London Borough of Hackney – Decisions taken by the Cabinet on Monday, 24 February 2020

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days after unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer.

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Part A – Items considered in public

1	Apologies for Absence	There were no apologies for absence. **NOTED**
2	Urgent Business	There were no items of urgent business. **NOTED**
3	Declarations of interest - Members to declare as appropriate	Mayor Glanville advised that under Item 13 – A Place For Everyone Hackney Voluntary And Community Sector Small Grants 2020/21 (First Round) - Key Decision No. CE Q28, he was declaring a personal but non prejudicial interest as he was known personally to a person whose employer was applying for a grant. Deputy Mayor Bramble advised that under Item 13 – A Place For Everyone Hackney Voluntary And Community Sector Small Grants 2020/21 (First Round) - Key Decision No. CE Q28, as an appointed member of Hackney Playbus Executive Board she a personal and prejudicial interest and would be withdrawing from the proceedings on consideration of the item. **NOTED**

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		NOTED
4	Notice of intention to conduct business in private, any representations received and the response to any such representations	There were no representations received. **NOTED**
5	Questions/Deputations/Petitions	There were no questions, deputations, or petitions. **NOTED**
6	Unrestricted minutes of the previous meeting of Cabinet held on 20 January 2020	**RESOLVED** **That the unrestricted minutes of Cabinet held on 20 January 2020 be confirmed as an accurate record of the proceedings.**
7	Unrestricted minutes of Cabinet Procurement Committee held on 2 December 2019, and 13 January 2020	**RESOLVED** **That the unrestricted minutes of Cabinet Procurement Committee held on 2 December 2019, and 13 January 2020 be received and noted.**
8	Hackney scrutiny commission into serious violence	**RESOLVED** **That the Cabinet response to the Scrutiny Commission into serious violence be agreed.**
9	2020/21 Budget And Council Tax Report - Key Decision No. FCR Q44	**In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 which require Local Authorities to record in the minutes how each Councillor voted (including any abstentions) when determining the Council's Budget, and the level of Council Tax to be levied.**

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		On a roll call vote there being nine for – Mayor Glanville, Councillors Bramble, Burke, Kennedy, McKenzie, Nicolson, Rennison, Selman, and Williams, nil against and no abstentions it was: **RESOLVED** **3.1 That Cabinet recommend to Council following consideration of the report the following recommendations for approval:** **3.2 that Council be recommended:** **3.2.1 To bring forward into 2020/21 the Council's projected General Fund balances of £15.0m and to note the Housing Revenue Account (HRA) balances of £15m** **3.2.2 To agree for approval the directorate estimates and estimates for the General Finance Account items set out in Table 1, below.** **3.2.3 To note that the budget is a financial exposition of the priorities set out within the Corporate Plan attached at Appendix 11.** **3.2.4 To note that in line with the requirements of the Local Government Act 2003, the Group Director, Finance and Corporate Resources, is of the view that:** **The General Fund balances of £15.0m and the level of reserves, particularly in relation to capital, are adequate to meet the Council's financial needs for 2020/21 and that considering the economic uncertainty they should not fall below this level. This view takes account of the reserves included in the Council's latest audited Accounts as at 31 March 2019, the movements of those reserves since**

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		that date – which have been tracked through the Overall Financial Position (OFP) Reports, and the latest OFP projections. Note also, that the projections in the HRA to maintain the balance at £15m by 31 March 2020 are also considered to be adequate at this point in time but will need to continue to be reviewed in the light of the challenges facing the HRA. The General Fund estimates are sufficiently robust to set a balanced budget for 2020/21. This takes into account the adequacy of the level of balances and reserves outlined above and the assurance gained from the comparisons of the 2019/20 budget with the projected spend identified in the December 2019 OFP. The overall level of the corporate contingency has been set at £2m. 3.2.5 To approve the proposed General Fund fees and charges as set out in Appendix 8 for implementation from 1st April 2020. 3.2.6 To continue the policy requiring the Group Director, Finance and Corporate Resources to seek to mitigate the impact of significant changes to either resources, such as Top Up Grant changes, or expenditure requirements. 3.2.7 To note the summary of the HRA Budget and Rent setting report agreed by Cabinet on 20th January 2020. 3.2.8 To authorise the Group Director, Finance and Corporate Resources to implement any virements required to allocate provision for demand and growth pressures set out in this report subject to the appropriate evidence base being provided. 3.2.9 To approve:

