation will run from **28 October 2019** to **8 December 2019**. The easiest way to let us have your views is by completing the online survey form at: **hackney.gov.uk/CTRS**

If you would like to speak to someone about the scheme or to request a paper copy, call **020 8356 3399** or email **benefits@hackney.gov.uk**

After the consultation closes, all responses will be analysed and considered by the Council. The Council is required to approve any new scheme by **31 January 2020**. Any changes to the scheme would affect current and future claimants from **1 April 2020**.

Consultation questionnaire

To what extent do you agree or disagree with the Council's preferred option of updating the current scheme and decreasing the minimum contribution required from working age recipients from 17% to 15%?

- Strongly agree Agree Neither agree nor disagree
- Disagree Strongly disagree

Please provide additional comments to support your response

About you

So we can best understand our service users and residents please complete this optional information about you. All information is used under the strict controls of the 1998 Data Protection Act and the General Data Protection Regulations (GDPR). This information is optional and will not be used in a way that identifies you.

Which best represents you (pick more than one if applicable):

Responsible for the Council Tax bill Receiving Council Tax Reduction

Voluntary organisation / advisory service (please specify in the box below)

Other (please tell us if you wish)

Are you a:

Pensioner Carer

Family with one or two dependent children Student

Family with three or more dependent children Lone parent household

Part time worker Full time worker

Someone who is disabled Single person

Service personnel / Ex-Service personnel War widow / war widower

Couple with no children Other (please specify)

Gender - are you ...

Male Female

If you prefer to use your own term please provide this here: _____

Is your gender identity different to the sex you were assumed to be at birth?

Yes it's different No it's the same

Age – what is your age group?

Under 16 16-17 18-24 25-34 35-44
45-54 55-64 65-84 85+

Disability - Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes No

Caring responsibilities - A carer is someone who spends a significant proportion of their time providing unpaid support to a family member, partner or friend who is ill, frail disabled or has mental health or substance misuse problems.

Do you regularly provide unpaid support caring for someone?

Yes No

Ethnicity - are you ...

Asian or Asian British Black or Black British
Mixed background White or White British
Any other background (please specify) _____

Religion or belief

Atheist/no religious belief Buddhist Charedi
Christian Hindu Jewish
Muslim Secular beliefs Sikh
Any other (please specify) _____

Sexual orientation - are you...

Bisexual Gay man Lesbian or Gay woman Heterosexual
Any other (please specify) _____



Please return this completed questionnaire to arrive no later than
8 December 2019 to **CTRS Consultation, Consultation Team,**
London Borough of Hackney, Mare Street, London E8 1EA.

Thank you for taking part of this consultation.

If you would like to find out what this document says please tick the appropriate box, put your name, address and phone number at the bottom of this page and return it to the address below.

Bengali

এই দলিলে কি লেখা আছে সে সম্পর্কে যদি আপনি জানতে চান তাহলে অনুগ্রহ করে উপযুক্ত বাক্সে টিক দিন, এই পাতার নীচে আপনার নাম, ঠিকানা ও ফোন নম্বর লিখুন এবং এটি নীচের ঠিকানায় ফেরত পাঠান।

Somali

Haddii aad jeclaan lahayd in aad ogaato waxa dokumeentigani sheegayo fadlan calaamadi godka ku haboon, ku qor magacaaga, cinwaanka iyo telefoon lambarkaaga boggan dhankiisa hoose ka dibna ku celi cinwaanka hoose.

French

Si vous désirez connaître le contenu de ce document, veuillez cocher la case appropriée et indiquer votre nom, adresse et numéro de téléphone au bas de cette page et la renvoyer à l'adresse indiquée ci-dessous.

Spanish

Si desea saber de lo que trata este documento, marque la casilla correspondiente, escriba su nombre, dirección y numero de teléfono al final de esta página y envíela a la siguiente dirección.

Kurdish

Ger hun dixwazin bizanibin ku ev dokument çi dibêje, ji kerema xwe qutîka minasib îşaret bikin, nav, navnîşan û hejmara telefona xwe li jêrê rûpel binivîsin û wê ji navnîşana jêrîn re bişînin.

Turkish

Bu dökümanda ne anlatıldığını öğrenmek istiyorsanız, lütfen uygun kutuyu işaretleyerek, adınızı, adresinizi ve telefon numaranızı bu sayfanın alt kısmına yazıp, aşağıdaki adrese gönderin.

Polish

Jeśli chcesz dowiedzieć się, jaka jest treść tego dokumentu, zaznacz odpowiednie pole, wpisz swoje nazwisko, adres i nr telefonu w dolnej części niniejszej strony i przeslij na poniższy adres.

Vietnamese

Nếu bạn muốn biết tài liệu này nói gì hãy đánh dấu vào hộp thích hợp, điền tên, địa chỉ và số điện thoại của bạn vào cuối trang này và gửi lại theo địa chỉ dưới đây.

Urdu

اگر آپ یہ جاننا چاہتے ہیں کہ دستاویز میں کیا لکھا ہے تو ازراہ کرم مناسب باکس میں صحیح کا نشان لگائیے اور اپنا نام، پتہ اور فون نمبر اس صفحہ کے نیچے لکھیے اور اسے نیچے دیئے گئے پتہ پر واپس بھیج دیجئے۔

Chinese

如果你想知道這分文件的詳細內容，請在方框內打鉤，在本頁下面寫下你的名字、地址和電話號碼並寄到下面的地址。

If you would like this document in any of the following formats or in another language not listed above, please complete and send the form to the address below.

In large print

In Braille

On Disk

On audio tape

In another language, please state:

Name:

Address:

Tel:

Return to: CTRS Consultation, Consultation Team,
London Borough of Hackney, Mare Street, London E8 1EA.



<p>Capital Update Report</p> <p>KEY DECISION NO. FCR Q43</p>	
<p>CABINET MEETING DATE</p> <p>20 January 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED</p> <p>All Wards</p>	
<p>CABINET MEMBER</p> <p>Philip Glanville, Mayor of Hackney</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending or Savings</p>	
<p>GROUP DIRECTOR</p> <p>Ian Williams Finance and Corporate Resources</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report on the capital programme for 2019/20 and future years updates members on the capital programme agreed in the 2019/20 budget, including a number of new schemes that require significant resources in order to take forward and fulfil some of this administration's 2018 manifesto commitments relating to investment in modernising and improving the Council's facilities and public infrastructure.
- 1.2 This report outlines significant investment to ensure that the Council's parks and open spaces are further improved and ensures that the necessary machinery is available to keep these clean and well maintained. It also provides for the introduction of further public conveniences within the parks, thus enhancing the facilities for residents and other users. We also know how important access to public toilets are for older Hackney residents and those with young families.
- 1.3 One of our policy commitments is to make Hackney more sustainable, this was a key element of our manifesto and underpins the Climate Emergency motion that we passed last year. This paper outlines additional funding for the provision of more drinking water fountains helping to reduce the use of single use plastic generated in the borough whilst at the same time ensuring that water is a free public good available to all. This not only helps tackle climate change, but will improve the health of our residents, reduce inequality, and encourage residents to be more active in our high quality and well served public spaces.
- 1.4 Significant resources are also provided for the maintenance and enhancement of the Council's leisure facilities, thus allowing work to continue to fulfil manifesto commitments that were made in this respect. Of note is the significant investment in maintaining Clissold Leisure centre to a high standard and the start of an exciting project to provide a learner pool at London Fields Lido, which will ensure that this much loved and well used facility is even better for families and those less confident swimmers. We are also taking forward a pilot for even greener energy using solar panels at our leisure centres.
- 1.5 Finally, further significant investment is provided for the refurbishment of both the Hackney Museum and the historic Stoke Newington Library, both also included in the administration's manifesto commitments and important free and accessible public assets. In total over the next two years we are committing to investing £8.2m in our parks, leisure centres and pools, museum and libraries.
- 1.6 I commend this report to Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

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

3. RECOMMENDATION(S)

3.1 **That the schemes for Neighbourhoods and Housing (Non) as set out in section 9.2 be given approval as follows:**

Parks Equipment and Machinery: Spend approval of **£74k in 2019/20** is requested to replace broken and end of life machinery of parks equipment and machinery used for grounds maintenance by the Council’s Parks Operations Department.

Essential Maintenance to Leisure Centres and Leisure Development: Virement and spend approval of **£750k (£375k in 2019/20 and £375k in 2020/21)** is requested to install a new sports hall floor for Clissold Leisure Centre, replacement of wetside floor tiles to Clissold Leisure Centre and to continue meeting the Council’s landlord obligations in respect of on-going maintenance at Kings Hall Leisure Centre.

Parks Public Conveniences and Cafes: Resource and spend approval for **£150k in 2019/20** and further resource approval for **£750k (£300k in 2020/21, £225k in 2021/22 and £225k in 2022/23)** is requested in order to meet the manifesto commitment in respect of increasing and enhancing the number of conveniences and cafes in the borough’s parks and open green spaces.

Drinking Water Fountains: Resource and spend approval for **£112k in 2019/20** is requested in order to meet the commitment to expand the number of water fountains in the borough located in parks, libraries, leisure centres and street locations.

Hackney Museum Refurbishment: Resource approval for **£350k (£150k in 2020/21 and £200k in 2021/22)** is requested in order to help meet the manifesto commitment to redevelop the Hackney Museum in order to ensure that it remains fit for purpose and to provide further opportunity for audience engagement and the use of digital technology.

London Fields Learner Pool: Resource approval of **£4,500k (£200k in 2020/21, £2,150k in 2021/22 and £2,150k in 2022/23)** is requested in order to meet the manifesto commitment to develop a new learner/training pool to expand and complement the current offer in the main pool.

Stoke Newington Library Refurbishment: Resource approval of **£4,500k (£2,686k in 2020/21 and £1,343k in 2021//22)** is requested in order to meet the manifesto commitment to bring forward improved facilities at the Stoke Newington Library in order that the facility remains fit for purpose in the future.

3.2 **That the re-profiling of the budgets as detailed in para 9.3 be noted and Appendix 1 be approved as follows:**

Summary of Phase 1 Re-profiling	To Re-Profile 2019/20	Re-Profiling 2020/21	Re-Profiling 2021/22	Re-Profiling 2022/23
	£'000	£'000	£'000	£'000
Non-Housing	(40,347)	39,290	200	857

Housing	(2,093)	2,093	0	0
Total	(42,440)	41,383	200	857

3.3 That the capital programme adjustments summarised below set out in detail in para 9.4 be approved accordingly:

Summary of Capital Adjustments	Budget 2019/20	Change 2019/20	Updated 2019/20
	£'000	£'000	£'000
Non-Housing	3,357	(234)	3,123
Housing	34,127	0	34,127
Total	37,484	(234)	37,250

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

S106	2019/20 £'000	Total
	£'000	£'000
Capital	655	655
Total S106 Resource and Spend approvals	655	655

3.4 That the schemes outlined in section 9.6 be noted.

4. REASONS FOR DECISION

4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.

4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

6. BACKGROUND

6.1 Policy Context

The report to recommend the Council Budget and Council Tax for 2019/20 considered by Council on 25 February 2019 sets out the original Capital Plan for 2019/20. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

6.2 **Equality Impact Assessment**

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

6.3 **Sustainability**

As above.

6.4 **Consultations**

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

6.5 **Risk Assessment**

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

8.6 With regard to recommendation 3.3 and paragraph 9.3 where Cabinet is being invited to approve the allocation of monies from agreements under section 106 of the Town and Country Planning Act 1990, s.106 permits anyone with an interest in land to enter into a planning obligation enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. They may prescribe the nature of the development (for example by requiring that a percentage of the development is for affordable housing), secure a contribution to compensate for the loss or damage created by the development or they may mitigate the development's impact. Local authorities must have regard to Regulation 122 of the Community Infrastructure Levy Regulations 2010. Regulation 122 enshrines in legislation for the first time the legal test that planning obligations must meet. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured under S106 agreements. Once completed S.106 agreements are legally binding

contracts. This means that any monies which are the subject of the Agreement can only be expended in accordance with the terms of the Agreement.

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

- 7.1 The gross approved Capital Spending Programme for 2019/20 currently totals **£287.063m (£158.605m non-housing and £128.459m housing)**. This is funded by discretionary resources (borrowing, government grant support, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.
- 7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.
- 7.3 If the recommendations in this report are approved, the revised gross capital spending programme for 2019/20 will total **£245.604m (£119.239m non-housing and £126.365m housing)**.

Directorate	Revised Budget Position	Jan 2020 Cabinet Update	Change 2019/20	To Re-Profile 2019/20	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000
Children, Adults & Community Health	14,002	0	0	(4,201)	9,801
Finance & Corporate Resources	111,410	655	(133)	(21,748)	90,184
Neighbourhoods & Housing	33,193	270	(101)	(14,108)	19,254
Total Non-Housing	158,605	925	(234)	(40,057)	119,239
Housing	128,459	0	0	(2,093)	126,365
Total	287,063	925	(234)	(42,150)	245,604

8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
 - (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

- 8.3 Under the Council's Constitution although full Council set the overall Budget, it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 8.4 The recommendations include requests for spending approvals. The Council's Financial Procedure Rules (FPR) paragraphs 2.7 and 2.8 cover the capital programme with 2.8 dealing with monitoring and budgetary control arrangements.
- 8.5 Paragraph 2.8.1 provides that Cabinet shall exercise control over capital spending and resources and may authorise variations to the Council's Capital Programme provided such variations: (a) are within the available resources (b) are consistent with Council policy.
- 8.6 With regard to recommendation 3.3 and paragraph 9.4 where Cabinet is being invited to approve the allocation of monies from agreements under section 106 of the Town and Country Planning Act 1990, s.106 permits anyone with an interest in land to enter into a planning obligation enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. They may prescribe the nature of the development (for example by requiring that a percentage of the development is for affordable housing), secure a contribution to compensate for the loss or damage created by the development or they may mitigate the development's impact. Local authorities must have regard to Regulation 122 of the Community Infrastructure Levy Regulations 2010. Regulation 122 enshrines in legislation for the first time the legal test that planning obligations must meet. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured under S106 agreements. Once completed S.106 agreements are legally binding contracts. This means that any monies which are the subject of the Agreement can only be expended in accordance with the terms of the Agreement.

9. CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS

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

9.2 Neighbourhood and Housing (Non-Housing):

- 9.2.1 **Parks Equipment and Machinery:** Spend approval of **£74k in 2019/20** is requested to replace broken and end of life parks equipment and machinery used for grounds maintenance by the Council's Parks Operations Department as set out in the table below. This capital spend maintains and enhances our long established parks and green spaces and contributes to the green infrastructure of the borough that reduces the impact on climate change. It also creates a pleasant and safe walking and cycling routes which helps our residents to live a healthier lifestyle. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 "A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth" and Priority 3 "A greener and environmentally

sustainable community which is prepared for the future”. This approval will have no net impact on the capital programme as the resources already form part of the approved programme.

No.	Description
2	Water Bowsers (one for tractor and one for van/buggy)
1	Spreader for Tractor
1	Mini Digger
5	Cabs for existing Kubota's
3	Out Fronts for existing Kubota's
1	Electric Buggy

9.2.2 **Essential Maintenance to Leisure Centres and Leisure Development:** Virement and spend approval of **£750k (£375k in 2019/20 and £375k in 2020/21)** is requested to install a new sports hall floor for Clissold Leisure Centre, replacement of wetside floor tiles to Clissold Leisure Centre and to continue meeting the Council's landlord obligations in respect of on-going maintenance at Kings Hall Leisure Centre. The Council's leisure facilities and activity programmes are fully inclusive. This capital spend will maintain the leisure facilities and ensure they are accessible and welcoming for the whole community. This improvement will improve the quality of life of existing local residents. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 "A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth" and Priority 5 "A borough with healthy, active and independent residents". This approval will have no net impact on the capital programme as the resources already form part of the approved programme.

9.2.3 **Parks Public Conveniences and Cafes:** Resource and spend approval for **£150k in 2019/20** and further resource approval for **£750k (£300k in 2020/21, £225k in 2021/22 and £225k in 2022/23)** is requested in order to meet the manifesto commitment in respect of increasing and enhancing the number of conveniences and cafes in the borough's parks and open green spaces. This funding will provide finance for the introduction/enhancement of 2 public conveniences per year over the 4 year period, starting with Hackney Downs and Millfields in 2019/20). It will also provide the capacity to increase the number of new cafes and catering outlets in the Borough's parks. This project meets various parts of the Council's Sustainable Community Strategy by ensuring that we have joined up policy to create healthy, safer streets and neighborhoods, which are pleasant places to spend time, play in, walk and cycle. Everyone feels that parks and green spaces are for them, including young people, disabled people and older people. It also helps to create a greener and environmentally sustainable community which is prepared for the future. This approval will be financed from the Council's discretionary capital resources.

9.2.4 **Drinking Water Fountains:** Resource and spend approval for **£112k in 2019/20** is requested in order to meet the commitment to expand the number of water fountains in the borough located in parks, libraries, leisure centres and street locations. The Council has made a clear commitment to significantly expand the number of free water fountains in the borough to help reduce the amount of plastic waste generated in Hackney, reduce indirect greenhouse gas emissions, mitigate against the effects of a warming climate and an increased propensity for extreme heat events and expand public health infrastructure. This approval will be financed from the Council's discretionary capital resources.

9.2.5 **Hackney Museum Refurbishment:** Resource approval for **£350k (£150k in 2020/21 and £200k in 2021/22)** is requested in order to help meet the manifesto commitment to redevelop the Hackney Museum in order to ensure that it remains fit for purpose and to provide further opportunity for audience engagement and the use of digital technology. This funding will allow the Council to make an application for approximately £1.1m of additional external grant funding.

Hackney Museum tells the histories of the London Borough of Hackney over the last 2,000 years. Our collections represent the everyday lives of people in the borough, many of whom have migrated from all over the world. They are largely donated by local people, often from communities whose experiences are missing from local history narratives. Community participation across the various strands of the Museum's work has enabled it to establish itself as a vital resource for local people by creating a sense of local belonging for settled and new communities. However, the permanent displays are ageing and becoming a barrier to furthering audience engagement, particularly with communities who suffer from growing inequalities. There is limited space for the collections to grow and opportunities for more digital engagement. It is intended that the redevelopment of the permanent museum will help to:

- Reinterpret the narrative and displays of migration and settlement to cover 150,000 years of history from paleolithic remains to what is now a vibrant and creative borough;
- Target engagement programmes to reach and reflect Hackney's hidden and under-represented communities;
- Be an educational resource for local schools;
- Support young people to develop new skills and knowledge about the local area;
- Enable local and global audiences to access our unique collections through the use of digital platforms.
- Secure space for the future growth of the collections.
- Increase income generation opportunities through the use of heritage assets.
- Contribute to our vision: Hackney - a place where everyone can access, benefit from and contribute to local heritage.

This approval will be financed from the Council's discretionary capital resources.

9.2.6 **London Fields Learner Pool:** Resource approval of **£4,500k (£200k in 2020/21, £2,150k in 2021/22 and £2,150k in 2022/23)** is requested in order to meet the manifesto commitment to develop a new learner/training pool to expand and complement the current offer in the main pool. Full and detailed feasibility studies

have been produced for the project and the allocation for 2021/22 will allow for the appointment of a design team in order to progress the project. This approval will be financed from the Council's discretionary capital resources.

9.2.7 **Stoke Newington Library Refurbishment:** Resource approval of **£4,500k (£2,686k in 2020/21 and £1,343k in 2021//22)** is requested in order to meet the manifesto commitment to bring forward improved facilities at the Stoke Newington Library in order that the facility remains fit for purpose in the future. Hackney has a number of libraries which are sited so that almost all residents live less than one mile from their nearest branch and one Museum. The library branches and the museum deliver an important and wide ranging offer to local residents. Stoke Newington Library however requires significant investment if it is going to continue to maintain the required standard of service to residents over the coming years. The first stage of this project will be to hire a design team in order that options can be assessed and worked up in order that subsequent works can be carried out. This approval will be financed from the Council's discretionary capital resources.

9.3 Re-Profiling of the Capital Budgets:

9.3.1 The capital programme is re-profiled twice each year to ensure that the budgets reflect changes in the anticipated development and progress of schemes within the approved programme. This helps to enhance capital budget monitoring and associated financing decisions. The table below summarises the re-profiling of the capital programme between years, the full details of which are shown in Appendix 1.

Summary of Phase 1 Re-profiling	To Re-Profile 2019/20	Re-Profiling 2020/21	Re-Profiling 2021/22	Re-Profiling 2022/23
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	(4,201)	4,201	0	0
Finance & Corporate Resources	(21,748)	20,891	0	857
Neighbourhood & Housing (Non)	(14,108)	14,198	200	0
Total Non-Housing	(40,057)	39,290	200	857
Housing	(2,093)	2,093	0	0
Total	(42,150)	41,383	200	857

9.4 Capital Programme Adjustments:

9.4.1 Capital Programme adjustments are requested in order to adjust and reappropriate the 2019/20 approved budgets to better reflect project delivery of the anticipated programme. The full details for the required changes are set out in the table below:

Capital Adjustments	Budget 2019/20	Change 2019/20	Updated 2019/20
	£	£	£

Children, Adults & Community Health			
Jubilee Primary	562,291	(21,418)	540,874
Tyssen AMP	516,618	21,418	538,036
DFC Holding Code	399,037	(13,041)	385,995
BSF Whole Life Costing	114,359	13,041	127,400
Clapton Girls BSF Life Cycle	116,000	(9)	115,991
Clapton Portico	8,523	9	8,532
BSF LC Early Failure Contingency	400,000	(16,985)	383,015
Ickburgh School Lifecycle	31,000	16,985	47,985
Finance & Corporate Resources			
HSC Moves	48,977	(5,060)	43,917
Acquis Flat 16 Cranwood Crt	30,808	(18,308)	12,500
ICT Infrastructure Upgrades	0	250,000	250,000
Network refresh	918,681	(250,000)	668,681
Middleware Upgrade	1,900	(1,900)	0
Legal Case Management System	107,250	(107,250)	0
Neighbourhood & Housing (Non)			
Comm Vehicles Parking Operations	89,313	(89,313)	0
Comm Vehicles Parking Aban	11,900	(11,900)	0
Housing			
Decent Homes	300,000	132,904	432,904
HiPs Central	10,279,281	1,046,373	11,325,654
HiPs South West	8,407,929	(1,395,247)	7,012,682
Lift Renewals	1,399,999	(155,333)	1,244,666
Boiler Hse Major Works	696,564	153,228	849,793
District Heating System	275,525	43,042	318,567
Hardware Smoke Alarms	27,056	19,700	46,756
Bridport	227,019	155,333	382,352
Estate Renewal Implementation	3,291,870	452,183	3,744,053
Kings Crescent Phase 1+2	144,151	(94,284)	49,867
Colville Phase 2	679,303	321,698	1,001,001
Aikin Court	141,860	(1,239)	140,621
Great Eastern Building	35,040	6,732	41,772
King Edwards Road	272,241	(272,240)	1
Alexandra National	0	51,480	51,480
ER1 Colville phase 4	1,025,600	1,082	1,026,682
ER1 Colville phase 5	20,500	7,450	27,950
ER1 Colville phase 6	1,786	19,349	21,135
ER1 Colville phase 7	0	82	82
Lyttelton House	4,391,224	(512,293)	3,878,931
Sheep Lane s106	0	20,000	20,000
Housing Supply Programme	1,744,151	306,643	2,050,794
Wimbourne Street	661,697	(306,643)	355,054
Kick Start Programme	18,200	(8,200)	10,000

Stock Transfer to HA	0	3,000	3,000
Woodberry Down Phase 2-5	86,446	(842)	85,604
Woodberry Down Tenancy Agree	0	6,042	6,042
Total	37,484,099	(233,731)	37,250,368

9.5 S106 Capital Approvals:

9.5.1 Capital Resource and Spend approval is requested for **£655k in 2019/20** in respect of the projects detailed below, to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreements.

Planning Site No.	Project Description	Agreement Development Site	2019/20 £'000	Total
2015/0877	Solar Pilot (Leisure Centres)	5-29 Sun Street, 1-17 Crown Place 8-16 Earl Street, and 54 Wilson Street, London, EC2M 2PS (ONE CROWN PLACE)	244	244
2015/2643		32-34 Wharf Road, London N1 7EG	6	6
2016/3736	Green Homes Fund	Hertford and Napier House 1-2 Cranwood Street London EC1V 9PE	18	18
2016/1347		Former Frampton Arms and land adjacent to Sherard and Catesby House 47 Well Street E9 7NU	9	9
2015/0844		Former Frampton Arms and land adjacent to Sherard and Catesby House 47 Well Street E9 7NU	116	116
2015/2643		32-34 Wharf Road, London N1 7EG	27	27
2015/1895		39-45 Gransden Avenue London E8 3QA	25	25
2016/2017 & 2016/2207		Former Kingsland Fire Station, 333 Kingsland Rd. E8 4DR	97	97
2016/1930		Tower Court Clapton Common London, E5 9AJ	113	113
Total Capital S106 Approvals			655	655

9.6 s106 Approvals For Noting:

- 9.6.1 The s106/CIL Corporate Board Meeting dated 4 December 2019 considered and approved the following bids for resource and spend approval. As a result **£8k in 2019/20** was approved to spend in accordance with the terms of the appropriate s106 agreements.

Planning Site No.	Project Description	Agreement Development Site	2019/20 £'000	Total
2010/2596	Hackney Downs Community Cycle Hub	Pembury Circus Land at Junction of Pembury & Dalston E5 8HH	8	8
Total Capital S106 Approvals			8	8

APPENDICES

One.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.

None.