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		The allocation of resources to the 2020/21 Non-Housing capital schemes referred to in Section 24 and Appendix 7. The allocation of resources to the 2020/21 Housing indicative capital programme referred to in Section 24 and Appendix 7, including the HRA approvals previously agreed by Cabinet on January 20th 2020. 3.2.10 To note that the new capital expenditure proposals match uncommitted resources for the year 2020/21. 3.2.11 To agree the prudential indicators for Capital Expenditure and the Capital Financing Requirement, the Authorised Limit and Operational Boundary for External Debt, the Affordability prudential indicators and the Treasury Management Prudential Indicators for 2020/21 as set out in paragraph 25, and Appendix 3. 3.2.12 To confirm that the authorised limit for external debt of £552m agreed above for 2020/21 will be the statutory limit determined under section 3(1) of the Local Government Act 2003. Further reassurance about the robustness of the budget is the confirmation that the Council's borrowings are within the boundaries of prudential guidelines. 3.2.13 To continue to support the approach of using reserves to manage emerging risks and liabilities and to note the latest reserve position. 3.2.14 To note that at its meeting on 20 January 2020 the Council agreed its Council Tax Base for the 2020/21 financial year as 74,386 in accordance with regulations made under section 33(5) of the Local Government Finance Act 1992. The Council

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		Tax Base is the total number of properties in each of the eight council tax bands A to H converted to an equivalent number of band D properties. 3.2.15(1)To agree that the following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 31A to 36 of the Localism Act 2011. The authority calculates the aggregate of: (in accordance with Section 31A (2) of the Act) (a) £1,157.900m being the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices. (b) £2m being such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices. (c) £nil being the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure. (d) £nil being such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for. (e) £nil being the amount which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section

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		97(4) of the 1988 Act, and (f) £nil being the amount which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year. 3.2.16(2) The authority calculates the aggregate of: (in accordance with Section 31A (3) of the Act) (a) £1,069.036m being the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices. (b) £3.118m being the amount which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act. (c) £nil being the amount which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account for the year, and (d) £nil being the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2) (a), (b), (e) and (f) above. 3.2.17 £87.746m being the amount by which the aggregate calculated under subsection (1) above exceeds that calculated under subsection (2) above, the

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		authority calculates the amount equal to the difference; and the amount so calculated is its Council Tax Requirement for the year. **3.2.18** being the amount at (3.2.17) divided by the amount at (3.2.14) above, calculated by the Council, in accordance with section 31A of the Act, £1,179.61 as the basic amount of its council tax for the year **3.2.19** That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council tax for 2020/21 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS - LONDON BOROUGH OF HACKNEY							
A	B	C	D	E	F	G	H
£786.40	£917.48	£1,048.54	£1,179.61	£1,441.74	£1,703.88	£1,966.01	£2,359.22

3.2.20 That it be noted that for 2020/21 the Greater London Authority has stated the

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		following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

VALUATION BANDS - GLA							
A	B	C	D	E	F	G	H
£221.38	£258.28	£295.17	£332.07	£405.86	£479.66	£553.45	£664.14

3.2.21 That having calculated the aggregate in each case of the amounts at 3.2.19 and 3.2.20 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for 2020/21 for each of the categories of dwellings as shown below.

VALUATION BANDS - COMBINED HACKNEY AND GLA							
A	B	C	D	E	F	G	H
£1,007.78	£1,175.76	£1,343.71	£1,511.68	£1,847.60	£2,183.54	£2,519.46	£3,023.36