Report Author	Samantha Lewis, 020 8356 2612 Samantha.lewis@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Michael Honeysett, 020 8356 3332, Michael.honeysett@hackney.gov.uk
Comments of the Director of Legal	Dawn Carter-McDonald, 020 8356 4817 dawn.carter-mcdonald@hackney.gov.uk

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Cabinet

20 JANUARY 2020

CAPITAL UPDATE REPORT - Key Decision No. FCR Q43

Appendix 1

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Appendix 1

Summary of Phase 2 Re-profiling	To Re-Profile 2019/20	Re-Profiling 2020/21	Re-Profiling 2021/22	Re-Profiling 2022/23
	£'000	£'000	£'000	£'000
Children, Adults & Community Health				
Colvestone AMP	(124)	124	0	0
Parkwood AMP	(81)	81	0	0
Springfield AMP	(5)	5	0	0
Shoreditch Park AMP	(778)	778	0	0
Hillside CC AMP	(55)	55	0	0
Primary School AMP Needs	(128)	128	0	0
Ickburgh BSF Ph3	(94)	94	0	0
Woodberry Down CC Relocation	(451)	451	0	0
Shacklewell School	(388)	388	0	0
Berger School Works	(9)	9	0	0
Façade Development & Profession Cost	(94)	94	0	0
Gainsborough Façade Repair	(95)	95	0	0
London Fields Façade	(58)	58	0	0
Princess May Façade	(75)	75	0	0
Contingency Facade Repairs	(930)	930	0	0
Colvestone Façade	(21)	21	0	0
De Beauvoir Façade	(57)	57	0	0
Gayhurst Façade	(132)	132	0	0
Grasmere Façade	(59)	59	0	0
Hoxton Gardens Façade	(147)	147	0	0
Mandeville Façade	(10)	10	0	0
Millfields Façade	(63)	63	0	0
Morningside Façade	(11)	11	0	0
Queensbridge Façade	(80)	80	0	0
Randal Cremer Façade	(97)	97	0	0
Rushmore Façade	(37)	37	0	0
BSF LC Early Failure Contingency	(84)	84	0	0
Haggerston School Lifecycle	(36)	36	0	0
Finance & Corporate Resources				
DDA	(368)	368	0	0
Reactive Maintenance	(72)	72	0	0
Asbestos Surveys	(558)	558	0	0
39-43 Andrews Road Works	(100)	100	0	0
HSC Flooring Replacement Works	(739)	739	0	0
HSC Lighting Upgrade	(202)	202	0	0
Christopher Addison Phase 2	(1,773)	1,773	0	0
Decant to MBH & Moves to CAH	(250)	250	0	0
HLT Maintenance Works	(12)	12	0	0
LandlordWks12-14 Englefield Rd	(369)	369	0	0

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Wally Foster Centre	(200)	200	0	0
61 Evering Road	(100)	100	0	0
234-238 Mare Street	(15)	15	0	0
Dalston Lane Terrace	(61)	61	0	0
Property Overall	(350)	350	0	0
ICT General	(857)	0	0	857
Record Management Optimisation	(39)	39	0	0
Business Intelligence	(109)	109	0	0
New Payroll & Recruitment System	(112)	112	0	0
Network refresh	(119)	119	0	0
Devices for Hackney Residents	(50)	50	0	0
ICT Health Check	(50)	50	0	0
Financial Management System	(100)	100	0	0
Installation of AMR's	(50)	50	0	0
PV Solar Panel	(40)	40	0	0
INVAC Project	(20)	20	0	0
Tiger Way Development	(1,134)	1,134	0	0
PRU Nile Street	(3,900)	3,900	0	0
Britannia Site	(10,000)	10,000	0	0
Neighbourhood & Housing (Non)				
Library Management System	(8)	8	0	0
Library Capital Works	(150)	150	0	0
Library Self-Issue Machines	(20)	20	0	0
Essential maintenance to Leis Facilities	(275)	275	0	0
Leisure Development in Borough	(100)	100	0	0
Abney Park	(70)	70	0	0
Shoreditch Park	(120)	120	0	0
Springfield Park Restoration	(700)	700	0	0
Hackney Marshes	(26)	26	0	0
Parks Strategy - Infrastructure	(50)	50	0	0
Daubeney Fields Play Area	(100)	100	0	0
West Reservoir Improvements	(70)	70	0	0
SS Road Safety	(472)	472	0	0
LED Lights on Highways	(500)	500	0	0
Develop Borough's Infrastructure	(150)	150	0	0
H/ways Oakwharf (0040-08) S106	(81)	81	0	0
Denne Terrace Retaining Wall	(290)	290	0	0
Central London Grid (Phase 1)	(300)	300	0	0
Cycle Super Highway	(300)	300	0	0
Regents Canal Denne Terr Wall	(31)	31	0	0
Bridge Maintenance Schemes	(100)	100	0	0
Clifton Street	(18)	18	0	0

Appendix 1

Wenlock Rd/Sturt St/Shepherd	(15)	15	0	0
Highways works Denman House	(26)	26	0	0
Hgway Works Kings Crescent Est	(43)	43	0	0
The Shoreditch Public Realm	(236)	236	0	0
Highway works 258 Kingsland Rd	(24)	24	0	0
Highway Works 2-26 Bentley Rd	(31)	31	0	0
Pembury Circus Improvement Wks	(75)	75	0	0
Highway Works at 37 Cremer St	(55)	55	0	0
Highway Wks at The Stage	(219)	219	0	0
Public Realm at The Stage	(608)	608	0	0
Highway Wks 180-182 Lordship	(7)	7	0	0
Highway Wks Zaim Trading Est	(13)	13	0	0
Highway Wks Land 83UpperClapt	(58)	58	0	0
Highway Wks 97-137 Hackney Rd	(81)	81	0	0
Highway Wks 1-8 & Regen Way	(23)	23	0	0
Highway Wks at Mare St Studios	(215)	215	0	0
Highway Wks Cranwood&NapierHse	(134)	134	0	0
Comm Vehicles Waste Services	(4,200)	4,200	0	0
Local Transport Fund (TFL)	(50)	50	0	0
Corridors (TFL)	(1,168)	1,168	0	0
Hackney Street Markets Strat	(220)	220	0	0
Enforcement Strategy database	(900)	900	0	0
Hackney Central AAP Town Centre	(64)	64	0	0
Planning/Building Control hh	(15)	15	0	0
Ashwin St & St Johns CCTV	(6)	6	0	0
Shoreditch CCTV Cameras	(1,174)	974	200	0
Dalston TC Mngmt Projects S106	(43)	43	0	0
Hackney Central TC Mang.Proj	(3)	3	0	0
Dalston 2011/12 (CE)	(43)	43	0	0
Hackney Wick Regeneration	(177)	177	0	0
Dalston Public Toilets	(75)	75	0	0
80-80a Eastwy(GLA)	(485)	485	0	0
Trowbridge (GLA)	(50)	50	0	0
Ridley Road Improvements	70	(70)	0	0
Housing				
HiPs North West	(1,017)	1,017	0	0
HiPs South West	(1,829)	1,829	0	0
Estate Lighting	25	(25)	0	0
Door Entry System (Replacements)	138	(138)	0	0
Lifts Major Components	(23)	23	0	0
Water Mains/Boosters	(156)	156	0	0
Lift Renewals	(1,102)	1,102	0	0

Appendix 1

Boiler Hse Major Works	16	(16)	0	0
Fire Risk Works	(4,071)	4,071	0	0
Lateral Mains	90	(90)	0	0
Re-wire	(118)	118	0	0
Green initiatives	(305)	305	0	0
Major Legal Disrepairs	(200)	200	0	0
Recycling Scheme	(165)	165	0	0
B/wide Housing under occupation	441	(441)	0	0
Disabled Facilities Grant	(150)	150	0	0
Landlords grant (LLG)	(41)	41	0	0
Warmth & security grant (WSG)	(50)	50	0	0
Bridge House Phase 2	528	(528)	0	0
ER1 Tower Court	3,103	(3,103)	0	0
Kings Crescent Phase 3+4	61	(61)	0	0
Colville Phase 2	1,023	(1,023)	0	0
Colville Phase 1 (Bridport)	26	(26)	0	0
ER1 Colville phase 3	(8)	8	0	0
St Leonard's Court	243	(243)	0	0
Frampton Park Regeneration	(641)	641	0	0
Nightingale	(25)	25	0	0
Marian Court Phase 3	(43)	43	0	0
Lyttelton House	(250)	250	0	0
Colville Phase 2C	172	(172)	0	0
Gooch House	(16)	16	0	0
Wimbourne Street	(211)	211	0	0
Buckland Street	(66)	66	0	0
Murray Grove	(256)	256	0	0
Downham Road 1	(133)	133	0	0
Downham Road 2	(67)	67	0	0
Balmes Road	(88)	88	0	0
Pedro Street	(8)	8	0	0
Mandeville Street	18	(18)	0	0
Tradescant House	(39)	39	0	0
Lincoln Court	(174)	174	0	0
Rose Lipman Project	(175)	175	0	0
Woolridge Way	(103)	103	0	0
81 Downham Road	(19)	19	0	0
Daubeney Road	(357)	357	0	0
Other Heads	49	(49)	0	0
Phase2 & Other Heads	3,903	(3,903)	0	0
Woodberry Down Phase 2-5	(26)	26	0	0
Total	(42,150)	41,093	200	857



**2019/20 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS
AND ACQUISITIONS REPORT (NOVEMBER 2019)
KEY DECISION NO. FCR Q4**

<p>CABINET MEETING DATE 2019/20</p> <p>20TH JANUARY 2020</p>	<p>CLASSIFICATION:</p> <p>OPEN with EXEMPT APENDIX 1</p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendices A & B are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
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<p>WARD(S) AFFECTED: ALL WARDS</p>
<p>CABINET MEMBER</p> <p>Councillor Rebecca Rennison</p> <p>Cabinet Member for Finance and Housing Needs</p>
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending or Savings</p>
<p>GROUP DIRECTOR</p> <p>Ian Williams: Finance and Corporate Resources</p>

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the sixth Overall Financial Position (OFP) report for 2019/20 and is based on detailed November 2019 provisional outturn monitoring data from directorates. We are forecasting an overspend of £6,202k at year end.
- 1.2 This overspend will be substantially funded by the application of the unspent 2018/19 Council Tax and NNDR Collection Fund surpluses carried forward into 2019/20. 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 As with 2018/19, our projected overspend primarily reflects reductions in external funding over time and increasing cost pressures in services, including social care, homelessness and special educational needs (SEN). Despite the publication of the 2019 Spending Review, significant uncertainty still remains about our future funding and in particular, its sustainability. We do now though, have some clarity about our funding position for 2020/21, although we will not receive our final funding allocations for this year until early February and it is unlikely that we will know our funding level for 2021/22 until December of next year.

2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 The OFP shows that the Council is forecast to have a £6,202k overspend which is equivalent to 0.5% of the total gross budget and 1.95% of the net budget. At year end, this overspend will be substantially funded by the application of the unspent 2018/19 Council Tax and NNDR Collection Fund surpluses carried forward into 2019/20. As there is no certainty that these surpluses will continue in future years they must be regarded as one-off funding streams that can only be used in 2019/20.
- 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 Cabinet is asked to approve the property proposal as discussed at **Exempt Appendix 1**. The Council has been approached by the owners of 2 Right to Buy properties in Council blocks to buy back their properties. Due to the high demand for affordable housing in the borough it is recommended to acquire these properties and return them to Social Housing (rented). The properties will be allocated to families in most need on the housing waiting list. The cost of the purchases is not directly viable to the HRA, however the combination of future rental income, saving from temporary accommodation and the value protection from future sale, justifies their purchase. The cost of the purchases will be funded from existing Housing Capital budgets. This proposal is considered in detail in attached Exempt Appendix 1.
- 2.4 On 20th December 2019, the Government published the 2020/21 Settlement. The main points are as follows: -
1. The announcement confirmed the funding announcements that were made following the publication of the 2019 SR.
 2. The Secretary of State confirmed the £1bn additional funding for adults and children's social care in 2020-21 and the continuation of existing grants. However, it is continuing to use Adult Social Care Relative Needs Formula only as the basis for distributing the Social Care Support Grant which disadvantages Hackney. These grants are likely to continue over the next four years, but the distribution could change.
 3. He confirmed that a 2% increase in council tax for social care and an increase of 1.99% for the core principle will be allowable before a referendum is required. This gives an allowable total of 3.99%
 4. The Business Rates element of the funding and Revenue Support Grant will increase by CPI.
 5. The New Homes Bonus Grant will be paid in 2020/21 but the baseline, which reduces all councils grant entitlements, will continue. The Government is not sure that the scheme in its current form is achieving the aims it was designed to and it will, therefore, consult on the future of the housing incentive in the Spring.
 7. The Independent Living Fund will continue
 8. The Government will eliminate the negative RSG in 2020-21 that affected some councils (but not Hackney) through use of forgone business rates.
 9. The Consultation period will be 4 weeks and the Government hopes to publish the final settlement before February recess.

10. Impact on Hackney

We have only just begun work on analysing the Settlement but based on an initial review of the main elements, the funding estimates are in line with those in the latest 2020/21 budget forecast. What is more important now is that we start to mobilise and lobby for the resources local government needs for future across the Board, including multiyear settlements, and where additional responsibilities are passed on, they come fully funded.

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

TABLE 1: GENERAL FUND FORECAST OUTTURN AS AT NOVEMBER 2019

Revised Budgets	Service Unit	Forecast: Change from Revised Budget after Reserves £k	Change from Previous Month £k
		£k	£k
86,623	Children's Services	1,777	215
91,094	ASC & Commissioning	3,873	174
32,764	Community Health	-	-
210,481	Total CACH	5,650	389
36,338	Neighbourhood & Housing	-147	-183
14,957	Finance & Corporate Resources	303	-67
8,938	Chief Executive	396	-17
49,338	General Finance Account	0	0
320,052	GENERAL FUND TOTAL	6,202	122
	Application of One-Off Funding	6,202	122
	Forecast End Year Position	0	n/a

3.0 RECOMMENDATIONS

- 3.1 To update the overall financial position for November, 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 approve the recommendations for the property proposal as set out in Exempt Appendix 1.

4. REASONS FOR DECISION

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

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

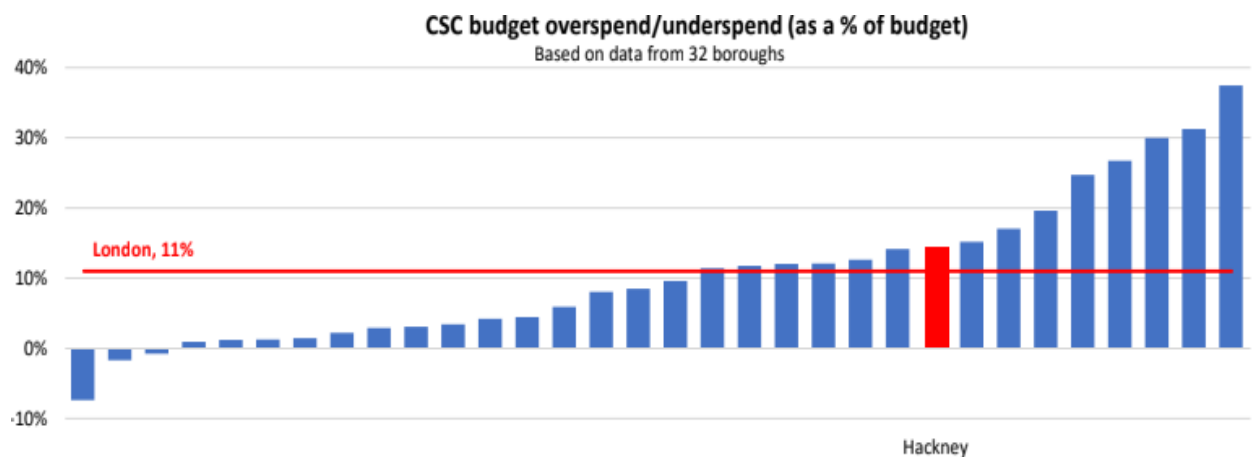
The CACH directorate is forecasting an overspend of £5,650k after the application of reserves and drawdown - an increase of £389k from the previous month.

Children & Families Service

Children & Families Service (CFS) is forecasting a £1,777k overspend after the application of reserves and grants and is an increase of £215k from the previous month. The draw down from reserves includes:

- £2,300k from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget.
- £1,100k for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted focused visit earlier in the year.
- £330k is drawn down to offset pressures in relation to the increase in young people currently held on remand.

The sustained pressure on CFS budgets is a position that is not unique to Hackney, as shown by the results of a 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 2018/19 (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 looked after children (LAC) placements within Corporate Parenting, young people held on remand within Youth Justice and staffing in several areas across the services. Further details are set out below.

Corporate Parenting is forecasting to overspend by £1,360k after the use of commissioning reserves and one-off staffing reserves. This position also includes the use of £1,200k of non-recurrent Social Care funding that was announced in the October 2018 Budget. Spend on LAC and Leaving Care (LC) placements (as illustrated in the table below) is forecasted at £20,500k compared to last year’s outturn of £18,300k – an increase of £2,200k.

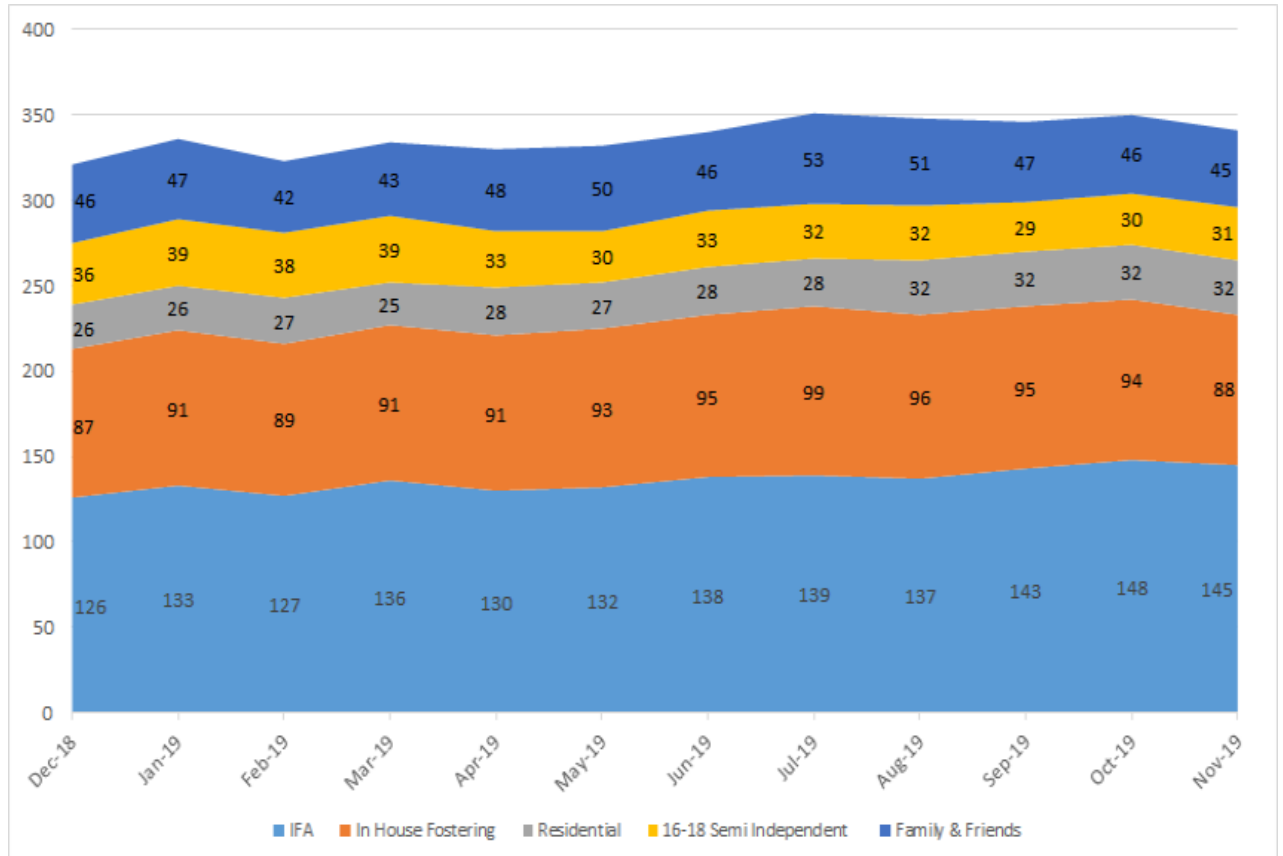
Table 2: Placements Summary for LAC and Leaving Care

Service Type	Budget	Forecast	Forecast Variance	Budgeted Placements*	Current Placements	Management Actions
Residential	4,331	5,315	984	22	31	<p>There are a number of initiatives in place to seek to contain these cost pressures, for example the Family Learning Intervention Project (FLIP), the Edge of Care workers, the Residential project and re-negotiation of high cost placements. The first two of these have been in train for some time and tracking of the financial impact is undertaken on a case by case basis. Evidence from this tracking suggests significant costs avoided suggesting the cost pressure would be significantly greater if these were not in place.</p> <p>We will continue to monitor residential placement moves and the resulting effect on other placement types across future periods. The impact of Mockingbird, the extended family model for delivering foster care with an emphasis on respite care and peer support, and new arrangements for implementing Supported Lodgings will also be reviewed going forwards.</p>
Secure Accommodation (Welfare)	-	140	140	-	1	
Semi-Independent (Under 18)	1,570	1,914	344	25	31	
Other Local Authorities	-	181	181	-	6	
In-House Fostering	1,800	2,134	334	76	88	
Independent Foster Agency Carers	6,488	6,998	510	134	145	
Residential Family Centre (M&Baby)	-	289	289	-	2	
Family & Friends	569	826	257	30	45	
Extended Fostering	-	30	30	-	1	
Staying Put	200	374	174	12	24	
Overstayers	290	495	205	16	23	
Semi-independent (18+)	1,370	1,847	477	112	110	
Total	16,618	20,543	3,925	428	507	

*based on average cost of placements. Residential budget also includes one-off social care funding of £1.2m)

The table below shows the trend in LAC placements over the past 12 months.

Table 3: Headcount Data for LAC



LAC and Leaving Care placements have increased by £144k and £87k respectively since October and these are primarily due to increases in Residential Family Centre and Semi-independent placements. Since this time last year there has been an adverse movement in the ratio between IFA and in-house placements. There was a brief improvement during the year, however this has declined in recent months. The improvement was driven primarily by the in-house foster carer recruitment which has seen some success and the matching officer post which has been in the structure since 2018. At around £50k per annum the cost of a child placed in independent foster care is double that of a placement with one of our own foster carers.

One of the main drivers for the cost pressure in Corporate Parenting continues to be the rise in the number of children in costly residential placements and 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. We are also noticing the number of IFA placements is rising again.

This year we have seen significant pressures on staffing. This is mainly due to posts additional to those in the establishment which have been recruited to meet increase in demand (rise in caseloads), additional capacity to support the response to the Ofsted focused visit earlier in the year, cover for maternity/paternity/sick leave and agency premiums.

The Children in Need Service is forecast to overspend by £497k. The overspend is mainly due to staffing, relating to supernumerary social worker posts to meet service pressures from high caseloads and response to the Ofsted focused visit, maternity cover, and agency premiums associated with covering vacant posts. These items collectively total £510k. Underspends in non-staffing expenditure total £13k.

The Disabled Children's Service is forecast to overspend by £509k. Staffing is projecting an overspend of £213k due to additional staff brought in to address increased demand in the service. The remaining overspend is attributed to care packages (£408k, including Home Care, Direct Payments and Residential respite) and £35k on other expenditure. This is offset by a £148k reserve drawdown.

The Adoption Service is forecast to overspend by £266k. Primarily the overspend relates to the Regional Adoption Agency with our neighbouring boroughs, which has incurred transitional costs in staffing, inter-agency services, and on IT. A projected overspend of £36k from Adoption Support fund expenditure related to high cost cases that requires match funding contributions from the Council.

Parenting Support Services is forecast to overspend by £107k which relates to staff covering maternity, long term sick and one family support practitioner additional to the number of established posts.

Overspends across the service are partly offset by an underspend in the Directorate Management Team, Access & Assessment and Youth Justice Service.

The Directorate Management Team is forecasted to underspend by £602k. This is due to the utilisation of additional reserves within the service to offset staffing pressures, including those in Children in Need and Parenting Support service referred to above.

Access and Assessment is forecast to underspend by £72k. This is primarily from a lower forecast cost in Section 17 expenditure which is £58k less than the previous year's outturn.

The Youth Justice Service is forecasted to underspend by £68k from delays in recruiting Youth Justice practitioner posts. £425k from a combination of remand reserves and grant funding is used to offset pressure in the service due to a major incident resulting in three young people held on remand earlier this year.

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 £4.0m and £5.0m), mainly due to pressures in special educational needs. This forecast has been updated following the latest funding updates announced by the government in July 2019. The forecast will continue to be adjusted as data on any new demands on HLT services become known throughout the year.

Special educational needs activities cost £9.5m in excess of agreed budgets 2018/19; and expenditure is currently expected to increase by a further £2.0m in 2019/20. Within the HLT forecast, the SEND over-spend is mostly 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 look into 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 in 2019/20.

The SEND cost pressure is attributable to the increase in the number of Education and Health Care Plans (EHCPs) as the pupil population has grown significantly and there are 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 EHCPs has increased by more than 50% since 2011. With the exception of SEN transport, SEN costs should be met from the High Needs block of the Dedicated Schools Grant– however, despite the significant rise in numbers and costs there has not been an adequate increase to this funding source.

There is a risk of overspend in children’s centres due to the uncertain impact on demand for childcare following the September 2019 childcare fee increases. The financial impact is currently being assessed in detail and will be finalised after analysing occupancy-level reports from the centres. There is an estimated forecast overspend of £0.4m in this area incorporated into the overall HLT forecast.

Adult Social Care & Community Health

The forecast for Adult Social Care is a £3,873k overspend. The revenue forecast includes significant levels of non-recurrent funding including iBCF (£1,989k), Social Care Support Grant (£1,200k), and Winter Pressures Grant (£1,400k). Recent announcements on social care funding as part of the Spending Review 2019 has provided further clarity on funding levels for 2020/21, however, it is still unclear what recurrent funding will be available for Adult Social Care post 2020/21. The non-recurrent funding was only intended to be a ‘stop-gap’ pending a sustainable settlement for social care through the Green Paper, however this is subject to ongoing delay. 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 run safe services for adults. Alongside this the service continues to take forward actions to contain cost pressures.

Care Support Commissioning (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £2,900k pressure. The forecast includes £1,400k of the Winter Pressures grant to fund additional costs resulting from hospital discharges. It was anticipated that the grant funding would be released through the year to offset additional pressures from hospital discharges, however an analysis of information on discharge levels and care packages has identified that the full £1,400k has already been committed.

Service type	2019/20 Budget	November 2019 Forecast	Full Year Variance to budget	Variance from Oct 2019	Management Actions
	£k	£k	£k	£k	
Learning Disabilities	15,287	16,521	1,234	(49)	<ul style="list-style-type: none"> - ILDS transitions/demand management and move on strategy - Multi-disciplinary review of care packages (delivered £720k) - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	12,843	13,559	716	(25)	
Memory, Cognition and Mental Health ASC (OP)	7,710	8,367	657	4	
Occupational Therapy Equipment	740	1,028	288	84	
Asylum Seekers Support	170	210	41	(1)	
Total	36,749	39,684	2,935	13	

The Learning Disabilities service is the most significant area of pressure with a forecast £1,234k overspend, which reflects a small improvement of £49k on the October position. The movement results from an additional one-off application of non-recurrent funding which has partly offset increased care package costs - these increases are primarily driven by increasing complexity of care needs for Learning Disability clients. The pressure is still significantly less than last year due to the application of both budget growth and one-off funds in this service area.

Work is ongoing with CCG colleagues to embed the joint funding model for high cost Learning Disability packages as business as usual. There is an agreement between both parties for all packages to be reviewed for joint funding. A process of financial reimbursement will be managed through the Learning Disability Section 75 review group on behalf of the Planned Care Workstream.

The CCG have committed to ring-fence £1,900k - £2,700k within their financial planning for 2019/20 and £1,900k has been factored into the forecast above. The partners also acknowledged that by implementation of the joint funding policy, the amount paid for health need will be based on the assessment of patient/residents and that health needs for individuals could be potentially less or more than the initial identified range. Progress has been slow in embedding the joint funding model which has resulted in fewer than expected cases going through the panel process to date. This is being closely monitored by all partners and measures have been taken to try to ensure the completion of all joint funding assessments by the end of the year, which includes having dedicated project support in adult services to ensure the smooth day to day operation of the process, given its high priority and funding risk.

Physical & Sensory Support is forecasting an overspend of £716k, whilst Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £657k. The cost pressures in both service areas have been driven by the significant growth in client numbers as a result of hospital discharges, which has been partially mitigated by one-off funding from the Winter Pressures grant of £1,400k. There is an increased forecast in the cost of Occupational Therapy Equipment resulting in a forecast overspend of £288k increasing by £84k from the previous period.

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. These actions include the creation of a multi-disciplinary team (MDT) to facilitate the review of care packages, and this has delivered savings to date of £757k (full year effect). As a result of the savings achieved the MDT project has been extended for a further six months to the end of Jan 2020.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £675k. The overall overspend is made up of two main elements - a £815k overspend on externally commissioned care services and £140k underspend across staffing-related expenditure. The increased overspend is mainly as a result of new care packages and an increase in the estimated number of home care hours being commissioned across the year.

Provided Services is forecasting a £91k overspend which is largely attributed to:

- A Housing with Care overspend of £191k. The forecast includes additional resources to respond to issues raised from the CQC inspection in December 2018. The service has recently been re-inspected in July 2019, and the service has now been taken out of 'special measures' and our rating has changed to 'requires improvement'.
- Day Care Services are projected to underspend by £99k, primarily due to the current staff vacancies across the service.

Preventative Services is forecast to underspend by £595k which represents an underspend on the Concessionary Fares' budget due to a reduction in demand of £150k plus an on-going underspend of £220k within Median Road Resource Centre budget which supports wider Care Management service expenditure. Cost pressures of £77k are linked to staffing challenges for which the Hospital Social Work Team includes IBCF non-recurrent funds towards supporting staffing levels necessary to ensure hospital discharge targets are met. The remaining £350k decrease represents a virement from Commissioning to establish the Carers Redesign budget.

ASC Commissioning is forecasting a £880k budget overspend which reflects an increase of £368k on the previous position. £350k of this increase represents a virement to Preventative Services to establish the Carers Redesign budget. The remaining £18k increase in the overspend results from the need for additional resources to be allocated to the brokerage service. Delays in savings delivery from the Housing Related Support (HRS) service are still forecast at £634k.

Public Health

Public Health is forecasting a breakeven position. There are pressures in the service due to the delay with implementing Public Health restructure and the review of physical activity for adults. However, this pressure is being managed within the overall budget and it is not anticipated to result in an overall overspend.

The Sexual Health forecast has been updated to reflect the agreed increase of tariffs which commenced from 1 October 2019 across London following the recent Integrated Sexual Health Tariff (ISHT) review. There has been a 5% increase in sexual health costs, which is associated with PrEP activity (PrEP is Pre-Exposure Prophylaxis, which is the use of anti-HIV medication that keeps HIV negative people from becoming infected) and a progressive uptake of e-services alongside clinical service provision. Both activities are subject to continuous review with commissioners to ensure sustainable future provision remains within the allocated sexual health budget in future financial years

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate as at November 2019 is a £147k underspend - a reduction of £183k from the October position. The forecast includes the use of £2,000k of reserves, the majority of which are for one off expenditure/projects.

There is a forecast overspend in the Planning Service of £312k which is due to a projected shortfall against the planning application fee income target of £2,300k. The total shortfall £423k against the income budget is partly mitigated by additional income from other parts of the service.

The Planning Service is currently re-modelling staff expenditure in the Major Applications Team, with an opportunity for Team Leaders to take on additional case load work for major applications whilst achieving cost savings. This will reduce staffing costs to mitigate the impact of reduced income. However, it must be noted that the construction cycle is very consistent, with the planning and building control experiencing falls in income every 5 years as the construction industry periodically slows before recovering.