Note: Subject to GLA confirmation of precept on 24 February 2020

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		3.2.22 To agree, subject to the decision of Members on recommendations 3.2.16 to 3.2.18 that Hackney's Council Tax requirement for 2020/21 be £87.746m which results in a Band D Council Tax of £1,179.61 for Hackney purposes and a total Band D Council Tax of £1,511.68 including the Greater London Authority (GLA) precept. An analysis of the tax base total Band D Council Tax across Council Tax Bands is shown in 3.2.21 above and an exemplification of the taxbase and discounts by band, is shown in Appendix 5. **3.2.23 To agree that in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992, and the new provisions included in the Localism Act 2011, the increase in the Council's Council Tax requirement for 2020/21 as shown at Appendix 9 is not excessive (4% or above) and therefore does not require the Council to hold a referendum.** **3.2.24 To agree the Treasury Management Strategy for 2020/21 to 2022/23, set out at Appendix 3.** **3.2.25 To agree the criteria for lending and the financial limits set out at Appendix 3.** **3.2.26 To approve the MRP statement setting out the method of calculation to be used, as set out in paragraphs 25.21-25.31 below.** **REASONS FOR DECISION** The Council has a legal obligation to set its Council Tax and adopt its annual budget. This report is seeking formal approval of the 2020/21 budget Previous decisions in this context relate to:

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		• The Council Budget and Council Tax Report for 2019/20 agreed by Council on 27th February 2019 • Savings previously agreed and summarised in reports to Cabinet in 2016 to 2019. • The Overall Financial Position reports presented monthly to Council during 2019/20 • The Calculation of the 2020-21 Council Taxbase & Local Business Rates report approved by Cabinet on 22nd January 2020 **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** The requirement to agree a legal budget and set the Council Tax for the forthcoming year has been laid down by Statute. As such there are no alternatives to be considered. The detail of the budget, including savings have been the subject of many reports to Cabinet and consideration by the Hackney Management Team at meetings throughout 2018 and 2019. As part of the political process opposition groups are permitted to put forward alternatives to these proposals for consideration. Any alternative proposals put forward will be tabled at the Council meeting on 26th February.

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10	Capital Update Report - Key Decision No. FCR Q5	**RESOLVED** **i. That the schemes for Children, Adults and Community Health as set out in section 9.2 of the report be approved as follows:** **Gainsborough Primary School SEND: Resource and spend approval of £400k (£15k in 2019/20, £300k in 2020/21 and £85k in 2021/22) is requested to develop, in partnership with Gainsborough Primary School, additional resourced provision for 10 placements for children with Social, Emotional and Mental Health Needs (SEMH).** **Education Asbestos Remedial Works: Spend approval of £200k (£100k in 2020/21 and £100k in 2021/22) is requested to fund the rolling programme of asbestos surveys and the remedial works to a number of the Council's maintained schools and children's centres.** **ii. That the schemes for Finance and Corporate Resources as set out in section 9.2 of the report be approved as follows:** **Hackney Town Hall Essential Works: Virement and spend approval of £500k (£350k in 2019/20 and £150k in 2020/21) is requested to fund the essential repairs and maintenance programme of works to Hackney Town Hall and the continual programme of asset maintenance required to ensure that the Grade**

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		II Listed building is maintained. **Microsoft Client Access Licences (CALs): Virement and spend approval of £110k in 2019/20 is required to purchase one-off licences for Microsoft Client Access.** **Hackney Learning Trust (HLT) G Suite Roll Out: Virement and spend approval of £200k (£100k in 2019/20 and £100k in 2020/21) is required to fund the rollout of G Suite applications across HLT as we work to integrate all of HLT systems into the Council** **ICT Corporate Core Infrastructures: Virement and spend approval of £500k (£55k in 2019/20 and £445k in 2020/21) is required to fund the replacement of the Council's ICT Corporate Core Infrastructures.** **iii. That the schemes for Housing as set out in section 9.3 be given spend approval as follows:** The Housing Development Board dated 22 August 2019 considered and recommended spend approval of **£7,020k** for the delivery of an additional site at **Hertford Road** on De Beauvoir Estate through the Housing Supply Programme (HSP) in accordance with the 29 February 2016 Cabinet approval and the

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		Regeneration Programme Cabinet approval Cabinet report dated 29 April 2019. **REASONS FOR DECISION** ***The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in the report.*** ***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.*** **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** ***None.***
11	2019/20 Overall Financial Position, Property Disposals And Acquisitions Report - Key Decision No. FCR Q6	**RESOLVED** **i. That the update on the overall financial position for December 2019, covering the General Fund, Capital 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; and**

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		ii. That it be agreed that the Council enter into the contract variation proposed as it would secure the payment of the London Living Wage to the FM employees at the HLT for the remainder of the contract period, at no cost to the Council, resulting in a significant reduction to the cost of the Soft FM Services; **REASONS FOR DECISION** To facilitate financial management and control of the Council's finances and to approve the HLT PFI variation. **CHILDREN, ADULT SOCIAL CARE AND COMMUNITY HEALTH (CACH)** The CACH directorate is forecasting an overspend of £5,795k after the application of reserves and drawdown - an increase of £150k from the previous month. **CHILDREN & FAMILIES SERVICE** The Children & Families Service (CFS) is forecasting a £1,783k overspend against budget after the application of reserves and grants. 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. ● £1,300k for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted inspection. ● £300k is drawn down to offset pressures in relation to the increase in young people currently held on remand.