The Building Control service is forecast to overspend by £63k, though it is important to note that Building Control income is significantly higher than in 2018/19. The service has proposed a new staffing and fee structure that will improve income generation and achieve full cost recovery without losing share of the Building Control market.

Streetscene is forecast to under spend by £544k which is an improvement of £198k from the previous month which is due to additional income. There is ongoing analysis of Streetscene income to determine potential improvements in the outturn position for 2019/20, as initial figures indicate that due to increasing numbers of developments across the borough, Streetscene is likely to over achieve its income budget for the year resulting in an increased underspend for the full year. This analysis will also consider the sustainability of the additional income received in-year.

Parking, Leisure, Green Spaces and Libraries and Community Safety, Enforcement and Business Regulation are forecasting break-even positions, with Directorate Management continuing to forecast a marginal underspend.

Housing General Fund is forecast to be marginally under budget at this stage, mainly due to underspends within staffing.

Regeneration is forecast to be slightly over budget, a variance of less than 0.5%.

4.4 FINANCE & CORPORATE RESOURCES

The forecast is an overspend of £303k.

Financial Management and Control are forecasting an underspend of £400k due to vacancies across all services, while the Directorate Finance Teams are projecting an underspend of £103k which mainly relates to salaries and projected additional income from service fees

The overspend in Facilities Management (£370k) is primarily due to increases in business rates costs on council owned buildings in the borough which are partially offset by reserves. The largest increases are in Hackney Town Hall, Hackney Service Centre and Florfield Road.

In Property services, the cost pressure primarily results from: providing additional staffing resources within the service to address essential works; and the re-classification of a significant revenue item as a capital receipt. The service is currently reviewing their operations to address the former and the allocation of overall budget, both capital and revenue, needs to be reviewed to address the latter.

Revenues and Benefits and Business Support, Registration and Audit and Anti-Fraud are forecast to come in at budget.

Housing Needs is forecast to come in at budget after the application of the Flexible Homeless Grant and Homelessness Reduction Act Grant. Whilst we will continue to receive the Flexible Homeless Grant, it is probable that this grant will reduce over time and there may be other calls on the Grant. Further, since April 2018 when the Homelessness Reduction Act was introduced there has been a 33.4% increase in approaches for housing advice, expected to result in significantly higher accommodation costs over time.

4.5 CHIEF EXECUTIVE

Overall the Directorate is forecasting to overspend by £396k after forecast reserves usage, which is a decrease of £17k from October.

Communications, Culture & Engagement

The service is forecasting an overspend of £210k.

£150k of this relates to Hackney Today. Hackney Today was published fortnightly for the first quarter of the year but following a court order is now only published once every 3 months with a new information publication 'Hackney Life' published in the months in between. Due to this, advertising income has dropped significantly, from around £33k pcm to £6k pcm. Although distribution and print costs have halved, these only save £14k pcm. Staff costs are largely unaffected by the change in publication but have increased due to maternity leave. This projection does not include any legal costs which are not yet charged to the service (and will be funded from reserves) nor does it include the impact of this decision on other services such as Planning which will now have to place statutory notices in other publications.

The remaining £60k is in relation to venues, primarily due to costs relating to Hackney House, which the council is no longer responsible for.

The Culture team have spent a higher amount on the carnival this year due to increasing numbers of attendees and the moving of the main stage to a new location to take account of this. It has been agreed for the funding to come from Neighbourhood CIL.

The rest of Communications including Design & Film are forecast to break even.

The reserves usage is in relation to Hackney Young Futures Commission which is a manifesto commitment and Dalston Engagement. The Dalston engagement reserve is made up of income received by the service last year and set aside for this purpose.

Legal & Governance

The combined Legal & Governance Service are forecasting an overspend of £186k on their budget.

There is an overspend reported in Governance which is primarily due to Internal Printing Recharges estimated at £34k which has no budget and £36k is for an unfunded Team Manager's post previously funded by HRA.

Recharge income and recharges to Capital are forecast to be under budget by £260k. The management team is also reviewing current and future income to establish sources of additional income for the 2020/21 financial year. The overspends are partially offset by underspend in Legal salaries (£35k) and external legal advice (£60k) There is an additional income from Traded Services £19k and HLT £30k.

All other services are forecast to come in at budget.

4.6 HRA

The projected outturn on the HRA is at budget.

Income

There is a surplus of £369k on Dwelling Rents which is due to a new lease agreement for properties rented to housing associations. The other major variances are a surplus of £948k for Other charges for services and facilities which is mainly due to the extension of LBH collection of water rates on behalf of Thames Water; and a surplus of £777k on Additional Leaseholder income which is due to the closing of accounts and the release of actual leaseholder service charges. The commission earned on the Thames Water contract is to pay for the staff that collect the money. We currently only need to collect rent from about 60% of tenants, as about 40% are on full HB; but as we collect Thames Water charges from all tenants and leaseholders, we need to have staff/process/systems to collect from the remaining 40% of tenants. This cost is paid for by the Thames Water commission. The surplus is due to the fact that the contract extension was negotiated after the HRA budget was set and so the income is not accounted for in the budget, but the income is accruing throughout the year.

Expenditure

Repairs and Maintenance is £1,306k over budget which is mainly due to reactive repair costs and an increase in legal disrepair expenditure. This is currently partly offset by vacant posts within the new R&M structure. The Special services overspend of £986k is due to agreed increased costs within estate cleaning, but this is expected to reduce in 2020/21 as the effects from restructuring of the service are realised.

There is an overspend on Supervision and Management which is due to an increase in recharges from housing needs.

There is an increased cost of capital due to the interest costs on the returned 1-4-1 funding from the pooling of capital receipts, but this is offset by a reduction in the Revenue Contribution to Capital (RCCO).

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. The details of the exempt leasehold proposal are included in Exempt Appendix 1.

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of November 2019. Full Council agreed the 2019/20 budget on 21st February 2019.

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 AND GOVERNANCE

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 With regards to the Exempt Property proposal attached at Appendix 1, the legal considerations are contained within the appendix.
- 8.5 All other legal implications have been incorporated within the body of this report.

9.0 COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY

With regards to the property proposal in Exempt Appendix 1, the comments are included in the appendix.

Appendices

1. Exempt Appendix 1 – Property Proposal

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**TITLE OF REPORT A PLACE FOR EVERYONE – LB HACKNEY MAIN GRANTS
2020/21 AND 2021/22**

Key Decision No. CE Q27

<p>CABINET MEETING DATE (2019/20) 20 January 2020</p>	<p>CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED All Wards</p>	
<p>CABINET MEMBER Cllr Selman Community Safety, Policy and the Voluntary Sector</p>	
<p>KEY DECISION Yes</p> <p>REASON Affects Two or More Wards</p>	
<p>GROUP DIRECTOR Tim Shields Chief Executive</p>	

CABINET MEMBER'S INTRODUCTION

- 1.1** I am very pleased to introduce this report that outlines the recommendations for the Main Grants funded through the 2020/21 Voluntary and Community Sector (VCS) Grants Programme.
- 1.2** Main Grants are available for two years subject to available budget and satisfactory delivery in year one. Recommendations contained in this report are for one and two year grants as we are currently in the second year of delivery of the last round of two year grants. This report therefore sets out recommendations and seeks approval for disbursement of £963,655 Main Grants over two years with £535,024 awarded for the first year in 2020/21.
- 1.3** We have advised organisations of funding recommendations more than three months before the end of the current financial year, giving organisations more time to plan ahead, consider other funding sources and manage the implications of any changes in the grant they receive. Applicants were also provided with the opportunity to request a review of the recommendation, through the 'Vulnerability Review' process which provides an opportunity for groups that are not being recommended for funding to make a case for reconsideration based upon the impact on the organisation and their service users of not receiving a grant.
- 1.4** It is evident from the amount of funding requested this year (2020/21) that the sector is facing continued financial challenges. We recognise those challenges. The grants programme was reviewed in 2015 but given the scale of the financial challenge we need to ensure that the programme remains fit for purpose, maximises our investment and offers the best approach to supporting the sector and its beneficiaries. The new VCS strategy developed with our partners in the sector aims to ensure that our future relationships provide the best possible outcomes for Hackney and its residents. A review of the grants programme over the next six months will ensure that our investment in the sector is aligned to this strategy. I will be bringing a report to Cabinet that will outline the recommendations from this review.
- 1.5** Learning from the development of the new VCS Strategy has also identified the need to think more strategically about our investment in the VCS and the need to work with the sector in a more insightful and supportive way to identify creative and long term solutions for organisations and the residents they serve. This report therefore also sets out recommendations for investment in greater internal strategic capacity.
- 1.6** Planned underspend from this year and the remaining grant for 2021/22 not being committed as part of the two year grants, will ensure that there is a programme of investment available for the sector in 2021/22. The 2021/22 programme will begin to respond to the findings of the grants review. The

decisions for this round of two year grants will be brought back to Cabinet in January next year for approval for 2021/22.

- 1.7** I would like to take this opportunity to thank Council officers and colleagues from the VCS, for their contribution to the assessment process. They are required to assess a high volume of high quality applications to reach these recommendations and I am grateful for their hard work.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1** This Council has a strong financial track record but seven years of Government cuts are taking their toll on public services, as more and more people are turning to councils for support, with less and less money available to help them. In Hackney, our Government grant has shrunk from £310m in 2010 to £180m this year – and by 2020 it is expected to be just £170m - a cut of 45% per head of population we have seen the biggest funding cut of any London borough at £529.
- 2.2** Despite this the Council has protected the funding for the Voluntary and Community Sector Grants as part of the wider approach to protecting frontline services where possible. The draft budget available for grants in 2020/21 is £2,512,786 and this report recommends £2,164,785 for Specialist, Advice, Main, Holiday Playscheme grants and awards made through the Vulnerability Review. Recommendations on Small Grants will be reported to Cabinet in February and July 2020.
- 2.3** In response to the launch of 2020/21 VCS grants programme for Main Grants (including Holiday Playscheme) £5,068,874 was requested in applications for 2020/21 and 2021/22. £535,024 is recommended for award in 2020/21 and £428,631 in 2021/22. It is also recommended that £747,333 in 2020/21 is awarded to continue Specialist Grants against delivery of specific activities such as infrastructure support for the VCS. This includes £262,333 for adventure playgrounds which are commissioned by Young Hackney.
- 2.4** Approval for the second year of Advice grants is also sought. This includes £18,922 to support the advice transition. Three advice providers have achieved annual savings of £8,594 which means the amount contributed by planned underspend in the wider grants budget to support the advice transition has reduced to £10,328 in 2020/21. Hackney Advice Service, the consortium led by Deaf plus made a saving of £7520 for year two. The remaining £1074 is the result of contract negotiations at the beginning of the contract, where two organisations revised their budgets which were slightly under the amount offered.
- 2.5** From the remaining balance £170,000 will be available to the VCS in the form of Small Grants (including further ring-fenced funding for Holiday Playschemes) and Community Chest. Three playschemes will be funded

through the Main Grants in 2020/21 compared to two this year. To ensure that funding is available to Holiday Playschemes £50,000 of the Small Grants budget will be ring fenced, potentially resulting in ten further projects. Recommendations on Small Grants will be brought back to Cabinet in February and July this year.

- 2.6** There is £178,000 (including contingency) which has not been allocated to a specific grant stream in 2020/21 and this will be carried forward. The current estimate in reserves is £220,000 for disbursement in 2021/22 for Main Grants awarded on a one year basis and to respond to the priorities that emerge from the review of the grants programme. The intentions for this funding will be presented to the Cabinet meeting later in the year.

Grant	2020/21	2021/22
Main Grants	£535,024	£428,631
Specialist Grants	£747,333	
Advice Grants	£780,326	
Vulnerability Review	£102,100	
Small Grants and Community Chest	£170,000	

- 2.7** The assessment process for the programme continues to benefit from the input of officers from across the Council and colleagues from the Voluntary and Community Sector (VCS). This year each of the assessment teams included one representative from the VCS or an external agency. An initial two stage process assessed applications individually and then these were moderated within teams to ensure that the projects passed to the final Grants Panel were consistently strong in terms of their impact and ability to deliver. Assessors are faced with difficult deliberations when agreeing the final recommendations as the grant amount requested significantly exceeds the budget available and feedback this year indicated that the quality of applications was very high.
- 2.8** Applicant organisations applying for a Main Grant were also provided with the opportunity to request a review of the recommendation, through the 'Vulnerability Review' process which provides an opportunity for groups that are not being recommended for funding to make a case for reconsideration based upon the impact on the organisation and their service users of not receiving a grant. This has resulted in an amendment to the initial recommendation for nine applicants. However the available budget remains the same and it is not possible to fund every organisation that applies to the programme.
- 2.9** The VCS grants programme is not the only means of support that the Council provides to the Voluntary and Community Sector. Despite the economic

challenges, the Council has continued to commission organisations to deliver services, subsidised through discounted rents to organisations occupying properties within the VCS property portfolio and administered a Discretionary Rate Relief scheme.

3. RECOMMENDATION(S)

- 3.1 To agree the schedules of grant awards totalling £2,164,785 as listed in Appendix 1 for 2020/21.**
- 3.2 To agree in principle approval for a second year of funding for some organisations receiving a Main Grant 2020/21, as set out in Appendix 1 and subject to future budget availability.**
- 3.3 To approve the extension of the Specialist Grants to ensure future alignment with the VCS Strategy following the forthcoming review of grants, as set out in Appendix 1.**
- 3.4 To approve the second year of Advice Grants totalling £761,406 and additional transition funding totalling £18,922 for three Advice Service providers.**
- 3.5 To agree that £170,000 should be ring-fenced for Small Grants including Holiday Playschemes and Community Chest.**
- 3.6 To agree that £131,932 from the programme is invested in maximising the outcomes for the grant and the wider sector through additional officer support.**
- 3.7 To agree that the Council will additionally contribute to the London Boroughs Grant Scheme 2020/21 and note that the contribution will be in the region of £209,346.**
- 3.8 To note that approximately £400,000 will be carried forward to increase the available budget for the Main Grants open programme for 2021/22 and to respond to the findings of Grants Review which will be carried out in 2020.**

4. REASONS FOR DECISION

- 4.1 A Place for Everyone open grants programme**
- 4.2 The recommendation to launch a Voluntary Sector Grants Programme was agreed by Cabinet on 17 June 2019 based on the budget for 2020/21. In order to accommodate the Council's budget setting timetable,**

recommendations approved at Cabinet on 20 January 2020 will be subject to the approval of the Council's budget in February 2020.

- 4.3** The Grants Programme also currently invests in a number of activities through Specialist Grants which are awarded directly to organisations. For the smaller organisations currently funded, the grants mostly provide security to give them space to address issues and undertake development work to move towards becoming more sustainable and less dependent on the Council in the future. For the organisations that have an infrastructure remit, the Specialist grant funding recognises their reach across the sector, and is more focussed on their strategic activities to support the Council's priorities.
- 4.4** A full review of Specialist Grants was completed in 2017 which identified where investment should be focused in the future. Consideration was given to the impact of these grants through a set of high level questions and assessment against the new Community Strategy and emerging Voluntary and Community Sector Strategy, as a way of appraising and vetting future investment. Rather than review these grants separately from the forthcoming whole programme, these grants will continue for another year from April 2020. Any recommended changes will be reported to Cabinet in June 2021.
- 4.5** In March 2019 Cabinet approved funding for two year grants for Advice Services. The associated delegated powers report set out how funding would be allocated including additional funding from the unallocated budget for the 2019/20 wider grants programme. This included a transition package of £50,000 for Hackney Community Law Centre which had been unsuccessful at securing a grant at the same level as in previous years. £15,000 was also directed towards transition and development arrangements for three organisations. The transition funding was not intended to help meet demand, recognising that the demand into all advice services is high, but instead took into account an assessment of the risk to service users within the context of the wider advice service.
- 4.6** The criteria to assess eligibility included where the level of funding would have a significant impact for the borough and service users. In regards to advice service organisations this would include financial viability over a year to 18 months and what would be needed to stabilise the organisation, the strength of the business/management model and the ability/ support needed to adapt. It would also assess capacity risks such as the current size and stability of organisation and need for support to grow and how much has it got to grow e.g. doing something new. Funding in the first and second years would therefore be to stabilise, not maintain.
- 4.7** Two organisations were identified for funding in both years one and two and one (Praxis, funded in partnership with Hackney Migrant Centre) for funding in year two only (as funding in year one has been met through pro rata of the budget).

Organisation		Year 2
Day-Mer	Risk to continuing advice provision due to their current financial position and the importance of their contribution to the advice framework offering advice to Turkish and Kurdish communities.	£8640
Hackney Chinese community services	Support needed to stabilise and grow to offer a new service to Chinese and Vietnamese populations not currently met by wider advice provision	£8258
Praxis (in partnership with Hackney Migrant Centre)	Support needed to grow and work in partnership to support a new way of working	£2024
Total		£18,922

- 4.8** In accordance with approval by Cabinet in June 2019, the 2019/20 VCS grants programme opened to Main Grant Applicants (including Holiday Playscheme applications) on the 3rd of July 2019 and closed on 16th September 2019.
- 4.9** Improvements are being introduced to the way investment is managed and directed reflecting the new approach to investment outlined in the VCS Strategy. The strategy has identified that grant funding in itself is no longer sufficient to support the sector and has not resolved financial difficulties for some organisations who are having to use their reserves to maintain delivery, whilst at the same time lacking capacity to fundraise or look for alternative forms of investment.
- 4.10** The grants programme in the future needs to enable creative responses to some of the challenges the sector faces as well as influence changes to culture and approach as outlined in the strategy. Funding and investment into the sector needs to be better understood now in order to make strategic decisions about future investment not only from the grants programme but across the Council. Support is needed to ensure early engagement with organisations to develop collaborative approaches to the Council's investment. This will help to build trust and collaboratively develop more creative and long term solutions for organisations and the residents they serve.
- 4.11** The Council is not simply buying a service from the VCS when it grant funds, and the unique way the VCS works must not be overlooked. Grant resources need to be targeted more strategically, and the impact of grant funding

extended by working with and supporting organisations to stretch their ambitions, abilities and capacity.

4.12 These changes will require increased collaboration and the development of new relationships with the Council, which are mutually supportive and built on trust and openness. Targeted support is needed for this to ensure that the Council's investment enables the VCS to grow in a sustainable way. There is an opportunity now to make changes over the short and long term to develop a different approach to investment in the VCS that involves investing in purpose and longer term outcomes not just short term project based activity.

4.13 In order to achieve these outcomes it is intended that £131,932 of the grants programme budget is used to fund two Senior Grants and Investment Officers within the Policy and Strategic Delivery Team. It is no longer sufficient for the Council just to understand the difference that is being made through its investment. A step change is needed to invest in working with the sector in a more insightful, supportive and enabling way that maximises the outcomes for the grant and ensures that it contributes towards the ongoing sustainability of the VCS.

4.14 The intention is not just to expand the Grants Team within Policy and Strategic Delivery, but revisit the way that grants management works, and the skills and competencies needed. By creating more strategic capacity the Council can become more outward facing which will ensure a greater flow of intelligence and more potential for collaboration. This will in turn mean that:

- relevant connections between grants investment and wider strategies are identified and forged
- the Council has a strategic overview of investment in the VCS across the organisation and in the borough, including grants, commissioning and subsidy and multiple funding arrangements
- a greater contribution to the understanding of investment in place and engagement with external funders on priorities for place, in line with the Community Strategy
- Engagement with other teams in the Council that work closely with funded organisations, to gather their perspective on delivery and impact

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 The list of recommended and non-recommended applications is appended to this report in appendices 1 and 2.

6. BACKGROUND

6.1 Policy Context

6.1.1 The VCS applicants for grant aid had to meet the criteria set out within the grants guidance for Main Grants (including Holiday Playscheme) or the guidance for Social Welfare Advice Grants.

6.2 Equality Impact Assessment

6.2.1 An Equalities Impact Assessment (EIA) has been carried out (see appendix three) on the recommendations and the main recommendations of the EIA are to:

- Organisations provide information on how they are using the investment to contribute to the Council's equality objectives.
- Organisations are encouraged to use the vulnerability review process and explain the impact of the recommendations on particular communities.
- Where possible, organisations are encouraged to access alternative sources of funding.
- Enable transformation in the advice sector to reflect the aspirations and principles of the Compact and enable advice providers to work more efficiently, effectively and further build the capabilities and resilience of residents.

6.2.2 Equalities Impact Assessments (EIA) were undertaken to test the outcomes of the grants review and the proposed changes in 2015, and the review and changes to the advice grants reported to Cabinet in October 2018.

6.3 Sustainability

6.3.1 The Council will continue to administer the programme electronically through the use of grant software, which eliminates the need for paper applications, thus contributing to the Council's commitment to reducing carbon.

6.3.2 The VCS in Hackney plays an important role in the local economy, supporting both individuals and groups and makes a significant contribution to the community and civil life. Continuing to nurture and support the sector is fundamental to achieving sustainable communities in the borough.

6.4 Consultations

6.4.1 Consultation was undertaken in 2015 to ensure that the views of the VCS and residents shaped the proposals that emerged as a result of the review. Consultation was also undertaken to inform the new Compact and this in turn influenced the design of the new programme. Engagement across the Council was undertaken to ensure that services were able to inform the shape of the programme. Consultation was undertaken in 2018 which informed the need for a grants review which will be undertaken this year, aligning the programme to the new VCS Strategy.

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

7.1 This report requests approval for the following;

- Award grant funding as per schedule contained in Appendix 1 totalling £2,164,785 for **2020/21**.
- Approve in principle the second year funding contained in Appendix 1 totalling £428,631 subject to availability of budgets in **2021/22**.
- Approve the Advice grants contained in Appendix 1 for **2020/21** (this is included in the figure of £2,164,785). This is for the second year of grants awarded in 2019/20
- Approve ringfencing of £170,000 for small grants for 2020/21 to be awarded at a later date.
- Approve the transfer of £131,932 of the VCS grants budget to fund additional officer support on an ongoing basis.

Summary of expenditure vs budget for 2020/21

Draft Budget		Grants	
VCS grants budget	£2,644,718	Appendix 1	£ 2,164,785
Less transfer to officer support	(£131,932)	Small grants (ringfence)	£ 170,000
Estimated reserve c/fwd from 19/20	£ 220,000		
Total	£2,732,786		£2,334,785

Estimated surplus from 2020/21 budget to be carried forward to 2021/22 subject to approval of carry forward = **£398,000**. (£2,732,785 - £2,334,785)

7.2 This report also requests approval for the contribution to the London Boroughs Grant Scheme for 2020/21, the estimated cost for this is £209,346. A separate budget is held for this.

7.3 It should be noted that the council budget for 2020/21 has not yet been formally approved but we do not anticipate any changes to the VCS grants budget at this stage other than the transfer to officer support outlined in the table above.

8. VAT Implications on Land & Property Transactions

N/A

9. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

9.1 The recommendations in this Report concern the Council's Voluntary and Community Sector Grants Programme for the year 2020/2021. Agreeing the award of grant aid from the voluntary sector grants programme is reserved to the Mayor and Cabinet under the Mayor's Scheme of Delegation (January 2017) so these awards will need to be approved by Cabinet.

9.2 The award of a grant is a discretionary function. The grant programmes in this Report are for Main and Specialist Grants and Advice Grants. In determining the scope and award of the programme the Council has considered the Equalities Impact Assessments (EIA) undertaken which helps to ensure the Council has complied with the requirements of the Equalities Act 2010.

APPENDICES

Appendix One – Recommended for grant funding

Appendix Two - Not recommended for grant funding

Appendix Three – EIA

OPEN

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

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Cabinet

20 JANUARY 2020

**HACKNEY A PLACE FOR
EVERYONE**

**VOLUNTARY AND COMMUNITY
SECTOR GRANTS PROGRAMME
2020-2021/22**

Key Decision No. CE Q27

Appendix 1

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Appendix One - Recommended for grant funding

Hackney VCS 2020/21 One Year Main Grants Recommended			
	Organisation	Project description	Year 1 (2020/21)
1	Causeway Irish Housing Association	Creating an awareness of healthy relationships to young refugees and care leavers, through counselling and lifeskills, in preparation for the freedoms and pressures of independent living.	£11,860
2	Day-Mer Turkish & Kurdish Community Centre	A diverse programme of structured social and cultural activities in community settings during the 2020 summer holiday targeting Turkish and Kurdish children and young people aged 10 to 15	£7,954
3	The New Hackney Education Business Partnership trading as Inspire!	Inspiring Action is a five-week programme for vulnerable young people with additional learning needs; students lead asocial action project within their local community, developing the key leadership and confidence skills they will need for the future.	£12,217
4	Hackney City Farm	We aim to transform the lives of young people through working with farm animals in Hackney, giving them the skills, strength and resilience to realise more opportunities in their lives.	£14,636
5	MISGAV	A new project complementing our "integrating disabled young women into the workforce" project by providing training in work related skills, such as travelling to work (cycling) people skills, cooking (for kitchen work) and horticultural training.	£19,968
6	S Pinter Youth Project	3 Annual Holiday playschemes for CAYP and youth volunteers aged 5-16, including a wide range of age appropriate recreational/educational/health activities to embrace and interest all children regardless of abilities/disabilities and backgrounds.	£9,000
7	S Pinter Youth Project	Out-of-school programme in term time for CAYP aged 9-11 years, to prevent the NEET's problem and encourage young people to remain in education and have better future job prospects by offering academic support, recreational/educational courses.	£15,000
8	Xenia	Delivery of weekly Saturday workshops, 10am ? 1pm at Hackney Museum, bringing together 120 women learning English and fluent English-speaking women over one year. Participants will connect over similarities and differences, and learn together.	£14,972
		Total	£105,607

Hackney VCS 2020/21 Two Year Main Grants Recommended						
	Organisation	Project Description	Funding Period	Yr 1 (2020/21)	Yr 2 (2021/22)	Total
1	Artburst Ltd	Artburst will deliver fun, creative education activities at Hackney Ark, the centre for disabled children and special educational needs, to increase their quality of life and to complement the range of clinical interventions they receive.	Two years	£15,433	£13,690	£29,123
2	Clapton Park United Reformed Church	The Clapton Community Drop In works to improve the lives of homeless and vulnerably housed Hackney residents with complex needs who struggle to navigate existing services, supporting them to build a more secure and fulfilling life.	Two years	£14,868	£14,867	£29,735
3	Duckie Ltd	This grant will fund the continuation of Duckie's flagship anti-loneliness older peoples' project The Posh Club - supporting the company to run 60 events, 16 dance classes and 2 community based Pop-Ups a year between April 2020 and March 2022.	Two years	£30,000	£30,000	£60,000
4	Family Action	Project Indigo is a social support group for young LGBTIQ+ people and young people who are questioning their sexual or gender identity. The group gives young people a safe and supportive space to meet other young LGBTIQ+ people.	Two years	£19,998	£20,564	£40,562
5	Hackney Co-operative Developments Community Interest Company	Gillett Square People Project will facilitate a safe space where residents of all ages & diverse backgrounds can participate in positive activities, access support services to tackle their problems, and interact with each other, developing social cohesion	Two years	£30,000	£30,000	£60,000
6	Hackney Playbus	Hackney Playbus will deliver a minimum of 440 Playbus sessions across Hackney 1/4/20 to 31/3/22 for children 0-4 and their parents & carers, alongside a comprehensive outreach programme to promote inclusion, overcome isolation and strengthen communities.	Two years	£29,084	£26,696	£55,780
7	Hackney Shed	To deliver inclusive theatre workshops in Hackney as a tool to integrate young people with disabilities and access needs with their mainstream	Two years	£14,100	£14,100	£28,200

		peers, thus raising confidence, tolerance and social inclusion amongst our members.				
8	Hestia Housing and Support	Funding will support children and mothers affected by domestic violence by providing a holiday playscheme encompassing free play, outings and trips that would rebuild mother-child relationships and self-esteem - in a safe, trauma-informed environment.	Two years	£4,145	£4,145	£8,290
9	IMECE Women's Centre	Improve the safety and wellbeing of older (55+) Turkish, Kurdish, Cypriot-Turkish women in Hackney experiencing VAWG including elder abuse through a dedicated programme of linguistic, culturally, gender and age sensitive community-based interventions.	Two years	£24,544	£25,320	£49,864
10	Koach Parenting	1:1 parenting sessions for disadvantaged parents who experience challenges; run by qualified parenting practitioners, using the Solihull Approach. Parents will improve relationships with children; communicating more effectively, using valuable techniques.	Two years	£10,840	£13,340	£24,180
11	London Gypsies and Travellers	The Step Forward Project is aimed at Hackney's Gypsy, Roma and Traveller Community to support and promote social inclusion, help build resilience and independence, and promote greater understanding between Gypsy/Roma/Travellers and the wider Community	Two years	£29,660	£30,000	£59,660
12	Mimbre Ltd	Mimbre Youth is a community based programme using acrobatics, street dance and performance to build confidence, aspirations, engagement and community connections, improving the life chances of young people and their families in deprived areas of Hackney.	Two years	£9,650	£9,650	£19,300
13	Mouth That Roars Studio	In Focus: a weekly film club providing young people with special educational needs & mental health issues, space to socialise in a non-pressurised, inclusive environment; gain skills & progression routes and reduce risks associated with social isolation.	Two years	£25,417	£25,417	£50,834
14	St Giles Trust	The St Giles Trust SOS Project works to support gang affected individuals or those at risk of violence and criminal exploitation, who want to move away from that lifestyle into mainstream work and training opportunities.	Two years	£30,000	£30,000	£60,000
15	St. Joseph's Hospice Hackney	Hackney Namaste Care Service is a unique sensory support programme designed to improve the quality of life and well-being of	Two years	£17,500	£17,500	£35,000

		people living in Hackney with moderate to advanced dementia and their family members / relative carers.				
16	Sunbeams London Ltd	Early intervention volunteer mentoring with cultural insight for 50+ OJ girls with mental health/trauma disadvantages in transition (Yrs 6/7), coordinated with parents, teachers, & stakeholders to unite efforts & improve futures effectively & economically	Two years	£20,817	£18,707	£39,524
17	The Sickle Cell Society	To embed a community volunteer led/run programme to enable adults & young people affected by Sickle Cell Disease to better manage their condition & support one another to live healthier, happier & more independent & fulfilling lives.	Two years	£20,904	£20,903	£41,807
18	TIKVA	Tikva is planning a two pronged programme providing activities and opportunities to adults with severe disabilities, and to their ageing and burnt out parent-carers, two unique and desperately needed projects in the community.	Two years	£25,965	£26,491	£52,456
19	Tropical Isles	Tropical Isles wishes to run a two year programme for 100 disadvantaged and BAME CYP aged 9-25 years to collaborate with professional artists, receive tailored advice and guidance from a case-worker in order to build employability skills, independence an	Two years	£24,673	£24,822	£49,495
20	Universal Board Games Plus	Positive Games for Change using the power of play in public spaces to empower young people and families to engage, communicate, gain confidence and personal resilience to build positive relations in their communities.	Two years	£6,880	£7,480	£14,360
21	YOH Ltd	Detached youth workers will engage 80 young people in gangs due to poverty and isolation. A Key worker will develop resilience and support beneficiaries to overcome challenges, introduce inspirational places/people for motivation and provide accreditation	Two years	£24,939	£24,939	£49,878
			Totals	£429,417	£428,631	£858,048

2020/21 Main Grant - funded following Vulnerability Review			
		Funded for 6 months (April-Oct 2020) to support the organisation while they seek alternative funding	
1	African Community School		£15,000
2	Community Centre for Refugees from Vietnam, Laos & Cambodia	As above	£8,000
3	Hackney Play Association	As above	£15,000
4	Seniors Health and Active Retirement Project	As above	£7,500
5	Sistah Space	As above	£5,000
6	Skyway Charity	As above	£12,600
7	The Huddleston Centre in Hackney	As above	£15,000
8	The Leaside Trust	As above	£4,000
9	The Yard Theatre Ltd.	As above	£20,000
			Total
			£102,100

2020/21 Specialist Grants Recommended			
	Organisation	Project Description	2020/21
1	Abney Park Trust	The project will pay towards our core costs to ensure Abney Park is kept open and freely accessible at no charge to the general public, and the grounds are maintained as a local green resource. It enables us to promote healthy activities at on-site facilities such as our Classroom, Children's Garden, Visitor Centre, Volunteer Rooms, and Stone/Wood-craft facilities.	£20,000
2	Hackney Community Transport	Provision of a range of community transport services and representation and promotion of Social Enterprises within the London Borough of Hackney.	£90,000
3	Hackney City Farm	Hackney City Farm exists to provide learning and leisure activities based around food and farming and the wider environment to people living in and around the borough of Hackney. The project will achieve this through informal and educational opportunities in support of sustainable living. Provide access to a range of educational, arts and crafts workshops increasing educational improvements and enabling young people to break the cycle of disadvantage. Opportunities to take part in the Farm's gardening and animal programmes for a trainee or a number of disadvantaged people. Provide healthy food in an appropriate environment - Farm's cafe.	£30,000
4	Shakespeare Walk Adventure Playground	Provide children (aged 5-15) in N16 area with freely chosen play opportunities, after school and during holidays. Children will benefit from being able to access activities that support physical development, healthier lifestyle and social cohesion in a mixed area of low income/council estates and private homes. Aims to provide quality opportunities to improve children's wellbeing and life chances, particularly for disadvantaged children via a range of play choices including cooking, gardening, construction, music, drama and all kinds of art and crafts.	£59,000
5	Pearson Street Playground	Interim play provision between April - June 2017 on the Pearson Street Playground site. June 2017 onwards VCS provider onsite providing a range of after school, weekend and holiday play activities.	£47,333

6	Evergreen Play Association Ltd	To provide a free, supervised, inclusive playground with over 30 years experience of providing varied, challenging, child led activities all year round. The programmes are designed with the co-operation of user groups through the children's committee.	£59,000
7	Homerton Grove Adventure Playground	An inclusive, creative and free open play provision for age groups 6years to fifteen years old, resident in the local community. Homerton Grove covers a large catchment area due to the lack of other play facilities nearby, due to high density housing.	£59,000
8	Hackney Play Association	Providing capacity building, financial and business support to Hackney Play Providers.	£38,000
9	Volunteer Centre Hackney	Act as infrastructure lead on volunteering initiatives across Hackney and deliver a project exploring new ways of engendering volunteering and improving community cohesion.	£55,000
10	The Interlink Foundation	This project will promote cohesion and prevent the marginalisation of Hackney's Charedi community in line with Hackney's sustainable community strategy. The project will facilitate Charedi input into public sector consultations, manage thematic strategy groups, enable reps to establish dialogue, represent Charedi community sector on partnerships, coordinate the voice, link and spearhead the Charedi community sector.	£35,000
11	Chats Palace Ltd	This grant will support the continuation of Chats Palace role as a social hub and resource for Hackney, providing creative and education opportunities to tackle inequalities and offering a welcoming, safe space for community encounter and dialogue.	£35,000
12	HCVS	To build the Third Sector Infrastructure in Hackney by a) Building a sustainable sector b) Bringing public and voluntary services closer together c) Increasing community engagement and VCS involvement in the delivery of the Sustainable Community Strategy d) Building support to the sector and valuing its work.	£150,000
13	Hackney Foodbank		£30,000
14	London Community Credit Union	This project will re-establish a community credit union in Hackney, for residents, students and workers, which will offer special support to the financially vulnerable. Initially the project will acquire premises at 225 Mare Street. The project will run a coordinated membership and public awareness campaign to attract support from the entire community including LBH employees.	£40,000
			£747,333

2020/21 Advice Grants Recommended

	Organisation		Yr 2 (2020/21) incl Public Health contribution	Yr 2 (2020/21) exlcuding Public Health contribution
1	Age UK East London		£126,000	£66,000
2	Agudas		£10,200	£10,200
3	Breakthrough Deaf hearing integration		£133,989	£133,989
4	Day-Mer		£20,220	£20,220
5	East end CAB and partners		£322,000	£262,000
6	Fair Money Advice		£31,200	£31,200
7	Hackney chinese		£20,132	£20,132
8	HCLC		£115,000	£115,000
9	Praxis		£37,024	£37,024
10	Shelter		£49,563	£49,563
11	HCVS		£35,000	£35,000
		Total	£900,328	£780,328

Cabinet

20 JANUARY 2020

**HACKNEY A PLACE FOR
EVERYONE**

**VOLUNTARY AND COMMUNITY
SECTOR GRANTS PROGRAMME
2020-2021/22**

Key Decision No. CE Q27

Appendix 2

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Appendix Two - Not recommended for grant funding

Hackney VCS 2020/21 Main Grants - Not Recommended					
	Organisation	Project description	Year 1	Year 2	Total
1	Access all Areas	Access All Areas will expand our 'Take Part' programme of drama & creative wellbeing workshops for autistic and learning disabled(LD) adults, providing essential activities, skill development, community cohesion, and visibility for Hackney's LD community.	£29,525	£29,464	£58,989
2	ACE	"JAG"(Joining All Girls)is a Sunday club for 150 disadvantaged girls from the community,giving opportunities to improve social skills, express individual choices and develop independent talents, which will be showcased with confidence to the community.	£15,050	£15,150	£30,200
3	Acheinu Cancer Support	Social activities to alleviate patients and families of patients suffering with cancer-may it not come on anyone	£18,600	£19,400	£38,000
4	African Community School	'African Community School plan to organise four weeks educational free play onsite and off-site summer activities from Monday to Friday targeting 45 disadvantage children aged 6 to14 years managed by experienced youth workers	£8,000	£8,000	£16,000
6	Age UK East London	A television networking tool that improves inclusion, independence and resilience among older people experiencing poverty and poor health by connecting them to family, friends and activities ? all in the comfort of their own home.	£29,180	£15,820	£45,000
7	AGROFOREP	AGROFOREP is a community based Charity seeking to use training and advice to support disadvantaged BAMER communities in NEET to increase their confidence, enhance health awareness, build their resilience, and develop employment and employability skills.	£14,464	£14,464	£28,928

8	Agudas Israel Housing Association -Schonfeld Square Care Home	This grant will pay for a day centre for mentally ill people in the local community offering ability to socialise and join therapeutic activities, exercise, counselling, workshops, support group sessions and a warm meal.	£27,500	£27,500	£55,000
9	Alevi Cultural Centre and Cemevi	The funding will enable the Centre to achieve a gun & knife awareness and support activities for its young people, and deliver an empowerment and integration programme to support those living in deprivation.	£18,500	£15,400	£33,900
10	Arcola Theatre Production Company	Creative Ageing - 60 theatre skills & wellbeing workshops for older people who experience/are at risk of social isolation Culminating in 2 productions per year, one of which will be an immersive free performance promoting access to local services.	£21,500	£23,500	£45,000
11	Blooming Blossoms Trust	Nature Classrooms will engage gifted and learning disabled children who are failing school, both academically and socially, and harnessing on power of nature, sports and arts to boost literacy, communication, numeracy, executive function & social skills.	£21,050	£0	£21,050
12	Capital Kids Cricket	Our project will use life skill development workshops, accredited qualifications, trips and activities, coupled with sports sessions (used as engagement tool) to improve the social inclusion, resilience and independence of young people aged 10 to 17.	£17,225	£18,950	£36,175
13	CHOICE IN HACKNEY	THE BEST I CAN BE A facilitated peer-supported programme for isolated Deaf and Disabled adults to socialise and engage in learning and activities to enhance their peer networks, lessen isolation, and increase their personal resilience.	£26,121	£0	£26,121
14	Circle Community Limited	Back Your Future? will support young people with complex barriers to work to develop the skills, confidence, capabilities, resilience and the desire to secure and sustain permanent employment and enjoy increased social inclusion.	£23,504	£23,504	£47,008
15	City & Hackney Carers Centre	A community based initiative to engage with and improve the well-being of BME groups and emerging communities in Hackney through well-being events, practical workshops, professionals training and a volunteer community champion programme.	£30,000	£30,000	£60,000

16	Clapton Common Boys Club	Summer Play Fun, will provide 12 stimulating days of holiday play-scheme for 150 children 3-7 years, who would otherwise not have any sort of holiday. 12 days respite for parents/ families Positive volunteer youth work experiences to 24 young people	£7,990	£7,990	£15,980
17	Clapton Common Boys Club	Learn4Life, is a two pronged intense educational programme, offering homework support - in numeracy and literacy and an oral language booster programme. The project will support 192 children and young people, over 88 weeks (2 years).	£19,990	£19,990	£39,980
18	Coffee Afrik CIC	We wish to hold a weekly cycling club at Victoria Park, involving food, recounting memories and developing mindfulness techniques in order to address the clear impact on mental health particularly concerning Somali women.	£30,000	£0	£30,000
20	Community Safety Patrol	Funding is being sought to fund our No Place for Hate Programme that will empower young people with education, information and understanding to promote tolerance of different religions, erase hate crime and make Hackney a safer place for all.	£23,460	£29,960	£53,420
21	Core Arts	Core Arts-Landscapes project will transform two underused urban spaces in Hackney into flagship training community eco gardens, promoting wellbeing for adults with mental health needs; plus ongoing local community benefit and cohesion through horticulture	£30,000	£30,000	£60,000
22	Creative Lifestyle Community Interest Company	Creative Lifestyle will deliver an holistic intervention programme to long term unemployed BAME women living with the challenges of mental health issues/emotional distress, who need to improve their creative skills to increase their employability chances.	£30,000	£0	£30,000
23	Day-Mer Turkish & Kurdish Community Centre	A programme of cultural and social activities over 2 years for isolated Turkish and Kurdish women of the borough	£28,200	£27,600	£55,800
24	Disability Sports Coach	A weekly sports club and holiday programme for disabled people	£18,108	£21,608	£39,716
25	Diverse Voices	Our project is a boroughwide, two-year theatre in education school tour focusing on harmful sexual behaviour; helping students, school support services and parents to identify normalised harmful behaviour in an increasingly online landscape.	£25,635	£24,135	£49,770

26	Drumunity CIC	An inclusive intergenerational community choir as a means of a universal intervention to prevent social isolation and mental ill-health by promoting well-being, social inclusion and personal resilience.	£9,788	£9,788	£19,576
27	East London Advanced Technology Training	Community Changemakers will empower marginalised migrant and refugee women to improve their lives. Through activities for social mixing it will give those who are less likely to be heard a voice, and promote cohesion between social groups in Hackney.	£28,629	£28,629	£57,258
28	EcoActive Education	Empower disadvantaged young people who are most likely to be negatively impacted by environmental change, to take action to improve their health, wellbeing, resilience and communities by creating and delivering new bespoke environmental education lessons	£30,000	£30,000	£60,000
29	English for Action	To provide 144 weekly English language classes for 40 disadvantaged adult migrants/refugees/asylum seekers living in Hackney over two years. Language education enables people to build better lives for themselves and get involved in community life.	£25,741	£25,741	£51,481
30	Find Your Voice CIC	We will deliver 33 Momentum programmes, a 10 week programme of learning that uses multisensory singing and movement to adults with care and support needs, that builds health, wellbeing, resilience and community connection	£29,700	£29,700	£59,400
31	Four Corners Limited	?Our Neighbourhood: Homerton? will bring together diverse individuals and communities to explore Homerton?s past, present and future and, using photography, creative writing and oral history, express, promote and debate their varying perspectives on their	£22,276	£17,227	£39,503
32	Frampton Park Baptist Church	One to one assistance with debt and financial matters with the expert help from Christians Against Poverty (www.capuk.org, national debt counselling charity).	£10,000	£10,000	£20,000
33	Friends of Woodberry Down	Reducing and preventing social isolation, loneliness and depression, in older people 50 plus, by improving their physical and mental health through social activities, information sharing and promoting opportunities to live well in later life.	£29,950	£0	£29,950

34	Gascoyne & Morningside Youth Clubs Ltd	HOPE - Hackney Opportunities for Pioneering Entrepreneurs. HOPE - Hackney Opportunities for Positive Engagement. Enable and Empower young people to be better equipped to face their future by providing practical opportunities, training and advice.	£22,084	£22,752	£44,836
35	Gender Non Conforming Arts Studio	This project has been designed with the Trans and Gender Non Conforming (GNC) community of Hackney. The GNC Art Studio will meet weekly, be artist lead and supported by Art Therapists to progress the Health and Wellbeing of the participants.	£30,000	£0	£30,000
36	Get Set Girls	Volunteers Connect to train and support disadvantaged youth to volunteer in local community, strengthening community cohesion through their building connections with different groups, and improving youth empowerment, aspirations, self-image, opportunities	£15,089	£15,089	£30,178
37	Groundwork London	We will establish and run a supported volunteering club for people aged 50+ in Hackney. This will combat isolation, build resilience and support older people to contribute to other good causes in Hackney.	£27,585	£29,363	£56,948
38	Hackney Chinese Community Services	The project shall provide an environment for different generations of different cultural backgrounds to get together and promote social cohesion amongst them. Also to encourage the younger one to be more social awareness and know their cultures/traditions.	£30,000	£30,000	£60,000
39	Hackney Marsh Partnership	To address food poverty in Kingsmead and Clapton Park by establishing a community supermarket, selling groceries at heavily discounted prices to local people who will become 'members' of the initiative. Members will access employability support also.	£22,800	£17,000	£39,800
40	Hackney People First	This project will deliver weekly evening forums for adults with learning disabilities to get their voice heard, tackle social isolation, and facilitate user involvement and input to local council consultations and planning meetings	£14,845	£0	£14,845
42	Hackney Wick FC	The grant will fund specialist outreach engagement and football satellite sessions across Hackney, where we will look to engage at-risk boys and girls through football and special workshops and social action activities.	£13,750	£13,750	£27,500
43	Helping Girls Achieve	?PPP? - Pre-Passover Playscheme taking place during the busiest 6 days of school holiday, 01-07 April 2020 for 150 disadvantaged children, 8 - 13 years.	£5,880	£0	£5,880

44	Hestia Housing and Support	To provide additional 1:1 time and support to better meet the individual needs of children affected by domestic violence in Hackney, including a more structured therapeutic intervention with younger groups.	£19,105	£19,105	£38,210
45	Home-Start Haringey, Hackney and Waltham Forest Ltd	This grant will fund a Hackney Communities Project. It will employ a part time Communities Coordinator, to recruit and provide accredited training for parents from Hackney's diverse communities to provide 1-1 support for Hackney families.	£29,885	£29,885	£59,770
46	Hot Line Meals Service (London)	Nutritious hot meals will be provided daily to frail and elderly people who due to their frailty and lack of funds are unable to shop or cook for themselves. Young volunteers will also receive Level 2 in Food/Hygiene.	£11,425	£0	£11,425
47	Hoxton Health	We will run a clinic for carers, providing a range of low cost services, in order to help them to address the specific barriers each one experiences to their health and well-being in order to develop their personal resilience.	£14,880	£0	£14,880
48	Immediate Theatre	This grant will support community arts projects for residents at risk of social exclusion, enabling young and older people and the unemployed to develop social, emotional and practical capabilities, enhancing social mobility and reducing social isolation.	£25,000	£25,000	£50,000
49	Kahaila	Improving the lives of women who have exited trafficking and sexual exploitation through gardening and a florist social enterprise.	£30,000	£30,000	£60,000
50	Kids N' Action	Trips and onsite activities, as part of our holiday program for 500 disadvantaged, some disabled and socially isolated children aged 5-14 years, designed to improve sporting and creative skills and give users a fulfilling safe summer.	£8,000	£0	£8,000
51	Laburnum Boat Club	This project will provide a substantial all-year-round social and recreational water sports facility for families from all around Hackney - particularly those with young children or someone with a disability.	£30,000	£30,000	£60,000
52	Latin American Women's Aid	Providing emergency accommodation and crisis support to Latin American and other BME women survivors of all forms of gender based violence, including domestic abuse, so they can break cycles of violence, increase their resilience and thrive again.	£29,455	£29,355	£58,810

53	London Buddhist Centre	Four 2.5 day residential countryside retreats for 60 unpaid carers in Hackney, to combat isolation, stress and depression associated with caring roles. Delivered by Breathing Space, the inclusive and secular wing of London Buddhist Centre.	£12,000	£12,000	£24,000
54	Mace Housing Co-operative LTD	Our project SEAP (Skills Empowerment and Advisory Project) was specifically for the unemployed or low income earners and others interested in pursuing a career in Housing Management. Successful are found employment in the housing sector.	£12,000	£12,000	£24,000
55	Made In Hackney	Providing Hackney residents most vulnerable to ill health with practical cookery skills and nutrition knowledge to eat healthy, affordable food that will enhance their overall wellbeing and reduce health inequalities in the borough.	£14,951	£14,960	£29,911
56	Meade TKD Inclusive	Affordable Martial Arts sessions for visually impaired and blind people, people on low incomes, young people in the area We will be providing sessions twice a week from community centre. All teaching and games interactive whilst learning in a fun	£40,000	£0	£40,000
57	Mesila UK	A dynamic & innovative family financial coaching service empowering families to take control of personal finances, pull themselves out of debt & create a long-lasting, sustainable, realistic financial management plan. Impacting stigma in large BAME group.	£15,000	£0	£15,000
58	Mind in the City, Hackney and Waltham Forest	A Peer Leadership training programme, supporting individuals with lived experience of poor mental health to become Peer Leaders and to support their own mental and emotional wellbeing and that of others via groups, local campaigning and signposting.	£29,970	£29,916	£59,886
59	Minik Kardes Children's Centre	?Healthy lifestyles without the gym?, guided walks and dance classes which adapt traditional dances to encourage confidence and increase fitness. This will support an increasingly vulnerable group of Turkish and Kurdish women in our community	£20,842	£20,842	£41,684
60	Money A+E UK	Money A+E Money Mentors Money Mentors Community will train 15 OCN/ASDAN accredited mentors to mentor 30 peers alongside legal advice Money Mentors Schools will train 50 OCN/ASDAN accredited mentors to deliver mentor workshops to 150 peers	£28,000	£28,000	£56,000

61	North London Muslim Community Centre	Delivering offsite and onsite services / activities for young people aged 8-19, during out of school hours which focus on; 1. Health & Wellbeing 2. Education, Employment & Training 3. Youth Participation & Citizenship 4. Safety & Security	£27,092	£27,092	£54,184
62	Parent Club	The grant will fund our new initiative to support a children's centre to launch and run their very own Kitchen Club and fund us to run and develop one of our existing Kitchen Clubs for the next year.	£14,882	£0	£14,882
63	ReachOut! Youth	ReachOut is a mentoring charity. We give young people from disadvantaged communities weekly one-to-one support from a volunteer mentor for at least one school year to help them achieve their potential and go on to lead good, successful and happy lives.	£30,000	£30,000	£60,000
64	Reel Rebels Radio (RRR)	Reel Rebels Radio (RRR) will partner Hackney's diverse non-profit groups, residents, businesses and creatives to build community cohesion through radio, online, events, giving people a voice, social and skills exchanges, training and volunteering.	£7,945	£0	£7,945
65	Refuge	This project aims to empower women and children by offering specialist safety-planning and support to victims of domestic abuse who are at risk of harm due to perpetrators' use of technology.	£29,432	£29,432	£58,864
66	Refugee Workers Cultural Association	Refugee Workers Cultural Association is seeking funding to produce a unique visual short film in relation to the growing gambling addiction specifically within the male from Refugee and migrant Turkish and Kurdish communities living in Hackney.	£15,600	£0	£15,600
67	Royal Mencap Society	Gig Buddies is an innovative model of volunteering which brings together different communities and people with and without a learning disability, based on genuine shared interests, to build friendships, and reduce social isolation.	£24,281	£25,702	£49,983
68	Royal Society for Blind Children (RSBC)	We will strengthen Hackney's youth sector by capacity building local youth organisations to support young people with sight loss and include them in delivery. So there is suitable provision during this period we will deliver a health & wellbeing club.	£29,025	£29,298	£58,323

69	Safa Marwa Foundation Uk Ltd	Somali Mental Health Project - Aims to support local Somali families in the borough who are exposed to or experiencing mental health difficulties, to access mental health and other mainstream services.	£15,000	£15,000	£30,000
70	Schonfeld Square Foundation	Residents of the Senior care home and elderly people with dementia and limited mobility within the community will participate in sessions once a week each of music therapy, art therapy, reminiscence, crocheting, crafts, games and IT	£17,980	£17,980	£35,960
71	School-Home Support Service (UK)	A specialist School-Home Support Practitioner will provide targeted individual support to disadvantaged and disengaged pupils and families to make sure they are supported to overcome barriers to be in school and ready to learn.	£26,698	£26,698	£53,396
73	Shacklewell Primary School	We are revitalising our back garden into a functioning school allotment. This project aims to not only enhance all areas of the curriculum, but also support children's social and emotional development and community cohesion.	£14,510	£0	£14,510
74	Shared Enterprise CIC	Some of Woodberry Down's most marginalised and vulnerable residents will discover their entrepreneurial skills at Woodberry Down Shared Enterprise Club. The Club will also empower them to build their personal resilience, independence and confidence.	£25,580	£29,400	£54,980
75	Shodement	The Global 12 Festival, one of the most exciting weekends in the UK music calendar where artists and creators from around the world perform live in Shoreditch, has confirmed the date of the 4th installment as Saturday August 29th 2019.	£29,000	£0	£29,000
76	Shoreditch Trust	A Peer Volunteering project in which Hackney residents play a lead role in improving community health and wellbeing, by co designing and delivering approaches to sharing knowledge, experience and practical help with others in a mutually beneficial way.	£31,775	£16,150	£47,925
79	Social Action for Health	'Hackney Good Moves' provides life changing, evidence based self management, horticultural therapy and peer support for residents with long term conditions to enable greater independence, develop personal resilience and support ongoing social connections.	£26,914	£0	£26,914
80	Spitalfields Crypt Trust	FemfC supports vulnerable women struggling with addiction issues to gain personal and emotional resources whilst understanding life experiences from a systemic perspective. Participants increase support networks, self confidence and boost ongoing recovery	£26,810	£0	£26,810

81	Step By Step	Easter, Summer & Winter holiday playschemes(24 days) Sunday-Friday for 60 disabled cyp including sports, leisure arts.Wheelchair-accessible transport to and from home ensure inclusion.	£9,000	£9,000	£18,000
82	Step By Step	After-school sports project for cyp with moderate/severe disabilities from the OJ community age 2-18. Activities will include swimming, ice skating, exercise, dance and give these children the opportunity to learn new skills, and improve their health.	£22,000	£23,000	£45,000
83	Studio Upstairs	Delivery of 100 weekly art therapeutic group sessions in a community setting; targeting adults with mental health needs aged 18 - 80; at least 60% focus on residents in the Well Street Common Neighbourhood pilot area.	£26,980	£27,160	£54,140
84	Teen Action	Get Set Go- A multi-dimensional Independent Living program for 36 marginalised adolescents, that'll provide them with the knowledge and skills to make healthy & stable choices when moving to independent living, making them more resilient and independent.	£9,474	£8,030	£17,504
85	Teens and Toddlers	Power2 will deliver its accredited Teens and Toddlers programme and its follow-on, Young Leaders, to 32 young people and equal number of children in the borough of Hackney.	£22,500	£22,500	£45,000
86	Terrence Higgins Trust	To train key frontline staff to better identify and deal with the complexities of intersectional identities attending to race, ethnicity, and sexual health concurrently within the LGBTQ+ POC community, and building on the legacy of our last Hackney grant.	£29,086	£0	£29,086
87	The Albert Kennedy Trust	Funding over two years towards akt's Supported Housing and Resettlement Worker who helps young LGBTQ+ people who have been homeless at the akt Purple Door emergency support housing project in Hackney.	£15,000	£15,000	£30,000
88	The Bike Project	Pedal Power, delivered in partnership with The Red Cross, supports female refugees to develop cycling skills. Through cycling refugees have better access to services and opportunities, increased social inclusion, and better mental and physical health.	£15,935	£15,935	£31,870
89	The Cheer Up Squad	The Cheer-Up Squad will provide services for patients and their families, by visiting them at home and hospital and cheering them up by providing entertainment. Patients can also borrow DVDs from our DVD library, to distract them from their pain.	£10,000	£10,000	£20,000

91	The Leaside Trust	Art activities using the location of Leaside, the view, the river and the outdoor activities. Particularly focusing on Young People excluded from mainstream education or known to agencies concerned with young people at risk.	£8,000	£8,000	£16,000
93	The Literacy Pirates	The young people enrolled on the Learning Programme will publish three different creative products, a book, a film and an app. The grant will fund the project-related costs, supporting them to develop their literacy, confidence and perseverance.	£10,000	£0	£10,000
94	The Nia Project	Problematic substance use advocacy provides assertive outreach to vulnerable women in Hackney who have experienced domestic and/ or sexual abuse, increasing safety and risk management strategies for women under-represented within mainstream services.	£29,995	£29,995	£59,989
95	The Sapphire Foundation	The Sapphire BIY Summer School	£10,000	£10,000	£20,000
96	The Show Crib	We provide volunteering, training and employment programmes proven to improve immediate and long term outcomes, enabling young people and families in De Beauvoir to overcome complex challenges and move closer to realising their greatest potential	£29,999	£29,999	£59,997
97	The SONshine Club	A twice weekly after school programme for children in mainstream schools who are on the autistic spectrum to increase independence and improve life and social skills.	£21,730	£0	£21,730
99	Turkish Cypriot Community Association	The aim of the project is to; Provide opportunities for reclusive or isolated Turkish Speakers to become involved within Hackney, through volunteering and LETS opportunities. In addition, provide a forum for groups to share resources and ideas.	£29,842	£29,092	£58,934
100	Up 'N Away	Summer holiday project for Hackney young people aged 5-14 years from low income families. This project is to improve the lives of 300 socially and economically deprived young people, who would have nothing constructive to do during the summer.	£10,000	£0	£10,000
101	Voyage	The Leadership Academy combines structured learning and horizon expanding opportunities, supporting 60 disadvantaged boys and girls aged 14 and 15 from Hackney with their progression and changing attitudes to engagement and role in the community.	£15,000	£15,000	£30,000

102	Wise Age Ltd	Experience Works welcomes workless Hackney residents aged 50+ who want to work but face barriers to becoming employable. Our empathetic 121 and group support: builds confidence / self-esteem; accesses training and work-related activity improves CVs	£40,000	£0	£40,000
103	WISE Youth Trust	A bespoke development service to support children in years 4 to 7 aged 8-11 years, to develop the resilience they need to make the transition from puberty to adolescence and to thrive and make positive life choices.	£27,990	£27,990	£55,980
104	Woman's Trust	Therapeutic Support Groups provide a safe, moderated space for female survivors of domestic abuse to share experiences and support each other. Groups help women to reduce their isolation, recover their mental health and gain confidence and independence.	£20,151	£19,531	£39,682
105	Wrens Park House TRA	The Wrens Park House community cohesion strategy is designed to 1. strengthen resident participation/engagement. 2. support residents with complex needs 3. empowerment for the most impoverished 4. address patterns of anti-social behaviour	£30,000	£0	£30,000
106	XLP	The XLP Hackney Community Project aims to provide positive, socially inclusive activities for the most disadvantaged and at-risk young people in Hackney, and to help them work towards positive relationships and a positive future.	£15,000	£15,000	£30,000
107	Young and Inspired Ltd	Conquer the Kitchen harnesses on powerful connections of both food and parenting to integrate young, socially disadvantaged and isolated families together. Other focuses include: Empowering parents to cook and enjoy nutritious meals as a family on a budget.	£17,660	£0	£17,660
108	Youthdirect	Youthdirect is proposing to provide after school groups to disadvantaged children and young people in the O.J Hackney community from low-income families on income related benefits. Homework support groups, first aid awareness and water sports groups	£10,000	£10,000	£20,000
109	Youthdirect	Youthdirects "Sing and Spring" summer holiday scheme will provide a safe and affordable provision for approximately 100 children during the School Holidays. Many of these children are unable to access home due to financial or health issues.	£7,500	£0	£7,500
		Totals	£2,137,597	£1,534,520	£3,672,116

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Cabinet

20 JANUARY 2020

**HACKNEY A PLACE FOR
EVERYONE**

**VOLUNTARY AND COMMUNITY
SECTOR GRANTS PROGRAMME
2020-2021/22**

Key Decision No. CE Q27

Appendix 3

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London Borough of Hackney Equality Impact Assessment Form

The Equality Impact Assessment Form is a public document which the Council uses to demonstrate that it has complied with Equalities Duty when making and implementing decisions which affect the way the Council works.