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		The Children and Families Service was inspected by Ofsted in November, and the service was rated as *requiring improvement*. A Children's Leadership and Development Board has been set up, which is accountable to a Children Members Oversight Group, to ensure that all service areas within the department are delivering to a consistently high standard for all children and families and that the recommendations arising from the Ofsted inspection are addressed. A resourcing plan with the objective of responding to increased demand in the service and addressing these recommendations is currently being developed. The sustained pressure on the CFS budget 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.

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		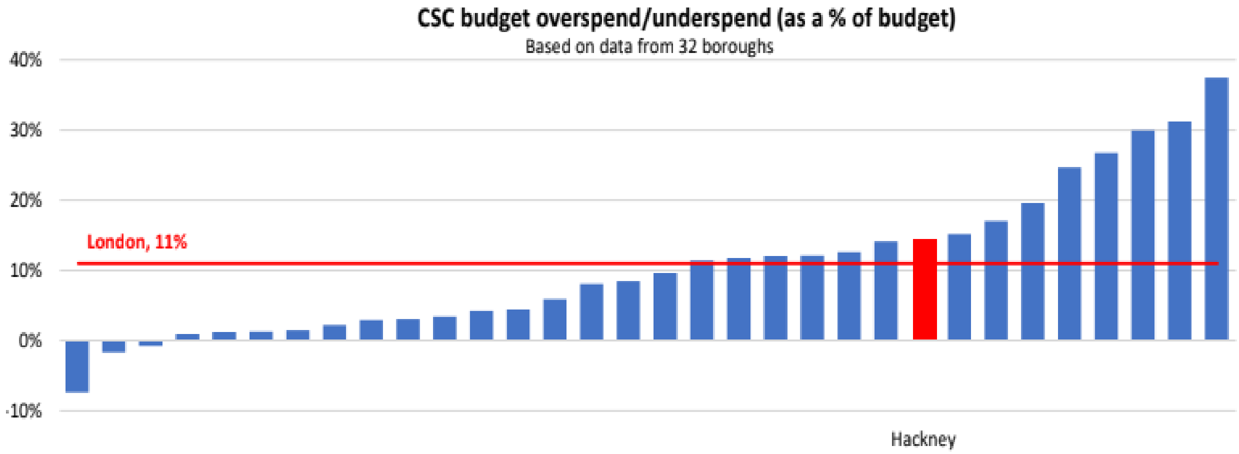 The main budget pressures in CFS are in relation to looked after children (LAC) placements within Corporate Parenting and staffing in several areas across the services. Further details are set out below. <u>Corporate Parenting</u> is forecasting to overspend by £1,360k after the use of £2,300k of commissioning reserves and £300k one-off staffing reserves. This position also includes the use of £1,200k of Social Care funding that was announced in the October 2018 Budget. Spend on LAC and LC placements (as illustrated in the table below) is forecasted at £20.7m compared to last year's outturn of £18.3m – an increase of £2.4m.

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Table 2: Placements Summary for LAC and Leaving Care

Service Type	Budget	Forecast	Forecast Variance	**Budgeted** Placements	Current Placements	Management Actions
Residential	4,331	5,336	1,005	22	33	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. 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
Secure Accommodation (Welfare)	-	140	140	-	1	
Semi-Independent (Under 18)	1,570	1,901	331	25	30	
Other Local Authorities	-	181	181	-	5	
In-House Fostering	1,800	2,154	354	77	90	
Independent Foster Agency Carers	6,488	7,074	586	139	149	
Residential Family Centre (M&Baby)	-	312	312	-	4	
Family & Friends	569	863	294	28	49	
Extended Fostering	-	30	30	-	1	
Staying Put	200	386	186	12	23	
Overstayers	290	495	205	16	23	

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Semi-independent (18+)	1,370	1,848	478	113	112	support, and new arrangements for implementing Supported Lodgings will also be reviewed going forwards.
Total	16,618	20,719	4,101	431	520	

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

The table on the following page shows the trend in LAC placements over the past 12 months.

Headcount Data for LAC

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		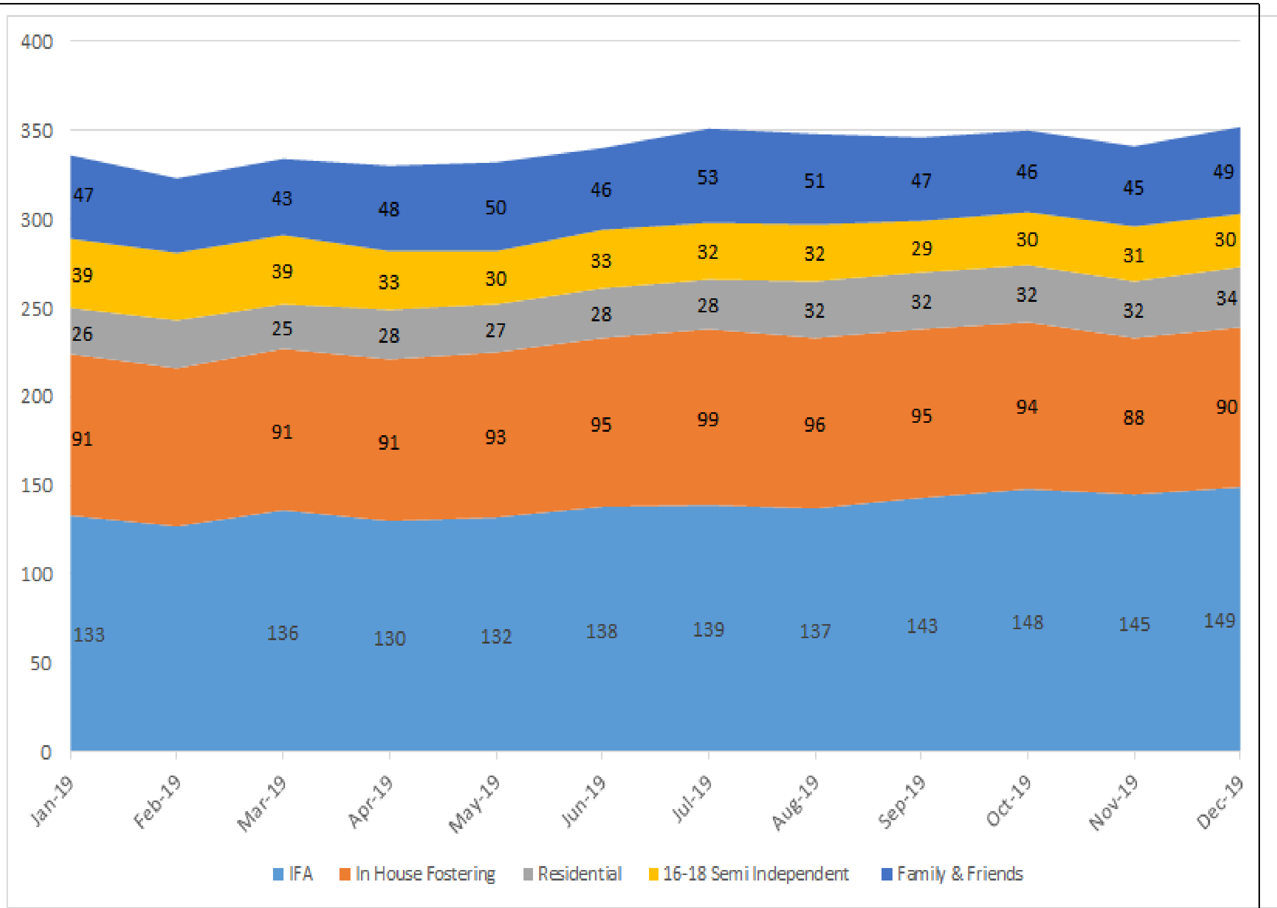 <u>LAC and Leaving Care</u> placements have increased by £164k and £13k respectively,