The form collates and summarises information which has been used to inform the planning and decision making process.

All the information needed in this form should have already been considered and should be included in the documentation supporting the decision or initiative, e.g. the delegate powers report, saving template, business case etc.

Equality Impact Assessments are public documents: remember to use at least 12 point Arial font and plain English.

The form must be reviewed and agreed by the relevant Assistant Director, who is responsible for ensuring it is made publicly available and is in line with guidance. Guidance on completing this form is available on the intranet.

<http://staffroom.hackney.gov.uk/equalities-based-planning-and-decision-making>

Title of this Equality Impact Assessment:

Voluntary and Community Sector Grants Programme 2020/21

Purpose of this Equality Impact Assessment:

To ensure that recommendations for the 2020/21 Voluntary Sector Grants Programme deliver services which are accessible to all, and that the investment actively contributes to achieving the Council's equality objectives.

Officer Responsible: (to be completed by the report author)

Name: Claire Witney	Ext: 3630
Directorate: Chief Executives	Department/Division: Policy and Partnerships

Director: Stephen Haynes	Date:
Comment :	

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1. Please summarise the service, function, policy, initiative or saving.

Describe the key objectives and outcomes you expect. Make sure you highlight any proposed changes.

The investment made through the 2020/21 VCS grants programme will contribute to delivering services that help to reduce inequality and achieve better outcomes for some of the boroughs most vulnerable residents.

The draft available budget for grants in 2019/20 is £2,644,718. £2,164,785 has been awarded for the Specialist, Social Welfare Advice and Main Grants (including Holiday Playscheme). £170,000 is available for small grants (including a ring-fence of £50,000 for Holiday Playschemes) and Community Chest Grants which will be awarded during further application processes.

Each main grant application has been scored individually against a set of gateway questions by three assessors from the Council or a partner organisation from the VCS. Assessors contributed their expertise from a range of service areas which reflect the priorities for the grants programme. The assessors then met as a team to review their individual scores and agree a moderated score for each application. These scores were then reviewed to ensure parity and consistency of scoring across assessor teams and objectives. Those applications that passed the gateway assessment were then scored against a second set of questions following the same assessment process.

A panel of senior officers and representatives from the VCS then met to review the applications that passed the second stage of questions and make recommendations. Applications were considered by their impact in meeting the grants priorities and equality objectives and they also considered the application score.

2. Who are the main people that will be affected? Consider staff, residents, and other external stakeholders.

Residents who benefit from grant funded programmes, staff and trustees of voluntary and community sector organisations. A profile of the people who have benefited from taking part in the projects and services in 2018/19 is provided below:

Across the main, small, specialist and holiday play scheme grants

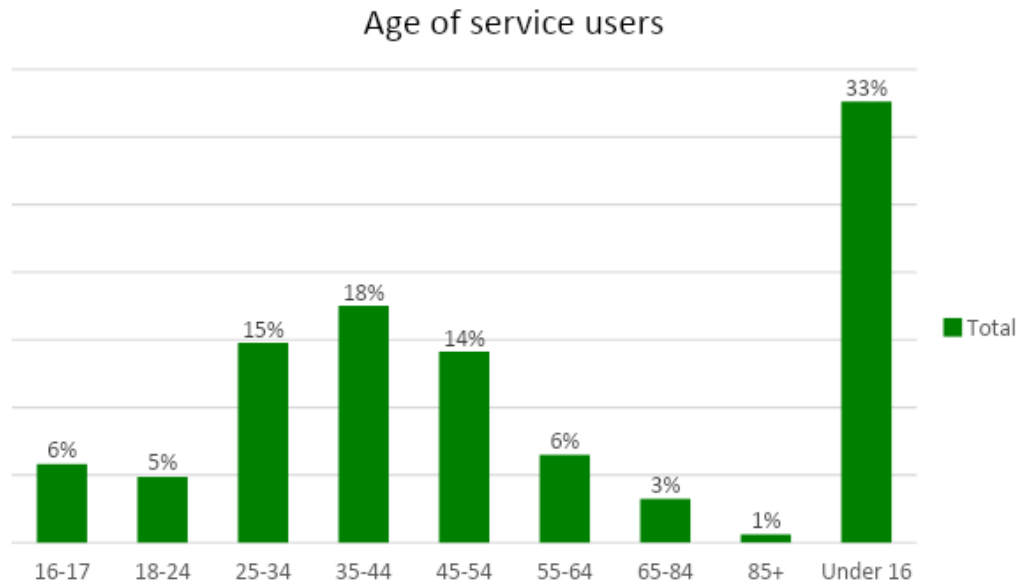
We ask groups and organisations who receive funding to tell us about the profile of people who have benefited from using the services offered or the projects and activities run, as this helps provide a picture of who is benefiting from the Community grants awarded. The equality information provided by community groups and organisations on the age, ethnic background and gender of beneficiaries is set out in the charts below.

There were significant gaps in the service user data provided by grantees which makes it difficult to draw conclusions about those who benefitted from the grant funded activities. The level of data provided varies between protected characteristic, with particular gaps in the ethnicity data. These gaps are due to the nature of some of the projects delivered through the grants programme, such as community events, as well as the data recording systems used by the grantees.

Given the underreporting, the analysis of service user data in this report does not reflect the known targeting of grant funded projects which work with a high number of different community groups; it also does not reflect feedback from grantees about the people who accessed the projects. A table has been presented showing the comparisons of known and unknown data across characteristics.

We will continue to review our data collection form and guidance notes and work with organisations and community groups who are awarded grant funding to improve the collection of service user data.

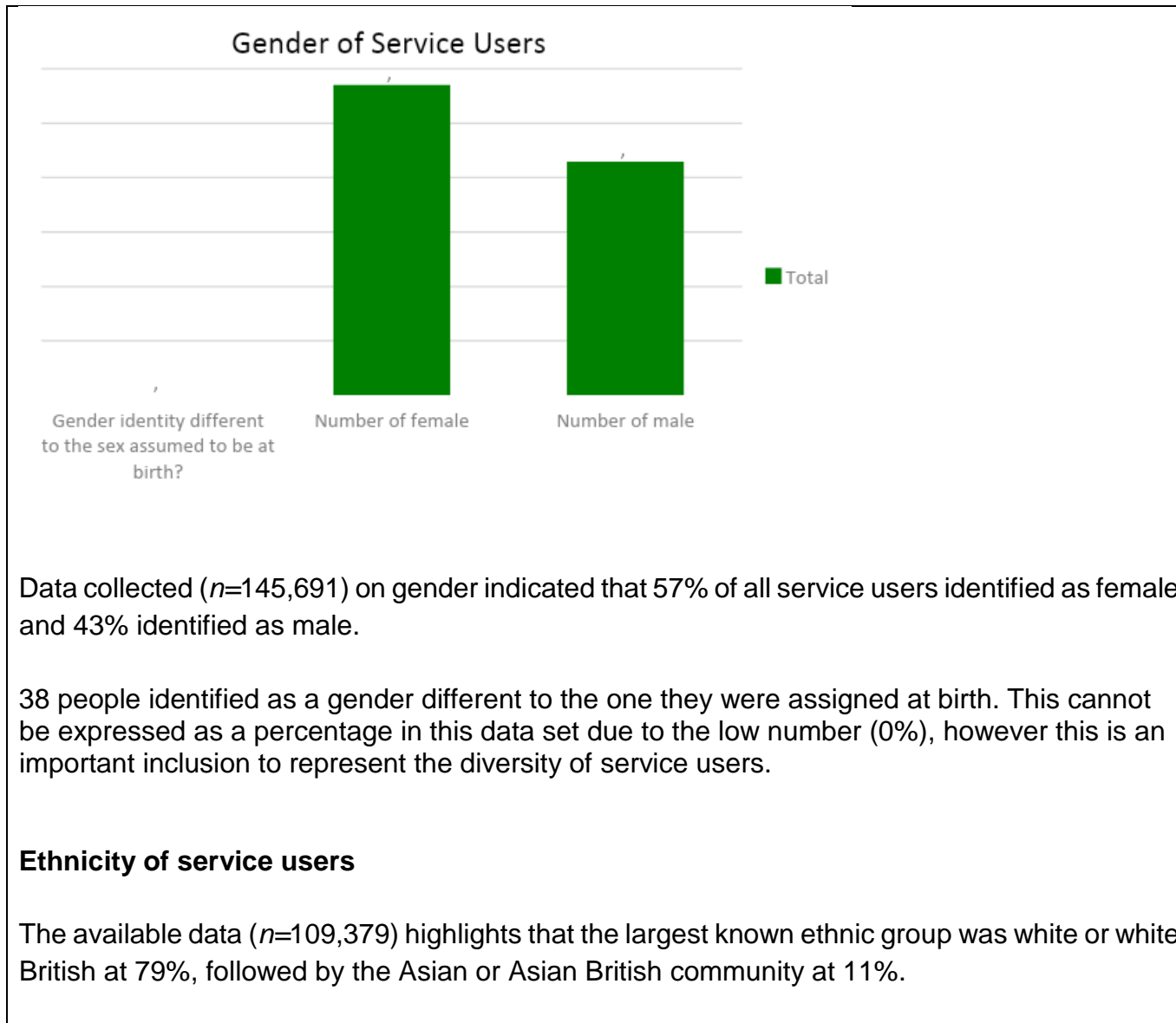
Age of service users

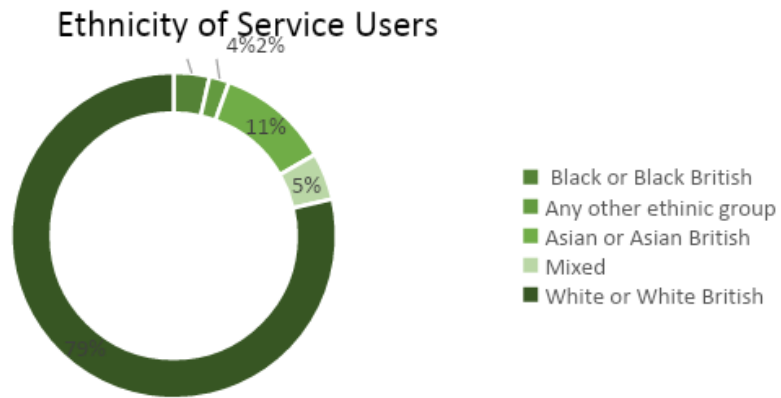


Of the known data ($n=144,782$), grant funded projects were used by residents of all ages with the greatest percentage being those aged 16 and under at 33%. 10% of project beneficiaries were aged 55 and over, an increase from the 17/18 period, while young people aged 25 and under made up 43% of the service user beneficiaries.

The known age profile of project beneficiaries broadly reflects the age profile of Hackney's population as a young borough, with a quarter of its population under 20. People aged over 55 make up only 15% of the population

Gender of Service Users

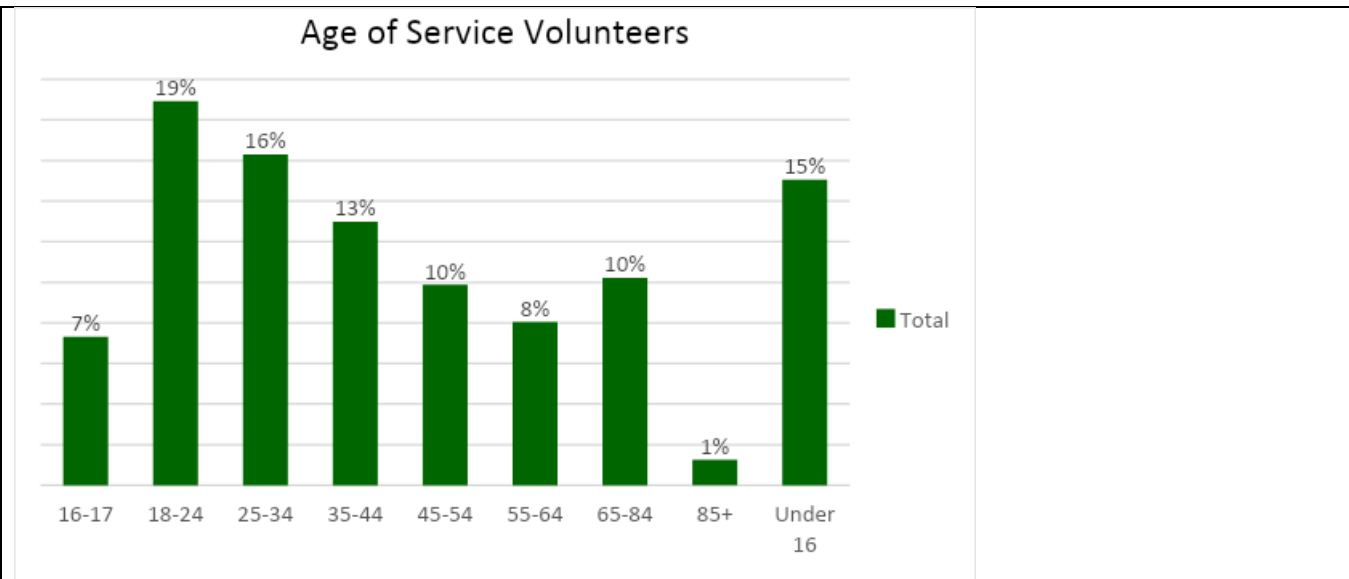




The data gathered covers a wide range of ethnic groups including West, and Eastern Europeans, Australasians, and North and South Americans and is somewhat reflective of Hackneys population data for significant 'Other White', Black or Black British and Asian or Asian British communities.

Age of volunteers

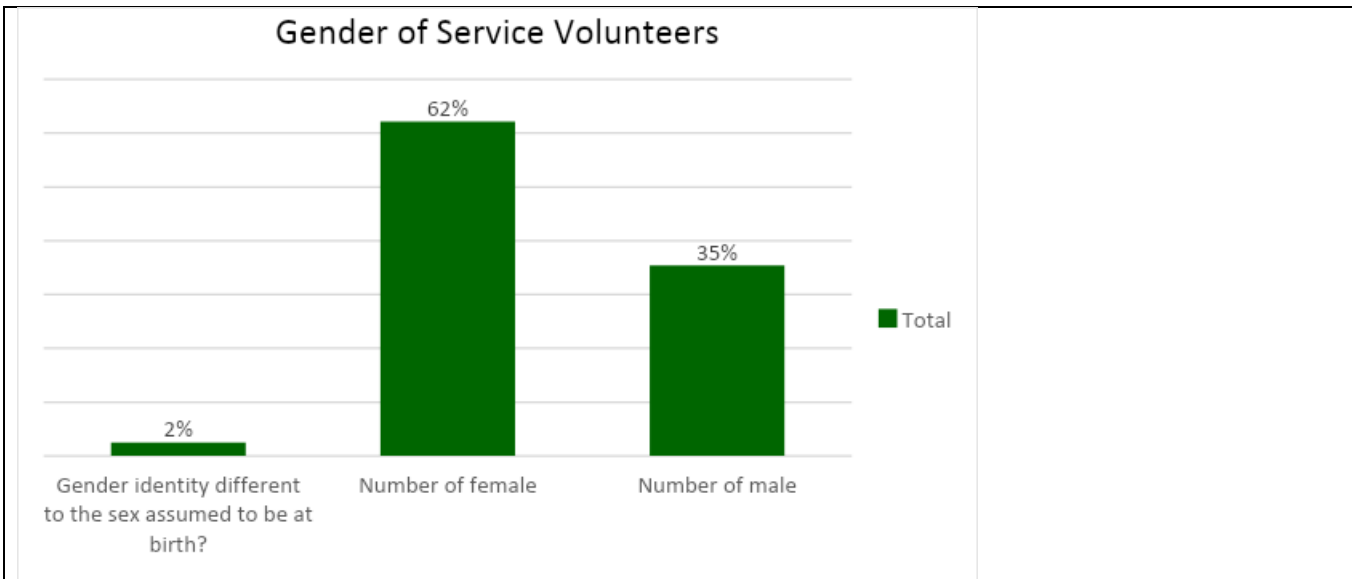
956 people are recorded as volunteering their time to run grant funded projects. The available data on age suggested that 41% of young people under the age of 25 people were actively volunteering in funded projects.



Further, the number of volunteers over the age of 55 has increased by 53% from 99 to 186 from the 2017/18 period.

Gender of Volunteers

The known data ($n=1,091$) on gender indicated that 62% of service volunteers identified as female and 35% identified as male. 2% of volunteers identified as a gender different to the one they were assigned at birth.

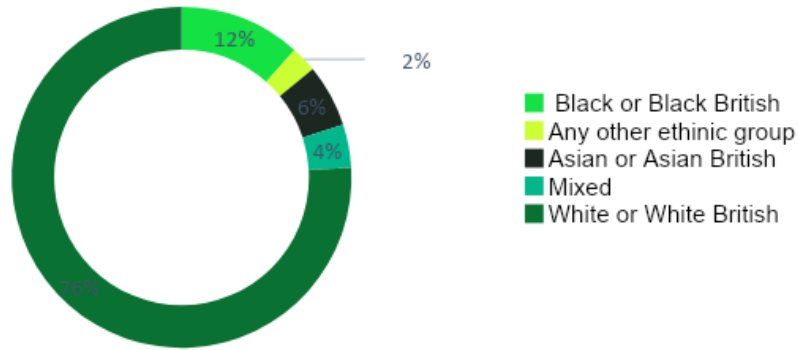


Ethnicity of Volunteers

The available data ($n=1,088$) highlights that 75% of volunteers were White or British White, with the second largest group being the Black or Black British community at 12%.

Both the volunteer and service user data suggest that a disproportionately large amount of beneficiaries were of White or White British ethnic origin compared to the wider Hackney population. However, it's important to consider the small sample size of known data.

Ethnic Background of Volunteers



Known and unknown data comparison

While the data analysis presented in the previous section represents known equality information to produce a snapshot of beneficiaries of grant funding, due to various reasons a significant amount of data has not been supplied. This occurs when the difference

between the overall self-reported numbers of beneficiaries is different to the total number of data calculated from individual equality sets. The below table highlights these gaps and provides a percentage figure of the unknown data.

Comparison of known and unknown service user data

Totals	Service users	% Unknown Service Users
Total number ethnicity data provided	109,379	
Total number ethnicity unknown	46,472	30%
Total number gender data provided	145,691	
Total number gender unknown	10,160	7%
Total number religion data provided	25,250	
Total number religion unknown	130,601	84%
Total number age data provided	144,782	
Total number age unknown	11,069	7%
	155,851	

Comparison of known and unknown volunteer data

Totals	Service users	% Unknown Service Users
--------	---------------	-------------------------

Total number ethnicity data provided	1,088	
Total number ethnicity unknown	229	17%
Total number gender data provided	1,091	
Total number gender unknown	226	17%
Total number religion data provided	674	
Total number religion unknown	643	49%
Total number age data provided	956	
Total number age unknown	361	27%
Total service volunteers	1,317	

From the tables above we can see that significant portions of the equalities data remains unknown and, while it provides insights into the types of beneficiaries, the provided data is not a holistic representation of the scale and scope of grant funding beneficiaries. As such, this data is not represented in the above analysis of service user and volunteer charts. The most significant gap is observed in the data provided for the religious orientation of beneficiaries, with 84% of service user data and 49% of volunteer data unaccounted for. For this reason this data has not been included in the detailed analysis in the above section.

3. What research or consultation(s) have been carried out? Please provide more details, together with a summary of what you learned.

Grants review 2015

The Grants Programme has existed in its current format since 2016/17, following a review in 2015.

Extensive consultation was undertaken at different stages of the review. Firstly insight was gathered from evolution forms and annual monitoring visits to inform the redesign of the grants programme, including new priorities and the introduction on two year grants. Further consultation was then carried out to ensure the proposals resonated with the sector and would achieve the required outcomes. This included consulting voluntary and community sector organisations through an online survey and a series of focus groups hosted by Hackney Council for Voluntary Services (HCVS) as well as an open online survey for residents was undertaken via the Council's website.

The new priorities were largely well received by the VCS which reflects the fact that the Council built on their earlier consultation feedback in the development process. The language of the priority relating to cohesion was changed as a result of feedback from the VCS. The redrafted priority is now clearer in describing the outcomes required relating to the building of community relations through VCS intervention and that whilst the borough does enjoy high levels of cohesion these need to be maintained. Two year grants were introduced following the consultation which highlighted how the one year timeframe for grants restricted the ability of the VCS to deliver against some of the priorities for the programme and the new Compact.

A grants review is planned for 2020 in order to respond to the findings of the engagement that informed the current VCS Strategy 2019-2022.

Engagement in relation to 2020/21 funding round

Hackney Council for Voluntary Service held 3 workshops for organisations interested in submitting an application to the programme between July and September. These workshops were delivered by officers from the Policy and Partnerships Team and some of the team at Hackney CVS. The workshops provided information on completing the application form, preparing a project budget, selecting and measuring outcomes and Hackney's shared evidence base. There were a total of 92 participants from 85 organisations.

Involvement in assessment

Officers from the Council and partners from the Voluntary and Community Sector, City and Hackney CCG, Hackney Learning Trust have worked together and used their

knowledge and expertise from the relevant service areas to reach these recommendations.

3. Equality Impacts

This section requires you to set out the positive and negative impacts that this decision or initiative will have on equalities.

4 (a) What positive impact could there be overall, on different equality groups, and on cohesion and good relations?

The grant investment is intended to support residents from across Hackney's diverse communities including groups who share different equality groups.

All of the open grant applicants are required to describe the needs they seek to address and how they can evidence this. They are also asked to demonstrate how they contribute towards one or more of the new priorities and up to three of the equality objectives.

Grant priorities

- To promote social inclusion, encourage independence and develop personal resilience
- To build positive relations between different groups and communities that will maintain the high levels of community cohesion

Equality Objectives

- Deliver actions which aim to narrow the gap in outcomes between certain disadvantaged groups and the wider community

This equality objective is underpinned by a number of equality aims for the programme that we believe the VCS are best placed to deliver:

1. The lives of people living in difficult circumstances are improved
2. People with complex needs are supported and enabled
3. People with the worst health are supported to improve their wellbeing
4. The impacts of poverty are alleviated
5. The lives of disabled people and or older people are improved
6. Inequality is addressed
7. People are supported to identify harmful patterns and take steps to change
8. Those least likely to be heard are engaged and have an active voice

The programme continues to invest in services for particular communities although the panel have carefully considered the budget available to ensure an appropriate balance between investment for generic services which can be accessed by all residents and those that are targeted at particular communities.

In order to meet new emerging needs, support innovation and reach new communities it is important to ensure that some organisations are funded who have not been funded in previous years. Ten out of 29 funded organisations have not been funded through the Main Grants programme in the last three years.

The main grants 2020/21 are funding targeted projects which reach the following groups:

Age

A higher proportion of targeted investment is on projects for children and young adults (0-25). This is because the grants programme includes funding for holiday playscheme grants and more applications were received that target young people and young adults. There are three projects working with older people (tackling loneliness and dementia support).

Disability and people with caring responsibilities

There are four projects working specifically with disabled people. These include arts and cultural projects as well as two working specifically with disabled people in the Orthodox Jewish community. Two projects are supporting parents and caregivers, with another supporting young care leavers.

Gender Reassignment

One project is supporting LGBTQI young people with gender and sexuality.

Ethnicity

Many projects are open to all ethnicities, however there are a few that are targeted to specific communities including five supporting the Orthodox Jewish Community, two supporting the Turkish/Kurdish Community, and two supporting the Black/Black British community. Two projects are supporting refugees and asylum seekers.

Gender

The majority of projects are open access and will be reaching beneficiaries of all genders. Six of the projects are specifically targeting women. These projects include victims of domestic abuse, upskilling women with English as an Additional Language, and supporting Orthodox Jewish girls with their transition to secondary school. One project is working specifically with disabled males.

Religion

The grants programme does not fund projects or services which enable organisations to further their religious beliefs. However, there are five projects working specifically with the Orthodox Jewish Community, with a further 3 supporting Muslim residents (largely from the Turkish and Kurdish communities).

Sexual orientation

One project is supporting LGBTQI young people with gender and sexuality.

Pregnancy and maternity

There are no projects targeting pregnancy and maternity although it is likely that some projects including working with parents and BAMER women will include beneficiaries in this group.

4 (b) What negative impact could there be overall, on different equality groups, and on cohesion and good relations?

Where you identify potential negative impacts, you must explain how these are justified and/or what actions will be taken to eliminate or mitigate them. These actions should be included in the action plan.

It should be noted that the Council cannot fund every organisation that applies for funding due to the budget available and the competitive nature of any open grants programme means that the recommendations are subject to variation each year. So if there are no high scoring projects that supported a particular community in need, this need would not be met through the grants programme. Furthermore as there was ring fenced funding specifically for activities benefiting children and young people the overall investment is skewed towards a younger age group.

Within these limitations we take the following actions to ensure that the grant investment is planned and delivered to positively benefit as wide a range of equality groups as possible and to mitigate negative impacts:

- The programme was advertised widely across the VCS in Hackney using the VCS networks, Hackney Today, the Council's website and social media.
- Workshops and surgeries on the applications process were also run by Hackney CVS.
- The assessment process has taken into account (as far as possible) the needs of groups with protected characteristics and the impact on Hackney's communities. Based on the information provided by applicants and the expertise of the panel, decisions have been made to reflect this. The information provided by the applicant organisations must also be of sufficient quality to enable the panel to make an assessment against the grant priorities and equalities objectives and the potential impact of the investment.
- To support a final moderation, we analyse the level of investment which is approved for projects that state they work with particular equality groups and this is compared with previous years.

- Finally, organisations can request a review of the recommendation through the vulnerability review process which provides a final level of scrutiny before the recommendations are approved by Cabinet.
- There are also further opportunities for a range of organisations and groups to apply for funding at different intervals throughout the year, through small grants and community chest grants. The latter have a focus on the equality objective to 'Foster good relations by building a strong sense of community, neighbourliness and pride' also provides opportunities for very small groups to deliver activities which further cohesion within Hackney.
- Actions that continue to mitigate negative impacts are set out in the action plan.