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		since last month and these are primarily due to increases in Independent Fostering Agency (IFA), residential and semi-independent placements. As illustrated in Table 3 above, 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. IFAs have increased by 16 placements since January 2019 which corresponds to an increase in the forecast of £800k, and this is the single most significant year-on-year increase in the service. This is despite in-house foster carer recruitment which has seen some success and the matching officer post which has been in the structure since 2018. At approximately £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. Residential care (including secure accommodation) placements have increased by one this month to 34, and this area as a whole faces a budget pressure of £1,000k. Management actions are being developed by the service to reduce placements, and given that the average cost is approximately £200k, a net reduction in placements would have a significant impact on the forecast. This year we have seen significant pressures on staffing. This is mainly due to posts over and above the number of posts in the establishment recruited to meet increase in demand (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. Given the outcome of the more recent inspection referred to above, alongside further increased demand in the system, it is likely that staffing costs will rise still further. <u>Children in Need</u> is forecast to overspend by £495k. 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 £480k.

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		Other minor overspends in non-staffing expenditure total £15k. Reserves of £80k are being utilised to fund additional social work capacity in response to the recent Ofsted inspection. The Disabled Children's Service is forecast to overspend by £611k. Staffing is projecting an overspend of £229k due to additional staff brought in to address increased demand in the service. The remaining overspend is attributed to care packages (£494k, including Home Care, Direct Payments and Residential respite) and £35k on other expenditure. This is partially offset by a £148k reserve drawdown. The Adoption Service is forecast to overspend by £308k. Primarily the overspend relates to the Regional Adoption Agency with our neighbouring boroughs, which has incurred transitional costs in staffing, inter-agency services and IT. There is also a projected overspend of £46k 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 £59k which relates to staff covering maternity leave, long term sick cover and one over-established family support practitioner within the service. 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 £621k. 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. Reserves of £233k are being utilised to fund additional social work and management capacity in response to the recent Ofsted inspection.

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		<u>Access and Assessment</u> is forecast to underspend by £44k. This results primarily from lower forecast cost in Section 17 which is £58k less than the previous year's outturn. Reserves of £71k are being utilised to fund additional social work capacity in response to the recent Ofsted inspection. <u>Youth Justice Service</u> is forecasted to underspend by £92k from delays in recruiting Youth Justice practitioner posts. £289k 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

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		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 EHCP 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 & 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 on the basis of an analysis of occupancy-level reports from the centres, although the full impact of the large rise in fees this year will not be measurable until autumn 2020. There is an estimated forecast overspend of £0.4m in this area incorporated into the overall HLT forecast. **Adult Social Care & Community Health** The December 2019 revenue forecast is an £4,001k 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

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		have 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 £2,970k pressure (as shown in the table below). 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	December 2019 Forecast	Full Year Variance to budget	Variance from Nov 2019	Management Actions
	£k	£k	£k	£k	
Learning Disabilities	15,287	16,400	1,113	(120)	- ILDS transitions/demand

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Physical and Sensory	12,843	13,726	884	168	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
Memory, Cognition and Mental Health ASC (OP)	7,710	8,625	915	258	
Occupational Therapy Equipment	740	740	0	(288)	
Asylum Seekers Support	170	228	58	17	
Total	36,749	39,719	2,970	35	

The Learning Disabilities service is the most significant area of pressure with a forecast £1,100k overspend, which reflects a small improvement of £120k on the November position. The downward movement results primarily from revised cost assumptions of clients that were previously separately receiving housing related support (this cost is now incorporated within their care package) and a revised forecast of partner contributions towards Transforming Care package costs. There continues to be increased pressures related to new clients and the cost of 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 Clinical Commissioning Group (CCG) colleagues to embed the joint funding model for high cost Learning Disability packages as business as usual. The CCG have committed to ringfence £1,900k to £2,700k within their financial planning