5. Equality and Cohesion Action Planning

Please list specific actions which set out how you will address equality and cohesion issues identified by this assessment. For example,

- Steps/ actions you will take to enhance positive impacts identified in section 4 (a)
- Steps/ actions you will take to mitigate against the negative impacts identified in section 4 (b)
- Steps/ actions you will take to improve information and evidence about a specific client group, e.g. at a service level and/or at a Council level by informing the policy team (equality.diversity@hackney.gov.uk)

All actions should have been identified already and should be included in any action plan connected to the supporting documentation, such as the delegate powers report, saving template or business case. You need to identify how they will be monitored.

The Assistant Director is responsible for their implementation.

248	Objective	Actions	Outcomes highlighting how these will be monitored	Timescales / Milestones	Lead Officer
1	Organisations provide information on how they are using the investment to contribute to the Council's equality objectives.	Organisations are required to demonstrate this in the delivery of their service and evidence will be required as part of the monitoring process.	Evidence of how the grant investment has contributed to achieving the equality objectives.	Each application process	Grants manager
2	Organisations are encouraged to use the vulnerability review process and explain the impact of the recommendations on particular communities.	Recommendations will be reviewed through the vulnerability review process, and impact on equalities groups will be considered again.	Number of Vulnerability Reviews received and the impact on recommendations as a result of reviewing the vulnerability review statements.	Each year before recommendations go to cabinet	Community Investment and Partnerships Manager
3	Where possible, organisations are encouraged to access alternative sources of funding.	HCVS and Interlink Foundation are funded to deliver funding advice and organisational support.	Organisations use support to strengthen their applications for alternative sources of funding.	Ongoing	Community Investment and Partnerships Manager

Remember

- Assistant Directors are responsible for ensuring agreed Equality Impact Assessments are published and for ensuring the actions are implemented.
- Equality Impact Assessments are public documents: remember to use at least 12 point Arial font and plain English.
- Make sure that no individuals (staff or residents) can be identified from the data used.

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<p>Draft Planning Obligations Supplementary Planning Document</p> <p>Key Decision No. NH Q31</p>	
<p>CABINET MEETING DATE (2019)</p> <p>20 January 2020</p>	<p>CLASSIFICATION:</p> <p>OPEN</p>
<p>WARD(S) AFFECTED</p> <p>All</p>	
<p>CABINET MEMBER</p> <p>Cllr Nicholson</p> <p>Planning, culture and inclusive economy</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Affects two or more wards</p>	
<p>GROUP DIRECTOR</p> <p>Ajman Ali , Group Director of Neighbourhoods and Housing</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1. The Council is now at an advanced stage of developing a new borough-wide Local Plan 2033, known as LP33, which will be the key strategic planning document used to direct and guide development in the borough up to 2033. Following examination hearings in Summer 2019, the Council is now awaiting the Planning Inspector's report before the Plan can be adopted.
- 1.2. Upon adoption of LP33, the Council's existing supplementary planning documents or 'SPDs' (which set out additional and detailed guidance that supplements planning policies) will need to be updated to reflect the new planning policies, such as requirements for affordable housing contributions of schemes of less than 10 units. This provision is particularly important in Hackney where small residential development accounts for a significant proportion of delivery.
- 1.3 Planning Obligations (or S106 contributions) apply only to mitigate impacts that directly relate to an individual development and includes affordable housing, affordable workspace, employment and skills, carbon offset and public realm/transport improvements specific to an individual site. It is used alongside the Community Infrastructure Levy (CIL) - a charge applied to new development in the borough and paid by the developer. CIL helps to fund strategic borough-wide and neighbourhood based infrastructure to address the needs arising from new development.
- 1.4 This update to the Planning Obligations SPD will provide clarity for developers on the requirements of planning obligations for different types of development as set out in the new Local Plan. It must be stressed that this update does not provide details about the process and decision making protocols for the allocation and spend of S106 contributions and CIL. A report to Cabinet in September 2019 proposed the next steps for this work stream and this work will commence in the first quarter of 2020.
- 1.5. I commend this report to Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report seeks Cabinet approval of the draft Planning Obligations Supplementary Planning Document.
- 2.2 The draft Planning Obligations SPD is an important document which sets out the Council's requirements for planning obligations from developments. Once adopted it will be a material consideration in the determination of planning applications in Hackney.
- 2.3 The SPD sits alongside Hackney's Community Infrastructure Levy (CIL) Charging Schedule which charges developers for contributions towards strategic infrastructure. CIL rates are set at a level which balances the need to bring forward development,

having regard to costs of development including S106 contributions, with the need to bring forward infrastructure required to mitigate the cumulative impacts of development and support growth.

- 2.4 The draft SPD sets out the requirements for S106 requirements arising from the policies in the Local Plan. The report does not provide details on the spend of S106 contributions or CIL. Details regarding the spend of S106 and CIL were set out in the report agreed by Cabinet in September 2019.
- 2.5 Approval is sought to consult Hackney's residents, businesses, stakeholders and statutory bodies on the draft Planning Obligations SPD.

3. RECOMMENDATION

3.1 Cabinet is asked to:

1. Approve the draft Planning Obligations Supplementary Planning Document (Appendix 1) for public consultation.

4. REASONS FOR DECISION

4.1 Consultation with stakeholders and the public is integral to producing a supplementary planning document. It is also required in line with Regulations 12 and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012. Responses to the consultation will help inform and influence the final version of the Supplementary Planning Document.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 There are no alternative options. The scope of the draft Supplementary Planning Document is defined by policies in the emerging Hackney Local Plan, LP33.

6. BACKGROUND

6.01. Planning obligations are a key tool to 'secure' the vision for Hackney set out in Hackney's new Local Plan (LP33), including the delivery of affordable housing and better education and health services among others. Planning obligations are secured through using Section 106 legal agreements with the grant of planning permission.

6.02. Updates to national planning guidance and the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 have been taken into account in drafting the revised draft SPD. It should be noted that these amendments explicitly allow for fees to be charged to monitor the implementation of s106 agreements.

6.1 Policy Context

6.1.1. **The draft London Plan**

The draft London Plan sets out a policy framework for viability and planning obligations to ensure the delivery of infrastructure needed to maintain London as first and foremost an economic centre, both as the UK's engine for growth and to maintain its position as a globally competitive city. As such, it explicitly states a priority list of infrastructure delivery. Policy DF1D "Delivery of the Plan and Plan Obligations" prioritises the spend of planning obligations as affordable housing and transport as the top priority, followed by health and education and then by cultural and leisure facilities.

6.1.2 **Local Plan 2033**

The vision of LP33 also prioritises affordable housing but takes a different approach to place-shaping. This approach adopts a more balanced approach to meeting the needs of its existing and new residents and providing for economic growth. This is reflected in the draft Planning Obligations SPD which supports this vision and approach.

6.1.3 **The draft Planning Obligations SPD**

The draft Planning Obligations SPD requirements meet the legal test for use of Section 106, they are clearly linked to requirements explicitly set out in the LP33 and are underpinned by the associated viability evidence. The Council undertook extensive viability testing to support LP33 policies with a particular focus on new requirements for affordable housing in small schemes and extending the current approach to securing low cost and affordable workspace (these are set out in the Proposed Submission Local Plan, and the Community Infrastructure Levy Viability Assessment - October 2018).

6.1.5. The draft guidance briefly outlines the legal and national policy context for s106 requirements and provides the approach to securing both financial and non-financial planning obligations. This includes the process for determining how S106 requirements are identified and when they are to be paid. The draft also sets out requirements and calculations for developer payments to cover the Council's monitoring fees - £555 per non-financial obligations and £555 or 5% (capped at £5,550) of financial settlement per Heads of Term. A bespoke approach will be taken to very large applications to ensure charges are fair and reasonable. The guidance then provides for requirements for planning obligations, including:

- Affordable housing
- Affordable and low-cost workspaces
- Social and community infrastructure
- Jobs, skills and training
- Open space and play space
- Sustainable transport: transport mitigation measure
- Carbon offset and other environmental mitigation measures
- Managing town centres and entertainment impact

- 6.1.6. Each section provides the justification for the requirements, linked to LP33 policies and with reference to underlying evidence. Where possible, it gives an indication of costs for any payments that might be required to be secured through S106. This is typically linked to cases where it is not feasible to meet policy requirements on site.
- 6.1.7. The draft Planning Obligations SPD rolls forward many of the approaches established in the existing 2015 Planning Obligations SPD. The key updates relate to:
- setting out the new requirements for affordable housing or a payment in lieu for schemes of 9 or less homes of £60,000 per unit in Shoreditch / 'City Fringe Area' and £50,000 per unit in the rest of the borough. These sums have been informed by LP33 viability testing. This is comparable with rates in the neighbouring Borough of Islington.
 - signposting the requirements for 10 % affordable/low cost workspace which include capped rental levels at 40% market rent in Shoreditch and 60% in the rest of the borough.
 - updates to s106 monitoring fees and fees for travel plans and construction and logistic plans to reflect monitoring costs.
 - setting requirements for carbon offset payments (for all developments) where standards are not met on site including for small scale residential development where the option of a bespoke payment based on an energy assessment or a flat fee payment is required. Again, this is comparable with rates in neighbouring islington.
 - updating the guidance to refer to LP33 and, where relevant, the new London Plan policies.
- 6.1.8. The methodology for calculating contributions in the draft SPD is in line with the 2015 Planning Obligations SPD however there have been minor updates made to the source data to respond to changes in Census/ population data or employment densities. The projected, index-linked, costs underpinning the contributions sought are maintained at the levels in the 2015 Planning Obligations SPD.
- 6.1.9. The document will be consulted on for six weeks in line with the requirements of the Local Plan Regulations (2012) and the requirements of Hackney's Statement of Community Involvement. Early discussions on approaches and initial input has already been sought from Hackney Clinical Commissioning Group. This engagement will continue and comments will be sought invited from other local stakeholders and from developers to inform any revisions to the draft.
- 6.1.10 Changes to the SPD, where appropriate, will be made in consultation with the Cabinet Member for Planning, Culture and Inclusive economy.

6.2 Equality Impact Assessment

- 6.2.1 The Draft Planning Obligations SPD supplements the Local Plan, LP33 by providing guidance and does not create new policies; these are provided for in Hackney's emerging LP33. An Integrated Impact Assessment which includes an Equalities Impact Assessment has already been undertaken on LP33. This demonstrates

compliance with the public sector duty in the Equality Act 2010 by having due regard to:

- eliminating discrimination; harassment and victimisation,
- advancing equality of opportunity between persons who share a protected characteristic and persons who do not share it; and
- fostering good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.3 Sustainability

6.3.1 The Draft Planning Obligations SPD supplements the Local Plan and does not create new policies; these are provided for in Hackney's emerging Local Plan (LP33). A Strategic Environmental Assessment and Sustainability Appraisal (SA) has already been undertaken as part of the Integrated Impact Assessment of the Local Plan to ensure that the plan meets agreed sustainability objectives.

6.4 Consultations

6.4.1 Consultation on the Draft Plan will be undertaken in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) and Hackney's Statement of Community involvement.

6.5 Risk Assessment

6.5.1 A risk assessment has been carried out as part of the project plan produced for the SPD.

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

7.1 This report seeks Cabinet to approve the draft Planning Obligations Supplementary Planning Document for public consultation.

7.2 The draft SPD provides guidance on the implementation of policy regarding planning contributions as set out in the new Local Plan 2033. The draft guidance includes the process for determining how S106 requirements are identified and when they are to be paid. It also sets out requirements and calculations for developer payments to cover the Council's monitoring fees. Monitoring fees will fund the cost of staff and IT software associated with implementing and monitoring the Section 106 agreements.

7.4 The draft SPD increases the number of developments where Section 106 contributions are applicable (see paragraph 6 above).

7.5 The total sums payable to the Council in a financial year via Section 106 planning obligations is dependent on the nature and size of the associated developments.

7.6 The spend of S106 contributions and Community Infrastructure Levy (CIL) income (which applies in parallel with S106 payments) will continue to be considered through the S106 and CIL Corporate Board and Lead Members before consideration by Cabinet as detailed in the report to Cabinet in September 2019.

8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 Cabinet is authorised to approve the recommendations in this report pursuant to the Mayor's Scheme of Delegation, which states that the adoption/amendment of policies related to matters including the Local Development Framework are delegated to the Executive (ie Cabinet).
- 8.2 Supplementary Planning Documents are described in regulation 5 of the Town and Country (Local Planning) (England) Regulations 2012 as documents prepared by a local authority that are not Local Plan documents but are local development documents containing statements regarding matters including the development and use of land which the local planning authority wish to encourage during any specified period and any environmental, social, design and economic objectives relevant to the attainment of the development and use of such land.
- 8.3 Under regulation 8 of the Town and Country (Local Planning) (England) Regulations 2012, any policies in a Supplementary Planning Document must be consistent with the adopted development plan.
- 8.4 Under regulation 12 of the Town and Country (Local Planning) (England) Regulations 2012 before the Council can adopt a supplementary planning document it must undertake a public consultation for a minimum period of four weeks.

APPENDICES

Appendix 1	Draft Planning Obligations SPD
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BACKGROUND PAPERS

None

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Cabinet

20 JANUARY 2020

**DRAFT PLANNING OBLIGATIONS
SUPPLEMENTARY PLANNING
DOCUMENT**

Key Decision No. NH Q31

Appendix 1

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Draft S106 Planning Contributions Supplementary Planning Document

November 2019

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Note

- This is a draft SPD for consideration by Cabinet. It is intended to supplement the emerging draft Local Plan LP33 which is in its final stages of preparation. The local plan is currently in independent examination and an Inspector's report is expected early in 2020.
- This draft SPD will be amended to reflect changes in LP33 – if any - and then be subject to consultation for six weeks in early 2020 in line with the Council's Statement of Community Involvement and as prescribed in relevant legislation
- The SPD adopted alongside or shortly after the adoption of the Local Plan by Full Council to provide clarity on planning obligation requirements arising from LP33 and future reviews the council's requirements where necessary will be considered as part of any local plan policies review and update and/or review of CIL rates.

1. Introduction

1. This [DRAFT] Supplementary Planning Document (SPD) sets out the Council's approach to securing planning obligations. Planning obligations are negotiated between the council and developers and can take the form of:
 - requirements for parts of a development to be used in certain ways such as for affordable housing.
 - requirements for certain works to be undertaken or other restrictions or requirements on the form of the development such as for development to be car free.
 - payments to the council to help address the impacts of development – usually limited to those cases where it is not feasible to meet policy requirements on site and/or to mitigate specific development impacts for example the carbon emissions from development.

Planning obligations are 'secured' through planning agreements entered into under [section 106 of the Town and Country Planning Act 1990](#) by a person with an interest in the land and the local planning authority or through a unilateral undertaking entered into by a person with an interest in the land without the local planning authority. This is why planning obligations are sometimes referred to as Section 106 or S106 – requirements which is how we refer to them in the remainder of this document.

3. The purpose of this SPD is to provide as much clarity as possible for developers on S106 requirements and to support a consistent approach to requirements by the Council's planning service in respect of individual planning applications. The SPD also provides transparency on the Council's requirements for service providers and communities living and working in the area. The approach to securing S106 obligations is defined by law and government policy. These explain, as well as limit, the way in which the Council can use S106 to ensure that obligations are used appropriately and in a way that enables rather than stymies development.

4. **This guidance will be a material consideration in the determination of planning applications in Hackney.¹ This means that it will be used by Council officers to help assess whether to grant permission and on what basis this might be appropriate.**

5. In the future the Council will consider the approach and costs of requirements set out in this SPD alongside any review of Hackney CIL rates. This process may lead to a revision to this guidance and/or update to the Council's planning policies. In all cases this will be informed by research and evidence that will be the subject of public consultation.

LP33 provides the basis for all S106 requirements in this SPD

6. This SPD supplements policies in the Local Plan which is known as 'LP33'. LP33 provides a locally specific response to policies in the London Plan which is also part of the development plan for Hackney. LP33 makes clear that it is essential that development in Hackney continues to provide or fund local improvements and **non-infrastructure** items needed to mitigate the impact of development. It further states that the "provision of affordable housing, local open space improvements and/or additional facilities and requirements (including employment and skills initiatives, affordable workspace, green links and on-site provision of specific infrastructure) and securing appropriate scheme implementation and control of phasing where necessary will be delivered through Section 106 planning obligations as set out in the Planning Contributions Supplementary Planning Document" (paragraph 13.18).

7. LP33 was prepared in accordance with the National Planning Policy Framework 2012 under the transitional arrangements specified in the National Planning Policy Framework 2019 (NPPF). This means that the plan pre-dates the 2019 NPPF requirements to specify the level of development contributions in the plan. However, LP33 clearly identifies S106 requirements and the costs of meeting development plan policies (including S106 requirements arising from these) that have been tested

¹ It has been prepared in accordance with the National Planning Policy Framework and the associated Town and Country Planning Act (Local Development) (England) Regulations 2010 (as amended)

in the associated viability evidence to LP33. Further changes will be considered in the context of any Local Plan review and policy updates and/or review of CIL rates.

S106 can be used with CIL to deal with different levels of development impact

8. S106 is used alongside the Hackney [Community Infrastructure Levy \(CIL\)](#) and the Mayor of London's CIL to mitigate the impacts of a development and to ensure compliance with LP33. You should also review the Hackney and Mayoral CIL Charging Schedules to understand the CIL costs that would become liable on the basis of the scale and use of your development. In Hackney CIL is the primary mechanism for securing developer funding for infrastructure to deal with the **cumulative** impacts of development across the area and planned for in LP33. Hackney also collects a CIL on behalf of the Mayor of London. The S106 requirements identified in this SPD are therefore focused on mitigating the **specific** individual impacts of development in contrast to the cumulative impact of development which is dealt with by CIL.

There are legal restrictions on the way S106 can be used. S106 requirements must meet three legal tests² which are that they must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

10. These tests are not repeated in every section of this document, but they are relevant to every S106 requirement identified. Officers in the Council's planning service will ensure that these tests are considered when negotiating and deciding on specific S106 requirements linked to the impact of a development.

² Community Infrastructure Levy Regulations (2010) as amended, Regulation 122

11. Certain requirements for works associated with a development, the submission of further information *or* other requirements related to a development and its operation can be secured by a planning condition. S106 will only be used where planning conditions cannot be; for example, S106 is typically used to secure financial contributions or if the planning obligation relates to works / actions outside of the planning application site. Planning obligations are also usually used to secure on site affordable homes and affordable workspaces.

How developers can use this SPD

12. This guidance provides the starting point to identifying S106 requirements and pre-application advice from the Council can help. A Planning Obligations statement should be included with planning applications addressing the S106 requirements identified in this SPD and matters arising from any pre-application advice received. Applications to amend previously permitted schemes or renew an existing permission will also be reassessed for any necessary requirements and so will need to take account of this guidance.

This SPD should be used alongside LP33 which sets out detailed policy requirements. Where relevant it should also be used in conjunction with adopted action plans or areas based SPDs. This SPD is organised by topics and Section 2 - 8 succinctly explain:

- *why* the S106 requirement may be sought, with reference to relevant LP33 policies that underpin and justify the requirements, and *how* the council will approach securing the requirements.
- *when* a S106 requirement *might* be sought related to the use, scale or location of a development; and
- *what* is *likely* to be required including, where possible, an indication of the likely costs or how this will be calculated.

14. Appendix 1 identifies development yields used in the requirement calculations and appendix 2 summarises the key data sources and technical notes on the changes that have been made to the 2015 S106 SPD.

15. **Developers should review each section of this document to identify the S106 requirements that may apply to their development. Developers of residential schemes of less than 9 units should pay particular attention to Section 3 Affordable Housing provisions related to small residential schemes; Section 7 provisions related to car free development and Section 8 Carbon offset for small residential schemes.**

16. **Developments are by their nature unique so this guidance cannot form an exhaustive list of every planning obligation which might be required in every case. It is important to consider the particular characteristics of the site and form of the development when considering the S106 requirements to mitigate the impact of a specific development.**

Timing and triggers for action or payment

17. Payments associated with the S106 requirements set out in this guidance will normally be expected to be paid on or prior to the commencement of development to ensure that the relevant mitigation measures can be programmed and delivered to deal with the development impacts. Some requirements, such as those related to mitigating highway impacts, will be required in advance of commencement. There will be restrictions on commencement or occupation of the development until this contribution has been paid.

18. In exceptional circumstances, and where supported by viability evidence at the application stage, the Council may consider later 'triggers' for payment such as a set time after commencement or before occupation of a development. Where this is considered appropriate it will be set out in the committee report, or officers delegated report, which recommends whether or not permission should be granted.

Index linking payments

19. The costs identified in this SPD relate to the 2019/2020 financial year. Any payments will be set as a minimum and will be required to be index linked from the date of this SPD to the date that the payment is triggered to capture any increased costs to deliver the necessary mitigation. S106 agreements or unilateral undertakings specify the index to be used which is normally the Retail Price Index (or other such index as agreed). This will be specified in the agreement or undertaking.

Deciding on the S106 requirements in each case – the process

20. Once your planning application has been checked and approved by the council (known as validation), a planning case officer will be appointed to assess the application. Developers should be prepared to provide details of the title/deeds of the application site and contact information for their lawyer if a S106 agreement is likely to be required. This will help ensure any legal agreement or undertaking is completed efficiently for those applications granted permission. The planning case officer will work with developers, assisted where appropriate by other council officers, to identify and agree S106 requirements including any payments that will be required. If the application is for an outline permission it is usual to identify how the payment will be calculated in the agreement, or undertaking, as the details of the development that would allow the relevant contribution to be calculated may not be included at the time the outline permission is considered, or they may change at the reserved matters stage.
21. S106 requirements are based on the specifics of the case – and may vary from those set out in this document for example a higher or lower contribution may be considered necessary. In the case of lower contributions these should be justified by viability evidence. The Council may appoint a suitably qualified independent third party to assess any financial information submitted related to development viability. The costs of this assessment will be met by the applicant.
22. For major applications, any S106 requirements will typically be considered and determined by members of the planning sub-committee. For other applications decisions on the application will be taken by senior council officers who have authority delegated by the Council to determine such applications. If there is a resolution to grant planning permission the S106 agreement, or undertaking, will be finalised by the Council's Legal Team working with the applicant, or if appointed, the

applicant's lawyer. This can help to expedite the process. The agreement or unilateral undertaking will be completed and published alongside the decision notice granting planning permission by the Council.

Legal and Monitoring Support and Fees

23. Once the S106 agreements have been finalised and agreed by all parties they are secured in a legal agreement or unilateral undertaking. The S106 requirements, timing for delivery of certain works, payments or other non-financial obligations that have been identified in the committee or officers report will be specified in the agreement or undertaking.
24. Developers are required to pay reasonable legal and professional costs incurred by the Council in preparing an agreement or unilateral undertaking. These costs are payable upon completion of the legal agreement. The Council will also expect payment of a monitoring fee to monitor the implementation of the agreement. This is to meet the cost of monitoring the implementation of the agreement or undertaking.
25. The ability to charge a S106 monitoring fee is specifically authorised in law³ and the amount must fairly and reasonably relate to the development (rather than the three legal tests outlined in paragraph 9). A monitoring fee will be included in all undertakings and agreements based on the fee schedule below:

- **£555** per non-financial obligation; and
- **£555** or 5% of the financial contribution, whichever value is greater, up to a limit of **£5,550** per main S106 requirements (that is the main head of terms in the agreement) to ensure costs are reasonable.
- Larger developments, including phased development and outline applications, may be subject to additional monitoring fees to reflect the additional costs of monitoring. This will be calculated on a case by case basis.

³ CIL Regulations 2010 as amended, Regulation 122(2A)

26. The Council's approach to setting the fee is aligned with national planning practice guidance which makes clear that authorities can charge a fee to cover the cost of monitoring and reporting on delivery of planning obligations and further clarifies that such fees may be charged as a fixed percentage of the total value of the S106 agreement or individual obligation; or can be a fixed monetary amount per agreement. The costs identified are both proportionate and reasonable and reflect the cost of monitoring agreements in Hackney.

Land charges

27. Once the agreement or undertaking is completed the planning obligations become legally binding and enforceable through the courts. They are published on the statutory planning register alongside the planning permission decision notice. They are a local land charge and are also required to be registered in the Charges Register. This means that the S106 requirements run with the land, which means that even if the land is sold on, they still apply to the development.

Searching S106 Agreements

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28. All completed legal agreements and unilateral undertakings are available on the statutory planning register which is online at www.hackney.gov.uk. This can be searched using a planning application reference or address.

29. The Council also periodically reports on planning obligations and, starting from December 2020, will identify in its *Infrastructure Funding Statement* details of financial planning obligations secured and spent. More information will be made available on our website once published.

2. Affordable housing

Context

30. The number one concern for residents in Hackney is the provision of genuinely affordable homes.⁴ Median house prices in the borough were more than 15 times median incomes in 2017.⁵ Assessments indicate that 26,250 new homes are needed over the LP33 plan period – and 92% of this need is for affordable housing.⁶ Hackney, in partnership with the GLA, has identified **capacity** to deliver 19,950 homes - 1,330 homes each year between 2019 and 2029.
31. LP33 includes a 50% affordable target based on viability testing of the local plan.⁷ This target could potentially deliver 9,975 units. This is massively short of the actual need for affordable housing but setting an affordable housing target level higher than this could prevent new development coming forward. LP33 strikes the balance between need and viability – which is a requirement of national planning policy.⁸
32. The high need for affordable homes – within the context of considering development viability - justifies the Council's approach of maximising affordable housing delivery from all sources. This necessarily includes non-conventional housing including student housing as well as more conventional residential developments (in planning use class C3). It also means maximising the affordable housing delivery from smaller residential developments of 1 – 9 homes. This is particularly important in Hackney where small residential development accounts for a significant proportion of delivery. In 2017 half of new housing came from sites of 9 units or less⁹.

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Indicative Section 106 Requirements

33. S106 is used in Hackney to secure the provision of affordable housing on site as part of new developments. There will be some cases where it is not feasible to provide 50% of affordable units. In these instances the Council may consider provision of the

⁴ Hackney Local Plan LP33 paragraph 2.2 and informed by consultation

⁵ Authority Monitoring Report for 2017 – 2018, page 1

⁶ Hackney's Affordable Housing Need - June 2019 (Local Plan EIP EX18)

⁷ Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018)

⁸ National Planning Policy Framework 2012 (the LP33 framework) and 2019

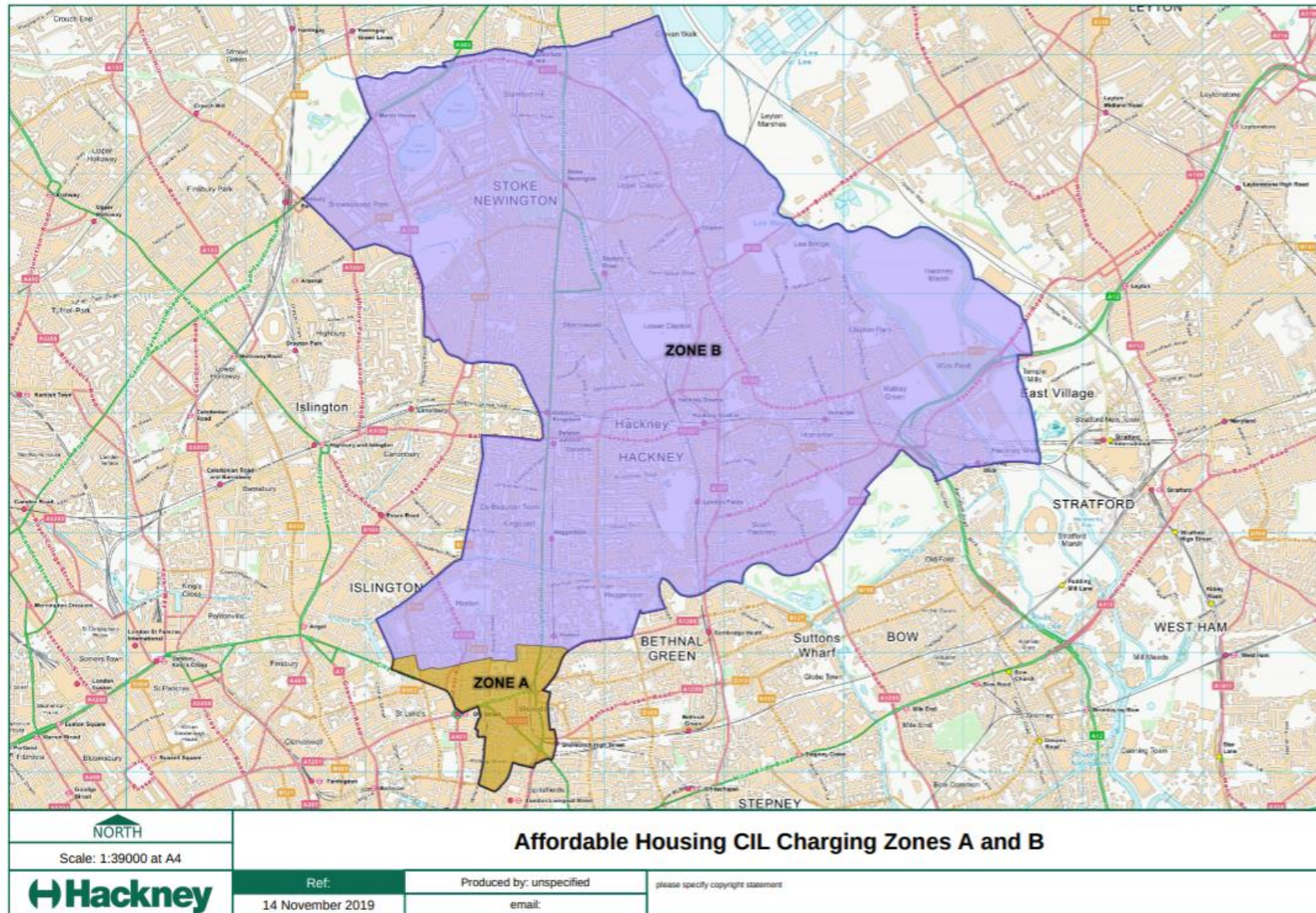
⁹ Authority Monitoring Report 2017 – 2018, page 32

units offsite, usually within the vicinity of the development or a financial contribution which will be put towards the delivery of housing within the borough. Feasibility challenges can be a particular issue for small scale developments. Because of this, LP33 provides an option for residential schemes of 9 or less to make a payment to the Council towards the delivery of new homes. The potential S106 requirements related to affordable housing may include those provided in the summary table below. Further guidance will be included in Hackney’s Housing Supplementary Planning Document.

Table 2.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Residential C3 use class (excluding build to rent)	10 or more residential units and/ or more than 1000sqm floorspace	Borough wide	Affordable housing 50% affordable housing on site* OR where not feasible a payment in lieu calculated on a case by case basis taking into account the development viability Where the provision of off-site affordable housing is accepted this should be provided in the borough and where possible in the vicinity of the site.	LP13 Affordable Housing
2.	Residential C3 use class (excluding build to rent)	1 - 9 units	Whole borough except 'City Fringe (on Map 1 page 10)	Affordable housing 50% affordable housing onsite where capable of providing onsite affordable housing OR A payment of £50,000 per unit (Number of units X £50,000)	LP13 Affordable Housing
3.	Residential C3 use class (excluding build to rent)	1 - 9 units	City Fringe area (on Map 1 page 10)	Affordable housing 50% affordable housing onsite onsite where capable of providing onsite affordable housing OR A payment of £60,000 per unit (Number of units X £60,000)	LP13 Affordable Housing
4.	Student Housing (C2)	All	Borough wide	Affordable housing A minimum of 50% of student rooms will be required to be affordable for students in the context of student maintenance loans and rents	LP20 Student Housing

5.	Housing for Older and Vulnerable People (C2)	All	Borough wide	Affordable housing Proposals for specialist housing for older people will be required to provide 50% affordable housing	LP18 Housing Older and Vulnerable People
6.	Large Scale Purpose Built Housing	20	Borough wide	Affordable housing At least 50% of the units delivered must be affordable and will be required to be London Living Rent linked to ward level income	LP15 Large Scale Purpose Built Housing
7.	Build to rent schemes (C3)	All	Borough wide	Affordable housing At least 50% of the units delivered must be affordable and will be required to be 55% of maintenance loans	LP15 Build to Rent
<p>Where on-site affordable housing is secured the agreement or undertaking will typically include details of the:</p> <ul style="list-style-type: none"> ● number, tenure and location of the affordable housing units; ● any standards that must be met; ● conditions relating to nomination rights; and ● if applicable any viability review to assess whether a greater level of affordable housing can be delivered if the level is lower than 50%. 					



3. Affordable and low-cost workspaces

Context

34. Hackney's local economy is built around small and medium enterprises (SMEs) - Of the approximate 18,995 enterprises in Hackney, 91.3% of the local economy are micro sized enterprises (0-9 employees) and 7.4% are small (10-49 employees).¹⁰ Such businesses have relied historically on the availability of affordable workspaces.
35. Since 2002, a total of -136,000 m2 of commercial floorspace has been lost. The rate of release in Hackney has been the third highest in London with around 44% of industrial land lost. Hackney's average rental value achieved for offices between 2014 and 2016 was £40.65 per square foot. This represents an 89% increase on the average rental values achieved between 2009 and 2011 evidencing rapidly rising rents for office – and these rent hikes are even more pronounced in the south of the borough near the city which have rental rates well in excess of this. Research with businesses indicates that high rental levels and the lack of suitable premises (particularly the availability of move on space) are the main factors driving businesses out of the borough and pushing existing firms to consider relocation.¹¹
36. LP33 focuses on securing 10% affordable or low cost workspace where employment floorspace is provided. This builds on a long established policy approach in Hackney which since 2013 has secured 8,603.5 sqm of affordable workspace through S106 agreements.¹² Underpinning the approach is evidence on viability which suggests that ensuring affordability of this space – and not prejudicing delivery of development - means rent should be capped at 40% of market rents in Shoreditch and 60% of market rents elsewhere in other Priority Office Areas in the borough.¹³

Indicative Section 106 Requirements

37. Securing affordable and low cost workspace is essential to support the needs of SMEs – critical to Hackney's economy and for start-ups along with cultural and

¹⁰ See Hackney Economy, Workspace and Social Value Report, 2019

¹¹ See Hackney Employment Land Study 2017 Hackney and Islington Workshop Provider Workshop 2017

¹² Hackney Authority Monitoring Report, 2017-18

¹³ London Borough of Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018)

creative enterprises such as artists' studios and designer-maker spaces, as well as charities and social enterprises who would otherwise be priced out of Hackney. S106 is used to secure the provision of this affordable workspace at capped rental levels for the life of the development – i.e. in perpetuity. The Council will require developers to show how this space is delivered. This will include ensuring that the space provided is appropriate and affordable taking into account rent paid – along with other fees an operator may charge to occupants of this space such as service charges. The Council will monitor and where necessary enforce this on an ongoing basis. The potential S106 requirements related to low cost and affordable workspace may include those provided in the summary table below.

Table 3.1

	Use	Scale / Impact	Location	Indicative S106 requirement *	Relevant development plan policy
1.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm AND involving redevelopment of existing low cost floor space	Locally Significant Industrial Areas, Priority Office Areas, Priority Industrial Areas, Central Activities Zone, and designated town centres identified on the LP33 Policies Map	Affordable and low cost workspace The maximum viable replacement low cost employment floor space (B1 use classes) will be provided. Planning obligations will be used to secure this floor space in perpetuity at equivalent rents and service charges in accommodation suitable for the existing or equivalent occupiers. A requirement for existing occupants to be given the option of being accommodated in the development where possible may also be included in any agreement.	LP29 Affordable Workspace and Low Cost Employment Floor space
2.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm	Shoreditch Priority Office Location identified on the LP33 Policies Map	Affordable and low cost workspace 10% of floor space (reduced by any replacement affordable or low cost floor space already provided) should be at 40% or less of current market rates. Planning obligations will be used to secure this affordable floor space in perpetuity.	LP29 Affordable Workspace and Low Cost Employment Floor space
3.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm	Priority Office Locations (excluding Shoreditch), Central Activity Zone and Town Centres identified on the LP33 Policies Map	Affordable and low cost workspace 10% of floor space (reduced by any replacement affordable or low cost floor space already provided) should be at 60% or less of current market rates. Planning obligations will be used to secure this affordable floor space in perpetuity.	LP29 Affordable Workspace and Low Cost Employment Floor space
4.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm where part of a varied permission on site increasing floorspace within four years of the commencement of the original development	Locally Significant Industrial Areas, Priority Office Areas, Priority Industrial Areas, Central Activities Zone, and designated town centres identified on the LP33 Policies Map	Affordable and low cost workspace Affordable or low cost workspace will be required in line with the requirements in rows 1-3 above.	LP29 Affordable Workspace and Low Cost Employment Floor space

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	<p>Note: Where on site affordable workspace is provided, an Affordable Workspace Statement will be required to show how Affordable Workspace is delivered and an annual return on delivery is also requirement or that an annual return will also be secured through S106.</p>
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4. Social and Community Infrastructure

Context

38. LP33 sets out a positive framework for the delivery of social and community infrastructure and reinforces the Council's approach of working in partnership with key delivery partners including Hackney Clinical Commissioning Group (CCG) and Hackney Learning Trust to facilitate delivery of infrastructure. Development of new homes and workspaces identified in LP33 will give rise to demand for a range of social and community facilities including:

- Education
- Health and Social Care Facilities
- Sport and Leisure Facilities
- Libraries, Museums and Archives
- Youth Facilities
- Community Facilities
- Cultural Facilities

39. The need for new, improved or expanded social and community infrastructure to meet the demands and impact of development will vary. For example, there might be an under supply meaning expanded facilities are needed across the borough or in a particular authority. Alternatively there might be an over-supply meaning that expanding provision is not necessary. One example of this is that in common with many other parts of inner London demand for mainstream school places has been falling. So while demand for school places is likely to increase associated with development over the life of the plan, there is sufficient capacity at present to absorb this need. But this can change over time and is influenced by a range of factors unrelated to development such as birth rates and so will need to be kept under review in the medium to long term.

40. Social and community infrastructure capacity to meet demand from development - and therefore any planning obligations required - is not static in an existing urban context. The infrastructure planning assessments that¹⁴ have informed the local plan – and as set out in LP33 – will need to be continually updated to monitor and

¹⁴ Hackney infrastructure delivery Plan, 2018

respond. The Council will continue to engage key delivery partners to understand need and plan for delivery of the infrastructure to meet this need.

Indicative Section 106 Requirements

41. CIL is the primary tool for dealing with the cumulative impact of development on social and community infrastructure. Hackney’s CIL has been applied to a range of infrastructure projects including expanding day centre provision, provision of new sports infrastructure and libraries <https://hackney.gov.uk/hcil>. However, there will be times where a development gives rise to the requirement for social or community infrastructure – and in these cases S106 will be used.

42. Where a requirement for on-site social and community facilities to form part of a development has been identified in the LP33 site allocations (or Area Action Plans) - this may be secured through S106. S106 may also be used to secure provision of off-site social and community facilities if a development will lead to a loss of a social and community facility. This might be securing the redevelopment of a better quality facility off site *or* a financial contribution to pay for a better quality replacement facility *or* facilities. The potential S106 requirements related to social and community facilities may include those provided in the summary table below.

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Table 4.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Any – and as defined in site allocations in LP33 or action plan documents	10 or more residential units and/ or more than 1000sqm floorspace	Site allocations in LP33 or Area Action Plan	Community facilities On-site provision of facility will be required in line with the policy requirements set out in the relevant allocation. Such facilities <i>may</i> be secured through planning obligations.	LP8 Social and Community Facilities
2.	Any Where it leads to a loss of the social or community facility which meets needs	Any Where it leads to a loss of the social or community facility which meets needs.	Borough wide	Community facilities Delivery of an offsite replacement or alternative social and community facility will normally be secured through planning obligations or a financial contribution. This will be negotiated on a case by case basis and the type of contribution determined with reference to the facility being lost.	LP8 Social and Community Facilities

3.	Residential	<p>Development with local health impacts which individually give rise to a need for additional health facilities.</p> <p>Large scale development</p>	Borough wide	<p>Health Contributions Measures may include on site requirements for delivery or financial contributions towards mitigating the health impacts of the development where there is insufficient capacity to meet the needs of the individual development. This might relate to Primary Care: GP Services; Intermediate Care: day places and beds Acute Facilities: elective, non-elective and day care beds; Mental Health Services; or Revenue Contributions: covering the running costs of the above and the full range of community health services.</p> <p>Where facilities are secured on site measures to ensure that they are fit for purpose and affordable will be applied For large schemes with long build out programmes (phasing) there will be a review point to consider whether provision is best made on site or as a financial contribution to ensure it addresses the impacts of the individual development and models of service delivery. Health Impact Assessment will be used to identify and implement measures to mitigate adverse impacts. This analysis and assessment of costs will take into account Hackney Clinical Commissioning Group analysis of demand and supply and the NHS strategy for health care provisions/ estate planning.</p>	<p>LP8 Social and Community Facilities</p> <p>LP9 Health and Wellbeing</p>
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5. Jobs, Skills and Training

Context

43. Hackney's economy has grown in recent years, and our employment rate is higher, however this growth sits alongside significant deprivation. Poverty in the borough is the third highest in London and some of our neighbourhoods are amongst the most deprived local areas in England. In 2019 Hackney was ranked as the seventh most deprived local authority overall in England.¹⁵ Promoting economic and social inclusion in Hackney is a major priority for the Council and the wider sub-region. There is a need to improve the supply of appropriate local jobs in parallel with labour market and other training initiatives to raise the skills of residents so that they can access jobs. This is especially critical for disadvantaged or marginalised residents so they can gain access into the labour market.
44. Ensuring access to training and job opportunities from new development is an important policy objective of LP33. It is also central to the Council's Inclusive Economy Strategy 2019 which outlines the council strategy to enable the widest range of residents, local businesses, social enterprises, and community institutions to *“contribute, participate in and benefit from the opportunities which arise from a successful economy in Hackney, which;*
- *Support local neighbourhoods and town centres to thrive and to be inclusive, resilient places;*
 - *Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough;*
 - *Connect residents to high-quality support and opportunities to learn new skills, get good quality work and to make progress in work over their career”*
45. Through this strategy the Council wants to address disadvantage in the labour market through “partnerships which offer more high-quality apprenticeships, skills and training, jobs and business opportunities to make it easier for anyone, whatever their background, to fulfil their potential”.

Indicative Section 106 Requirements

46. S106 is used to secure Employment and Skills Plans [templates will be available on the Council's website] associated with certain types of new development. They are

¹⁵ Index of Multiple Deprivation 2019

used to ensure that the opportunities are available to Hackney’s residents and are expected to include socioeconomic outputs and specific actions such as working with local schools, participation in job fairs and recruitment events and promotion of careers in construction and opportunities in the final development (operational use stage) development. The Council’s Employment and Skills Service will work with developers and contractors to support delivery of the plan – as well as to monitor its success.

47. Linked to the Employment and Skills plan, the Council will seek to ensure that the owner/developer (and their agent’s employees, contractors and sub-contractors) use ‘local labour’ and are encouraged to become London Living Wage employers. Local labour is defined as any person or persons aged 18 years or over who is a resident in Hackney or Hackney school leaver, or Hackney care leaver. The Council will seek to ensure all reasonable endeavours are used to secure a minimum of 25% of the workforce as Local Labour during the construction and demolition phase and during the first 5 years of operation from the first occupation of the development. During construction this may include, for example, labour for onsite security, facilities management and administration. Quarterly local labour and apprenticeship returns must be provided by the owner/developer - and will be secured through S106 - to demonstrate that local labour commitments are being met. Operational phase opportunities should be set out in the Employment and Skills Plan.

The Council will also seek to secure apprenticeships in the various building trades such as brick laying, carpentry, electrical, plumbing and plastering and the new methods of construction as well as within other non construction based opportunities such as business administration, information technology, accounting, project management and STEM related opportunities. Apprenticeships should last a minimum of 26 weeks and pay minimum wage, offered to a Hackney resident, or Hackney school leaver, or a Hackney care leaver. The potential S106 requirements related to jobs, skills and training may include those provided in the summary table below.

Table 4.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
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1.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s)	Borough wide	Employment and Skills Plan Developers will be required to prepare and submit for approval an Employment and Skills Plan. The agreed plan must be implemented and monitored with report to the Council on the intervals prescribed in the agreement and the agreed Employment and Skills training plan.	LP31 Local Jobs, Skills and Training
2.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s)	Borough wide	25% Local Labour The owner/developer (and their agent's employees, contractors and sub-contractors) will be required to use all reasonable endeavours to secure a minimum of 25% of the workforce as Local Labour and to report to the council quarterly on local labour commitments.	LP31 Local Jobs, Skills and Training
3.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s). AND Where the developments has contracts with a value of £2 million or more	Borough wide	Apprenticeships At least one full framework apprentice for every £2 Million of construction contract value. Or the equivalent number if a shared apprenticeship model is offered. A support fee of £1,500 is also required per apprentice placement. OR If the length of the build/project does not allow for an apprenticeship placement, and it can be demonstrated that all reasonable endeavours have been undertaken to deliver the apprenticeship, a financial contribution will be sought to offset this and enable the creation of alternative training opportunities elsewhere in the borough. Indicative cost calculation: £7,000 fee per apprentice	LP31 Local Jobs, Skills and Training
4.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s) AND where the developments has contracts with a value in excess of £5 million	Borough wide	Procurement Plan The owner/developer must engage with local suppliers directly and must supply the Council's Economic Development team with a full Procurement Plan identifying the services and materials that will be sourced for the lifetime of the project and the location of the suppliers they have been sourced from.	LP31 Local Jobs, Skills and Training
5.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s).	Borough wide	Employment and Training Contribution A financial contribution to support training, employment and local procurement during construction phase will be sought. Indicative cost calculation: Cost of training and support (£4,500) X Gross internal areas/ 1000	LP31 Local Jobs, Skills and Training

6.	All	Large scale development	Borough wide	<p>On site training facilities In some circumstances it may be appropriate to incorporate in-house / onsite training facilities/premises and/or an embedded employment coordinator as part of the development and for operational phases. Incorporation of training facilities should be implemented either by the individual developer, or if not viable, in partnership with other local developments facilitated the Employment and Skills Team.</p>	LP31 Local Jobs, Skills and Training
7.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s).	Borough wide	<p>Employment and Training Contribution A financial contribution to support training, employment and local procurement during operational use phase(s) will be sought. Indicative cost calculation: Cost of training and support (£4,500) X Employee Yield* of the development (see page x below) X 0.24 (Employees resident in Hackney) X 0.29 (Employees potentially requiring training and support) *The employee yield figures are contained at Appendix 1</p>	LP31 Local Jobs, Skills and Training
8.	All	10 or more residential units and/ or 1000 sqm or more floorspace AND WHERE there is a loss of employment floorspace	Borough wide	<p>Employment and Training Contribution (loss of employment space) A payment towards any loss of employment floorspace by redevelopment will be sought for affordable workspace or business support. Indicative cost calculation First calculate Jobs lost = (gross employment floorspace lost) / 10.8 (benchmark average space requirement per employee) * 0.24 (24% employees resident in Hackney) Then calculate: Loss of employment contribution = Jobs lost X £4,850 (cost of training per employee)</p>	LP27 Protecting and Promoting Office Floorspace in the Borough LP28 Protecting and Promoting Industrial Land and Floorspace in the Borough

6. Open Space and Play Space

49. Hackney has almost 400 hectares of open space. Hackney's parks and green spaces are of a high quality and can have ecological and quality of life benefits for the community. Protecting and expanding this network of open space across the borough is central to the LP33 strategy.
50. LP33 sets out to maintain the overall level of open space provision as the population of the borough grows and so expects increases in open space as part of part of new developments over certain thresholds. LP33 identifies a standard of 14sq.m per person from major residential development. For major mixed-use and commercial development, the requirement has been adapted to 4 sqm per worker.¹⁶ This is a particularly important requirement in areas that have high open space deficiency but also overall given the constrained and highly developed nature of Hackney. Expanding the provision of open space it is a priority across the authority as reflected in LP33. The provision of new open space is a particular priority in areas open space deficiency.
51. Children's play space - both formal and informal space - is important for the development of physical, social and emotional skills in children and can improve health and reduce health inequalities. LP33 draws on London wide approaches established by the GLA¹⁷ including the requirement of new well-designed play space on site in development schemes that are likely to generate a child yield of 10 or more. In some instances site constraints mean this may need to be part of existing open space.

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Indicative Section 106 Requirements

52. It is recognised that in some cases the site constraints and/ or development form might limit the quantum or quality of open space or children's play space that can be provided. So where on site provision is not feasible the Council may accept a payment in lieu of this secured through a S106 agreement. This will be used for improvements in the vicinity of the site to address demand for facilities in the context of the overall need for open and playspace or addressing the biodiversity impacts of the development in line

¹⁶ The quantum for open space required by the policy reflects the current amount of open space per person in the borough. This was identified through the LUC Open Space Assessment (2018)

¹⁷ Mayor of London's Play and Informal Recreation SPG, 2012

with the Council's Biodiversity Action Plan. The potential S106 requirements open space and play space may include those provided in the summary table below.

Table 6.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Open space contribution An open space payment towards an open space in the vicinity of / impacted by the development will be required where onsite standards are not met. Indicative cost calculation: Residential Open Space Shortfall = Residential yield x 14sqm (target for open space provision) – communal amenity space onsite Then: Calculate the Residential Open Space payment = Open Space Shortfall X £114.76 (cost of provision) See Appendix 1 for more details including residential yield	LP48 New Open Space
2.	Mixed -use Commercial floorspace	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Open space contribution An open space payment towards an open space in the vicinity of / impacted by the development will be required where onsite standards are not met Indicative cost calculation Commercial Open Space Shortfall = 19 (Blended Benchmark Employee Yield) x 4sqm (target for open space provision) – communal amenity space onsite Then: Calculate the Commercial Open Space payment = Commercial Open Space Shortfall X £114.76 (cost of provision)	LP48 New Open Space

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3.	Specialist housing types such as supported housing	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Open space contribution An open space payment will be required where onsite standards are not met. This will be calculated on a case by case basis using the following approach as a starting point. Indicative cost calculation Specialist Open Space Shortfall = Estimated residential yield of the proposed development x 14sqm (target for open space provision) – communal amenity space onsite Then: Calculate the Residential Open Space payment = Open Space Shortfall X £114.76 (cost of provision)	LP48 New Open Space
4.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace	Borough-wide	Play space contribution Children's play space can be accommodated within onsite open space. This assumes that the ongoing maintenance of play space will be met by the applicant. Where maintenance costs are not met a maintenance fee in perpetuity will be calculated by the Council.	LP50 Play Space
5.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are met	Borough-wide	Play space contribution Where play space cannot be provided on site, but open space <i>is</i> provided a discounted contribution will be sought for play space to reflect that onsite open space contributes to informal play space. Indicative cost calculation Play Space Shortfall = Child yield x 10sqm X 115.50 (build cost and 5 year repair charge) X 0.5 (50% discount factor) See Appendix 1 for child yield	LP50 Play Space
6.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Play space contribution Where open space and play space cannot be provided onsite, a contribution to playspace is required Indicative cost calculation Play Space Shortfall = Child Yield x 10sqm X 115.50 (build cost and 5 -year repair charge See Appendix 1 for child yield	LP50 Play Space

7. Sustainable Transport and Transport Mitigation

Context

53. Over 85% of Hackney residents travel to work on foot, by bicycle or using public transport. Hackney has the highest cycling rate in London – 8% of all journeys are taken by bike¹⁸ Hackney's Transport Strategy 2015-25 sets out the council's vision for improving transport locally. Building on this modal shift away from cars, It aims to improve conditions for walking and cycling, strengthen sustainable transport to support local regeneration, advance the case for key public transport infrastructure improvement, enable residents to access work opportunities, enhance accessibility for disabled people, improve air quality and reduce emissions
54. Managing the impacts of development is central to delivering this strategy. This means tackling the impacts of development at construction phase and limiting the impact of vehicles on the road network. This includes tackling the wider impact developments can have such as taxi/ private hire movements, home deliveries (food and online shopping), pedestrians and cyclists impact on the highway and public transport network capacities.
55. The Council collects the Mayor of London's CIL which is for strategic transport and is currently applied to costs associated with Crossrail. LP33 indicates that 'Hackney will continue to work with relevant partner organisations including Transport for London (TfL) to secure improvements to public transport. Where appropriate, developers will be required to contribute to improving walking, cycling and public transport infrastructure. Contributions will be secured through the use of Hackney's Community Infrastructure Levy or S106 agreements or alternative arrangements where applicable' (paragraph 10.11)
56. Car ownership has fallen more than 10% from 2001 levels. Only 34% of Hackney's households now own motor vehicles, compared with 57% across Greater London. Some areas, particularly in the South of the borough are 70% car free. All new developments in the borough must be car-free, which will restrict occupiers from

¹⁸ Transport for London, Travel in London 10 – Borough Level Local Implementation Plan Performance Indicators, 2016/17

accessing on street parking permits or those in council car parks in perpetuity with the exception of disabled parking.

Indicative Section 106 Requirements

57. The potential S106 requirements related to transport mitigation may include those provided in the summary table below. Further detail is also provided on the implementation of these requirements in paragraph 58 onwards below.
58. Travel Plans, Transport Assessments and Statements are all ways of assessing and mitigating the negative transport impacts of development in order to promote sustainable development. In line with national planning practice guidance they will be required for all developments which generate significant amounts of movement. Mitigation measures secured by condition or S106 might include:
- Highways mitigation measures including reinstatement works and wider measures to address highways impacts of development.
 - Public realm improvements in and around public transport stations and bus stops and in the vicinity of a development site which is identified as needing to be upgraded and/or will experience significant pedestrian movement.
 - Footway widening or other improvements to the pedestrian environment.
 - Additional bus routes or more frequent scheduling of existing routes or new bus stops, improved signage, timetable and waiting facilities.
 - On street cycle parking at nearby stations and/ or carriageway buildouts.
 - Electric Vehicle Charge Points on or offsite, in addition to London Plan policy requirements.
 - Electric car club provision and/ or electrified club bays on or offsite.
 - Other measures to promote safety and accessibility including ramps and CCTV cameras within the vicinity of development sites.

Highways works

59. The scope of any offsite works required to mitigate the impact of development will be secured in the legal agreement pursuant to section 278 of the Highways Act, and the necessary works will be carried out either by the Council, or TfL (where they affect the Transport for London Road Network (TLRN)).

60. The developer will be responsible for meeting all costs associated with the design and implementation of schemes. The cost is based on the cost of delivery and in most cases will be outlined in the transport assessment / transport statement and/or travel plan.
61. Highway reinstatement works should be completed in conjunction with the development to ensure that the required standards and appearance of the site is maintained – these works include but are not limited to damage to or relocation of street furniture, removal of redundant crossovers, paving, lighting and street trees etc.
62. The developer will need to give notice (usually 6 months) to the Council for the Council to complete the works. Developers will be required to pay the Council for the full cost of the works. An additional contribution is required if the cost of works exceed the original estimate within 14 days of this being confirmed. Conversely the developer will be entitled to a refund should the actual cost of works be less than the estimate. Implementing a permission quickly, giving the notice agreed in the legal agreement or undertaking and making payment promptly can minimise the likelihood of a difference between the estimate and actual costings.
63. The Council will provide a certificate detailing the final works and their cost, and if necessary, a requirement for the developer to pay for the maintenance of the works for a minimum of 12 months, after which the Council will be responsible for maintenance costs. Before the transfer of maintenance responsibilities, the Council (or TfL where in relation to the TLRN) will need to certify / approve the maintenance works to ensure they are of an adoptable standard. The developer will also be responsible for any compensation claims arising from the works and for any charges made by statutory undertakers to the extent their apparatus is affected by the works.

Construction Logistics Plan

64. The purpose of a Construction Logistics Plan (CLP) is to minimise the impact of construction logistics on the local road network. The aim of the plan is to reduce environmental impacts, road risk, congestion and cost.

65. The Council will require submission of a CLP to assist in managing the local and wider impacts of the development on the highway network. CLPs must be in line with latest TfL Construction Logistics Plan Guidance. The plan is normally secured by condition with any monitoring costs associated with the plan secured through a section 106 agreement.
66. A CLP should outline how the plan will be managed, implemented and reviewed. Monitoring of the CLP is to be undertaken for the duration of the development programme.

Travel Plans

67. Travel Plans (TP) are long-term management strategies for integrating and encouraging sustainable travel based on evidence of the anticipated transport impacts of development travel.
68. The Council will require submission of a travel plan to assist in managing the transport needs of a site for development which meet certain thresholds. Developers will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes - including any financial penalties - until such time as the travel plan objectives are met.
69. A travel plan should outline how the plan will be managed, implemented and reviewed. Monitoring of the travel plan is to be undertaken on an annual basis for a minimum of 5 years or 5 years after all phases of a development are complete (whichever is longer), which will secure an ongoing process of continuous improvement. TPs must be prepared in line with must be in line with LBH Travel Plan guidance. It may be appropriate to amend the CLP and/or TP, by agreement with the Council in the light of development circumstances. Each version of the travel plan should report on its effectiveness.
70. The Council also charges monitoring fees for CLPs and TPs based on the scale and impact of the development. The likely fees are provided in the table below; however, costs for schemes with very high trip generation characteristics – typically large scale schemes – may vary.

71. In some cases, and only by agreement with the Council, developers can work with the Council's transport officers and hand over the development and implementation of a travel plan instead of delivering measures. Fees to support this would be secured upfront through a bond under the legal agreement with any unspent sums refunded to the developer. The specific details and arrangements are negotiated on a case by case basis

Table 7.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	All development	All		<p>Car free development All future occupants should be informed of this restriction. Where parking is permitted the council will secure provision of electric vehicle charging points normally by a planning condition but occasionally through S106 when not provided on site. Residential permits will be allowable in limited cases where as part of estate renewal scheme where existing returning occupiers may retain parking permits. Permits will be permitted in truly exceptional cases, where justified by a transport assessment.</p>	LP45 Parking and Car Free Development
2.	Residential	9 or less residential units and/ or less than 1000sqm floorspace	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures*, where they arise, will be based on a transport statement.</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure
3.	Residential	Major developments of 10 or more residential units and/ or 1000 or more sqm	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures* where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developments which meet the threshold for a travel plan will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes including any financial penalties until such time as the travel plan objectives are met.</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure

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				<p>Travel plan monitoring fee: £2000 Construction and logistic Plan: £8750*</p>	
4.	Education uses All schools, colleges, universities	1000 or more sqm or 20+ staff/ pupils	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments, travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developments which meet the threshold for a travel plan will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes including any financial penalties until such time as the travel plan objectives are met.</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling
5.	Student housing	1000 or more sqm	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling

6.	All Planning Uses (except C3 and Education uses)	where 20-49 staff / visitors	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £2000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling
7.	All Planning Uses (except C3 and Education uses)	where 50 or more staff / visitors	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling
8.	All	All	Borough wide	<p>Public Transport Contributions There may be site specific or site related local public transport interventions that are necessary to support the development which may need to be secured through Section 106 agreements or a Section 278 Highways Agreement.</p>	LP44 Public Transport and Infrastructure
<p>* Note on Construction Logistic Plan Monitoring Fees: This is an indicative and average cost is likely to be lower for smaller scale development and higher for large scale or complex development. It will depend on an individual assessment of the nature of the scheme and its impacts.</p>					

8. Carbon offset and other environmental mitigation measures

Context

72. Taking action to tackle climate change emergency is critical. LP33 includes an objective for Hackney to become a low carbon and carbon-resilient borough realising significant improvements to air quality and reducing the urban heat island effect within the Borough (objective 9). A zero carbon policy has already been adopted for major developments in line with the London Plan and the council expects this to be achieved on site.
73. This requirement for zero carbon development also applies to minor schemes – and carbon reduction is expected in existing buildings too. As highlighted in Section 2, almost half of housing delivery in Hackney is on small sites. The 2019 pipeline for housing identifies that 41% of planning permissions that have been granted are for sites of 9 units or fewer. To make a real difference to carbon emissions in the borough and to achieve the climate change objective this cumulative effect of smaller development must be addressed – and so the zero carbon emissions requirement applies to all scales of development.
74. LP33 also encourages lower carbon solutions as part of the energy efficiency hierarchy - an element of this strategy relates to supporting decentralised energy networks. Where appropriate developments can be designed in a way that maximise opportunities to connect to the existing network and future networks. Work on a Hackney Decentralised Masterplan is underway and will provide helpful guidance to developers on location of existing and future networks.
75. LP33 highlights other measures which may be necessary to address the specific impacts of the development or sensitive nature including relating to tackling pollution during the construction, operational and end of use stages, managing flood risk and other environmental mitigation.

Indicative Section 106 Requirements

- 76. Where it is demonstrably not feasible to achieve a zero carbon development on-site, evidenced by an energy statement, any shortfall should be provided through a payment in lieu contribution to the Hackney Carbon Offset Fund, and/or off-site provided that an alternative proposal is identified and delivery is certain. The payment towards the Carbon Offset Fund is secured through S106 and is based on a cross London cost of Carbon proposed by the GLA. To avoid the practical burden on very small-scale residential development where zero carbon is unlikely to be feasible, the council has provided the option to either pay a flat carbon offset fee or to submit an energy statement and, if necessary, make a carbon offset payment. The Carbon offset fund is used for projects that deliver tangible carbon savings in Hackney. This is in line with the Mayor of Hackney’s Climate Emergency Declaration, including the target to 45% reduction in emissions against 2019 levels by 2030 and to be net zero carbon by 2040. It will also contribute to the Mayor’s aim of London becoming a zero carbon city by 2050¹⁹.
- 77. Other environmental mitigation measures, where the specific impacts of the development or sensitive nature of the site necessitate it, may also be secured through S106. Examples of this might be securing measures to reduce flood risk in areas already identified as being particularly at risk or measures to improve or monitor air quality in locations already identified as having particularly high emissions.
- 78. The potential S106 requirements related to environmental mitigation may include those provided in the summary table below.

Table 8.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy

¹⁹ Guidance on use is Greater London Authority guidance for London’s Local Planning Authorities on establishing carbon offset funds, October 2018. Hackney specific information is currently being developed.

1.	All	10 or more residential units and/ or more than 1000sqm	Borough wide	<p>Carbon offset contribution Major development proposals must include a detailed energy assessment to demonstrate how the zero-carbon target will be met within the framework of the energy hierarchy and will be expected to monitor and report on energy performance. Development that cannot achieve zero carbon emissions, will be required to make a payment to the Carbon Offset Fund for the shortfall of the reduction in carbon emissions as follows:</p> <p>£2,850 per tonne of carbon to be offset This is based on the cost of carbon currently set at £95 per tonne emitted over 30 years (i.e. £95X30 years)</p>	<p>LP55 Mitigating Climate Change</p> <p>Draft London Plan Policy SI (Sustainable Infrastructure)</p>
2.	All	<p>9 units or less / less than 1000sqm</p> <p>Where an energy statement is submitted</p>	Borough wide	<p>Carbon offset contribution Minor development where supported by a detailed energy assessment to demonstrate how the zero-carbon target will be met within the framework of the energy hierarchy and will be expected to monitor and report on energy performance. Development that cannot achieve zero carbon emissions, will be required to make a payment to the Carbon Offset Fund for the shortfall of the reduction in carbon emissions as follows:</p> <p>£2,850 per tonne of carbon to be offset This is based on the cost of carbon currently set at £95 per tonne emitted over 30 years (i.e. £95X30 years)</p> <p>Note: Due to the variability of energy demands benchmarks for different types of non-domestic buildings and until further studies are undertaken, minor non-domestic buildings will not have the option of a pre-defined payment as proposed in point 3 of this table. Instead they have the option to submit a simplified table indicating the target zero carbon emission, the estimated building emission and if there is any shortfall, the Carbon Offset Contribution, based on the price indicated above. This information can be retrieved from the calculation to be undertaken for the credits under the section 'Ene 01 - Reduction of energy use and carbon emissions' - from the BREEAM assessment.</p>	<p>LP55 Mitigating Climate Change</p> <p>Draft London Plan Policy SI (Sustainable Infrastructure)</p>

3.	Residential development	9 units or less / less than 1000sqm Where no energy statement is submitted	Borough wide	<p>Carbon offset contribution Minor development proposals that cannot achieve that zero carbon target have the option of making a predefined payment to the Carbon Offset Fund.</p> <p>For minor new-build residential developments (1 to 9 units) the cost of the offset contribution fee is below :</p> <p>Flats: £1,000 per flat Houses (which will include any residential typology other than flat): £1,500 per house</p> <p>This is an indicative minimum fee and the Council will update these figures based on further evidence.</p>	LP55 Mitigating Climate Change Draft London Plan Policy SI (Sustainable Infrastructure)
4.	All	10 or more residential units and/or more than 1000sqm	Borough wide	<p>Securing connection to decentralised energy networks Planning obligations may be used to secure future connection to Decentralised Energy Networks</p>	LP56 Decentralised Energy Networks Draft London Plan Policy SI3 energy infrastructure
5.	All	10 or more residential units and/or more than 1000sqm Any development leading to increased water runoff	Borough wide	<p>Flood risk mitigation / sustainable urban drainage New development can increase the rate and volume of surface water run-off, the Council may seek a monetary contribution for sewerage infrastructure improvement works, flood risk mitigation and sustainable drainage measures which are necessary in order to make the development acceptable in planning terms.</p>	LP53 Water and Flooding
6.	All	10 or more residential units and/or more than 1000sqm (where the new development does not lead to reduction in emissions); or any developments in areas of sub-standard air quality* or development of sensitive uses or in close proximity to sensitive uses; or developments which involve significant demolition and construction	Borough Wide	<p>Air quality mitigation and management Off-site measures to improve local air quality secured through S106 may be acceptable, provided that equivalent air quality benefits can be demonstrated that on-site provision is impractical or inappropriate</p>	LP58 Improving the Environment - Pollution

7.	All	All – subject to individual development impacts	Borough wide	Construction management and /or other local pollution management Other measures to secure: effective on site construction management (such as adherence to the considerate constructors schemes) and to address local pollution impacts may also be secured where necessary	LP58 Improving the Environment - Pollution
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*Air quality focus areas are: Manor House junction/Green Lane/Seven Sisters Road; Stamford Hill/Amhurst Park Road/Stamford Hill Road; Seven Sisters Road at Finsbury Park; Clapton Road Junction Lea Bridge Road; Stoke Newington High Street/Stamford Hill/Rectory Road; Dalston Junction/Balls Pond Road/Kingsland High Road; Hackney Wick/Homerton High Street/Wick Road/Cassland Road/Victoria Park Road; Hackney Central/Amhurst Road/Dalston Lane/Mare Street; Old Street/City Road/Old Street/Great Eastern St/Shoreditch High Street

9. Retail and town centres management, cultural and entertainment impacts

Context

79. Hackney's town centres play an essential role in meeting community needs and contribute to the vibrancy and character of the borough. Small and independent retailers contribute to this and the variety of products, services and experience of town centres. LP33 identifies the need to deliver 34,000sqm of new retail and leisure floorspace by 2033. This includes up to 19,500sqm of comparison goods floorspace and 11,200sqm of convenience goods floorspace, with the remainder made up of other retail use.
80. The Inclusive Economy Strategy 2019 highlights the importance of supporting town centres "to thrive and to be inclusive, resilient places". The contribution of arts, culture and entertainment is significant to Hackney's community needs, economic development, vitality and regeneration. Public art can also bring a wide range of benefits to the whole community, from the economic benefits that high quality art brings to the developer, to the educational opportunities inherent both in the creation of and reflection upon public art. Art can help in the process of regeneration, fostering social inclusion and community involvement. Public art can also contribute to the borough's streetscape.
81. LP33 identifies that "[e]vening and night time economy uses contribute to the vitality and vibrancy of town centres and contribute positively to the visitor experience and local economy" (para 9.18). It also acknowledges that over concentration of these uses if not managed can have negative impacts on local communities and residents - including noise and disturbance and local environmental degradation. Hackney's late night levy has a particular role here. It is charge under the council's licensing (rather than planning powers) and is used to pay for policing and services and activities which: reduce or prevent crime and disorder; promote public safety and reduce or prevent public nuisance.

Indicative Section 106 Requirements

82. The Council may use S106 to secure measures that support management of town centres including the diversity of the offer and maintaining the quality of the environment as well as measures that support cultural uses. The potential S106 requirements related to retail uses and town centre management may include those provided in the summary table below.

Table 9.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Retail (A use classes)	1000sqm or more	Located within a designated town centre	Securing small and independent shops The Council will consider, <u>where feasible</u> , a requirement to incorporate small shop premises for occupation by small and independent retailers amounting to 10% of the gross internal floor space.	Policy LP37 Small and Independent Shops
2.	Retail (A uses classes)	Large typically over 2,500 square metres	Located within a designated town centre or CAZ	Town Centre Management and Enterprise measures The Council may seek planning obligations to mitigate the loss of affordable shop units suitable for small or independent traders on a temporary basis or in perpetuity where impacted by new or redeveloped shopping centres. Other Town Centre Management and Enterprise measures to help strengthen the retail offer, attractiveness and competitiveness of centres and improve environmental quality/ public realm may also be considered.	Policy LP37 Small and Independent Shops Policy E9 Retail, markets and hot food takeaways
3.	Late night entertainment uses (food, drink, nightclub or late entertainment or leisure use after 23:00)	All	Borough wide	Night time economy management measure Measures related to community safety impact such as CCTV or community safety wardens, managing local environmental impact (waste collection) mitigation and management plans where these measures cannot be secured by a planning condition and are specific to the impacts of the development.	Policy LP38 Evening and Night-Time Economy LP58 Improving the Environment - Pollution

4.	All	Where loss of cultural facility	Borough wide	Creative facilities / Project Contribution Provision of onsite cultural facilities or a contribution towards cultural, public art or creative projects should be provided to address any loss of cultural facilities.	LP10 Arts, Culture and Entertainment Facilities
5.	All	Large scale development case by case basis	Borough wide	Public Art Where appropriate public art or public art contributions will be sought as part of large-scale development schemes	LP10 Arts, Culture and Entertainment Facilities

10 Sources of Further information

3. More guidance on the use of S106 in Hackney and processes involved is on the website.

[INSERT on final publication]

Appendix 1: Development Yields

Employee Density/ Yield: Employee yield level of 10.8 sqm per employee should be used for B1a office space (as well as for Mixed B class office space). The 10.8 benchmark level is based on the Hackney Employment Land Study 2017. All other figures are taken from the HCA Employment Density Study (2015) and are reproduced in the extract below (which excludes office / mixed B class)

Use Class	Sub-Category	Sub-Sector	Density (sqm)	Notes
B1b	R&D Space		40-60	NIA lower densities will be achieved in units with higher provision of shared /communal spaces
B1c	Light Industrial		47	NIA
B2	Industrial & Manufacturing		36	GIA
B8	Storage & Distribution	National Distribution Centre	95	GEA
		Regional Distribution Centre	77	GEA
		'Final Mile 'Distribution Centre	70	GEA
B8 / Sui Generis	Data Centres	Wholesale	200-950	
		Wholesale Dark Site	440-1,400	
		Co-location Facility	180-540	
A1	Retail	High Street	15-20	NIA
		Foodstore	15-20	NIA
		Retail Warehouse	90	NIA
A2	Finance & Professional Services		16	NIA
A3	Restaurants & Cafes		15-20	NIA
C1	Hotels	Limited Service / Budget	1 per 5 beds	FTE per bed
		Mid-scale	1 per 3 beds	FTE per bed
		Upscale	1 per 2 beds	FTE per bed
		Luxury	1 per 1 bed	FTE per bed
D2	Fitness Centres	Budget	100	GIA
		Mid Market	65	GIA – both types tend to generate between 40-50 jobs per gym
		Family		

	Cinema	200	GIA
	Visitor & Cultural Attractions	30-300	The diversity of the cultural attraction sector means a very wide range exists
	Amusement & Entertainment Centres	70	Potential range of 20-100sqm

Residential Yield (open space)

Ward	Population Size	Number of Households	Average Household Size
Woodberry Down	8758	3621	2.42
Brownswood	8195	3715	2.21
Stamford Hill West	10288	3307	3.11**
Clissold	13141	5579	2.36
Cazenove	14356	5103	2.81
Hackney Downs	13064	5437	2.40
Springfield	15807	5576	2.83
Stoke Newington	13658	5884	2.32
Homerton	11655	5187	2.25
Lea Bridge	13988	5468	2.56
King's Park	12696	4713	2.69
Hackney Wick	11773	4826	2.44
Hackney Central	12381	5456	2.27
Victoria	12362	5286	2.34
London Fields	12085	5260	2.30
Shacklewell	8721	3548	2.46
Dalston	7635	3415	2.24
De Beauvoir	8494	3676	2.31
Haggerston	12850	5550	2.32
Hoxton East & Shoreditch	11875	5493	2.16
Hoxton West	12356	5592	2.21

Note: In 2014 new ward boundaries were introduced so it is not possible to directly source data from the 2011 Census for the wards affected by the changes. The 2011 Census data contained in the table above is built up from smaller geographies and uses a 'best fit methodology'. There may be some anomalies in the new data due to rounding. Subquent research in Stamford Hill indicates there may be an underestimate in occupancy levels shown above.

Child Yield: HACKNEY CHILD YIELD CALCULATOR GLA Model -East London Sub-Region

<u>Market unit numbers</u>				
Early Years Yield	0.0171	0.0393	0.0373	0.0807
Early Years	0.0000	0.0000	0.0000	
Primary Child Yield	0.0618	0.1448	0.1511	0.3361
Primary Children	0.0000	0.0000	0.0000	
Secondary Child Yield	0.0064	0.0258	0.0827	0.2174
Secondary Children	0.0000	0.0000	0.0000	
Post 16 Yield	0.0086	0.0147	0.0302	0.0636
Post 16	0.0000	0.0000	0.0000	
<u>Intermediate unit numbers</u>				
Early Years Yield	0.0171	0.0393	0.0373	0.0807
Early Years	-	-	-	
Primary Child Yield	0.0618	0.1448	0.1511	0.3361
Primary Children	-	-	-	
Secondary Child Yield	0.0064	0.0258	0.0827	0.2174
Secondary Children	-	-	-	
Post 16 Yield	0.0086	0.0147	0.0302	0.0636
Post 16	-	-	-	
<u>Social Rented unit numbers</u>				
Early Years Yield	0.0216	0.0956	0.1403	0.2201
Early Years	-	-	-	
Primary Child Yield	0.0818	0.3621	0.6122	1.0787
Primary Children	-	-	-	

Secondary Child Yield	<i>0.0242</i>	<i>0.1052</i>	<i>0.4961</i>	<i>1.2767</i>	
Secondary Children	-	-	-		
Post 16 Yield	<i>0.0123</i>	<i>0.0331</i>	<i>0.1326</i>	<i>0.3285</i>	
Post 16	-	-	-	-	

Appendix 2: Technical notes and data sources

Background

- A. Standard payments are identified to secure financial contributions to offset the impact of a development where LP33 standards cannot be achieved on site and are clearly identified in LP33 such as for affordable housing and carbon offset payments. Formulae based calculation methods included (such as that for employment and training, open space and play space) carry forward the method of calculation already established in the Hackney Planning Obligations Supplementary Planning Guidance, 2015.
- B. This guidance does not introduce any **new** section 106 tariff approaches and where formulas included these forward the approach established in the 2015 SPD where justified and underpinned by policies in LP33 . This approach planning practice guidance published in September 2019 alongside the CIL Regulation Amendments 2019 (2). Changes, where made, are limited to updating the data sources on yields or population changes; however, it should be noted this guidance seeks to maintain rather than increase the broad level of financial contribution sought under the 2015 SPD by capping the unit delivery cost at 2015 levels. Changes will be reviewed and consulted on - and where necessary policies updated and examined – in parallel with any future review of CIL rates.
- C. Key sources/ background data in relation to these standard charges, where identified, are summarised below.

Monitoring fee

- D. The monitoring fee has been established with reference to analysis of the costs of monitoring S106 agreements and the associated resources that support this system – comprising staff and software costs. Despite the new and expanded reporting requirements associated with S106 since 2019, continuous improvements in monitoring systems has allowed the council maintain the 2015 SPD fee level of £500 which has adjusted for inflation for inclusion in this SPD (based on RPI All in Tender index Q4 2015 260 Q4 2015 and 290.7 Q3 2019).

Monitoring fee – Construction Logistics Plan

- E. Developers that are required to submit a CLP as part of the planning process must contribute towards the assessment and monitoring of the Plan for the duration of the development programme. This is done through a non-refundable monitoring fee. As

indicated in Section 7 of the draft SPD this can and may vary based on the complexity of the scheme and its impacts leading to lower or higher charges.

Monitoring fee - Travel Plan

- F. Developers that are required to submit a TP as part of the planning process must contribute towards the assessment and monitoring of the Plan for a minimum of 5 years. This is done through a non-refundable monitoring fee. The costs specified in the SPD reflect the costs associated with monitoring agreements.

Financial Contributions for affordable housing of 1 – 9 residential units

- G. Developments of 9 or less units – where not proposing to accommodate affordable housing on site – are required to make a financial contribution instead. The 'London Borough of Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018) tested emerging policies in the Draft Local Plan alongside amounts of CIL. This was subject to an examination in public and justifies the LP33 policy approach and specified that indicative sums of £100,000 per unit could be supported. Further supplementary sensitivity testing is undertaken in the London Borough of Hackney: Small sites affordable housing contribution - Viability Study, April 2019 which include a larger buffer or discount – which means a discount from the maximum amount that can be charged based on viability testing - to allow for variances in development cost of different sites. This larger discount (April 2019 study) has been adopted in this SPD. Different charges apply in different parts of the borough: one for the City Fringe broadly (£60,000 per unit) and another for the rest of the borough (50,000 per unit). This reflects an assessment of the different viability levels between these two areas arising from the development values.

Jobs, Skill and Training / Loss of Employment Space Contribution -

- H. The method of calculation established in the 2015 SPD is retained. Source data is as follows:
- Cost of training and support (£4,500): Hackney has chosen the cost profile for the JSA 25+ group as a representative cost which is at the lower end of the cost spectrum and fixed the sum at 2013 costs for parity with 2015 SPD as set out in:

<https://www.gov.uk/government/publications/work-programme-costs-to-31-march-2013>. A more recent update indicates a higher cost level. However, rates have been capped at 2013 levels as set out in the 2015 SPD.

- Employee yield – see Appendix 1 which sets out that this is based on the Employment Land Study 2017 with all other figures are taken from the HCA Employment Density Study (2015).
- 0.24 Employees resident in Hackney In 2018 there were 147,900 employed people living in Hackney. According to the 2011 Census the proportion of Hackney residents living in Hackney who also work in the Borough is 24%.
- 0.29 (Employees potentially requiring training and support) According to Annual Population Survey 2018, 71% of Hackney’s working-age adults were employed meaning 29% are not in employment and are likely to be studying or in need of further training to access the job market. The costs of training and support £4,850 is the cost of training, preparing and placing a long- term unemployed person into sustainable employment paid by the DWP to its suppliers.

Open Space

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- I. The method of calculation established in the 2015 SPD is retained. Source data is as follows:
 - 14 sqm or 4 sqm target per person is stipulated in LP33 and underpinned by Hackney Open Space Study
 - Residential yield – see appendix 1
 - Employee yield - a blended figure of 19 sqm per person is maintained from 2015 rather than the updated 10.5 figure for office. This reflects the fact that the density figure used
 - £114.76 cost of delivery is based on a Hackney Leisure and Green Spaces study to calculate the cost for the development of a new two hectare local park in 2011 (and used in the 2015 SPD).The cost profile is based on a model public open space of 2 hectares containing the features below has been created including: Remediated soils, assuming a polluted brownfield site; a drainage system; a boundary railing and gates; a footpath network; a central paved area; an area for a playground with a boundary fence and gate (playground not costed); street furniture – benches, bins etc; a water feature. The study identified £1,262,746 capital cost of a new park and £1,032,450 ten years maintenance of park. The sum of which totals £2,295,196 for capital and maintenance cost. This equates to £114.76 per sqm for a new park and ten years

maintenance (using 2ha park size). Capital costs are based on typical industry rates at Landscape Institute Stage C (Design) at 2011. Annual management and maintenance costs are based on current prevailing industry rates for the maintenance of a site of a similar size and have been calculated for a ten-year period at 2011. CCTV; Pop-up power and water for events and maintenance; Grass seeding; Shrub and herbaceous planting; Tree planting

- J. The cost level has not been capped rather revised upwards to 2019/2020 prices to ensure cost can be absorbed but will be considered as part of any review of CIL rates and this guidance and where supported by relevant evidence.

Play Space

- K. The method of calculation established in the 2015 SPD is retained. Source data is as follows:

- 10sqm playspace standards is based LP33 Policies and also reflected in the London Plan Play and Informal Recreation Supplementary Planning Guidance, 2012
- Child Yield – see appendix 1, table 2 of this document
- £115.50 (build cost and 5 year repair charge comprising build cost per sqm = £77 per sqm and 5 year repair charge = £38.50 per sqm) The cost of building and maintaining children’s play space has been calculated based on 2011 projects. The average development cost per child play space is £77per sqm (rounded). The average annual repair cost is £7.70per sqm. The annual repair cost is taken at 10% of the total development cost. Most play facilities have a design life of 10 years after which time it is generally more cost effective for full replacement. However given the difficulty in projecting repair costs over the longer term a shorter 5 year planning horizon is considered more appropriate. Therefore, the total repair charge covering a 5-year horizon equates to £7.70 multiplied by 5 years giving a total of £38.50 per sqm.

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Play Area	Year	Area in sqm	Build cost	Build cost per sqm	Annual Repair Replacement cost	Annual repair cost per sqm
Hackney Downs	2010	1345	82000	60.966543	8200	6.0966543
Clissold Park	2012	3150	180000	57.142857	18000	5.7142857
Clapton Common	2011	932	102000	109.44206	10200	10.944206
Stonebridge	2010	1218	100000	82.101806	10000	8.2101806

Average	1661.3	116000	77.413317	11600	7.7413317
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Source: Hackney Parks Service

- L. The cost level has not been capped rather revised upwards to 2019/2020 prices to ensure cost can be absorbed but will be considered as part of any review of CIL rates and this guidance and where supported by relevant evidence.

Carbon Offset

- M. The Carbon Offset Cost is based on the cost of carbon currently set at £95 per tonne emitted over 30 years i.e. £95 multiplied by 30 years. This is reflected in the Draft London Plan and the Carbon Offset Funds: Greater London Authority guidance for London’s Local Planning Authorities on establishing carbon offset funds, October 2018. The latter states that this “is intended to be the price LPAs adopt, unless LPAs have set their own local price”. The recommended GLA carbon offset price will be reviewed regularly.
- N. The flat fee rate for minor residential development has been adopted from the study by AECOM/Davis Langdon for the London Borough of Islington, entitled Promoting Zero Carbon Development Phase 2, November 2010. This fee is a realistic proxy for costs for the borough, as the neighbouring authority has similar typologies and urban characteristics. Further studies will be undertaken and the associated policies and guidance updated as necessary.

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School Governor Nomination

<p>CABINET MEETING DATE (2019/20)</p> <p>20 January 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p>
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WARD(S) AFFECTED

Group Director

Anne Canning

Group Director Children, Adults & Community Health

1. Background

1.1 In accordance with the School Governance Constitution (England) Regulations 2012, local authority governors are nominated by the local authority. They are appointed as governor by the governing body having, in the opinion of the governing body, met any eligibility criteria that they have set. It will therefore be for schools to confirm the appointment of individuals to their governing body.

2. Recommendations:

Cabinet is recommended:

2.1 To approve the following re-nominations as set out below.

Governing Body	Name	Date Effective
Betty Layward Primary School	Steve McConaghy (LA Gov)	20 JANUARY 2020

3. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

There are no budgetary implications to this re-nomination.

4 COMMENTS OF THE DIRECTOR, LEGAL AND GOVERNANCE

The re-nomination is made in accordance with the School Governance (Constitution) (England) Regulations 2012.

Report Author	Tess Merrett – Tel: 020 8356 3432 Governance Services Manager Tess.merrett@hackney.gov.uk
Comments for and on behalf the Group Director of Finance and Resources	Ian Williams – Tel: 020 8356 3033 Group Director of Finance and Resources ian.williams@hackney.gov.uk
Comments for and on behalf of the Director of Legal and Governance	Dawn Carter-McDonald - Tel: 020 8356 4817 Deputy Monitoring Officer, Head of Legal and Governance Dawn.carter-mcdonald@hackney.gov.uk



<p>TITLE OF REPORT</p> <p>Cabinet Nominations of Appointments to Outside Bodies 2019/20</p>

<p>CABINET MEETING DATE (2019/20) 20 January 2020</p>	<p>CLASSIFICATION:</p> <p>Open</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
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<p>WARD(S) AFFECTED</p> <p>All Wards</p>
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<p>Group Director</p> <p>Tim Shields Chief Executive</p>

1. **Background**
 - 1.1 Each municipal year, the Council appoints or nominates people who are primarily though not exclusively elected Members of the Council to represent it on various Outside Bodies.
 - 1.2 The Council's arrangements for the appointment or nomination of appointment of its representatives to Outside Bodies differ depending on the type of nomination or appointment that is being made. Under the Mayoral Scheme of Delegation, the Mayor and Cabinet have delegated responsibility for the approval of executive side nominations or appointments. Full Council is responsible for non-executive side nominations or appointments.
 - 1.3 The various nominations of appointments to Outside Bodies listed below are nominations made by the Mayor for executive-side appointments which require Cabinet approval.

Recommendations:

Cabinet is recommended:

2.1 To approve the following nomination:

Abney Park Trust

Councillor Polly Billington

Report Author	Tess Merrett Governance Services Manager Tess.merrett@hackney.gov.uk 020 8356 3432
Comments for and on behalf of the Director of Legal & Governance	Dawn Carter-Mcdonald Head of Legal and Governance dawn.carter-mcdonald@hackney.gov.uk 020 8356 4817

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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