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		for 2019/20 and a contribution of £1,900k has been factored into the forecast. 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. Following the implementation of acceleration measures including dedicated support from the Performance Management Staff in Adult Services and enhanced quality assurance processes, throughput has picked up along with the number and value of joint funding packages agreed. Progress will continue to be closely monitored by all partners given its high priority and funding risk. Physical & Sensory Support is forecasting an overspend of £884k, whilst Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £915k. The cost pressures in both service areas have been driven by the significant growth in client numbers as a result of hospital discharges in 2018/19, which has been partially mitigated by one-off funding from the Winter Pressures grant of £1,400k. The increased cost pressure also relates to revised estimates of income from service users towards their care packages. Non-recurrent funding has been applied to mitigate the previously reported £288k overspend on the cost of Occupational Therapy equipment. Discussions were 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 has delivered savings to date of £755k (full year effect). The MDT project will end at the end of Jan 2020 with the aim of lessons learnt, particularly around double-handed care packages, being embedded into business as usual. The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £731k. The overall position is made up of two main elements - a £872k overspend on externally commissioned care services and

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		£141k underspend across staffing-related expenditure. The increased overspend is primarily a result of new care packages this period combined with the ongoing impact of the estimated number of home care hours being commissioned across the year Provided Services is forecasting a £61k overspend against a budget which represents a reduction in the overspend of £31k since the last reporting period. This is largely attributed to: ● Housing with Care overspend of £184k. The forecast includes additional resources to respond to issues raised from the CQC inspection in December 2018. The service was 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 £123k, primarily due to the current staff vacancies across the service. The Preventative Service outturn reflects a revised underspend of £380k against a budget which mainly represents the underspend on Concessionary Fares' due to a reduction in demand of £150k plus an on-going underspend of £204k within Median Road Resource Centre budget which supports wider Care Management service expenditure. This underspend is partly offset by a £77k cost pressure in the Hospital Social Work Team which is due to additional staffing to ensure that hospital discharge targets are met. The adverse movement in-month of £219k results from a virement from Commissioning to establish the Carers Redesign budget.

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		The variance to budget for ASC Commissioning is forecast at a £635k overspend which is directly linked to the Housing Related Support (HRS) in-year savings gap. Delays in savings delivery from HRS service are still forecast at £634k. Other budget pressure of £18k results from the need for additional staff resource required within the brokerage service and this is contained from an underspend in voluntary sector services. **Public Health** Public Health is forecasting a breakeven position. There are pressures in the service due to the delay with implementing the 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, this 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 allocated sexual health budget in future financial years. **4.3 NEIGHBOURHOODS AND HOUSING** The forecast position for Neighbourhoods and Housing Directorate as at December 2019 is a £12k underspend, an increase of £137k in net expenditure from the

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		November position. The forecast includes the use of £2.1m of reserves, the majority of which are for one off expenditure/projects. There is a forecast overspend in the Planning Service of £386k which is due to a projected shortfall against the planning application fee income target of £2.3m. 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 and that planning and building control experience falls in income every 5 years as the construction industry periodically slows before recovering. The development industry is also putting on hold the submission of major planning applications until there is more clarity on the impact of Brexit and the Hackitt review on build cost and sales value as this impacts the viability and deliverability of their schemes. The cost of determination of minor applications is more than the fee received as Local Authorities have not yet been afforded the option by the Government of setting their own fees. In practice major applications help subsidise minor applications therefore the shortfall in new major applications will also detrimentally affect this cross subsidy. It should also be noted that a new planning back office system is in the process of being launched and this will result in efficiencies especially within the planning application registration and validation process, these efficiencies will also help offset any

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		underachievement of income. The Building Control service is forecast to overspend by £60k, 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 underspend by £425k which is an adverse movement of £119k from the previous month due to confirmation of additional expenditure. 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 overachieve 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. Markets have seen an improvement of £42k from previous month due to review of non-essential expenditure. Further reviews are being carried out to identify additional reduction in expenditure and new income opportunities. 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 favourable to budget, which is mainly due to underspends within staffing. There are no material variances within Regeneration at this stage.

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		4.4 FINANCE & CORPORATE RESOURCES The forecast is an overspend of £257k. 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 £143k which mainly relates to salaries and projected additional income from service fees The overspend in Facilities Management (£435k) 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

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		Homelessness Reduction Act was introduced there has been a 33.4% increase in approaches for housing advice, expected to result in significantly higher temporary accommodation costs over time. **4.5 CHIEF EXECUTIVE** Overall the Directorate is forecasting to overspend by £396k after forecast reserves usage, which is unchanged from November. **Communications, Culture & Engagement** The service is forecasting an overspend of £210k in total. £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 actually 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). 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 due to this. It has been agreed for the funding for the event to come from

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		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 (£150k) which is a manifesto commitment and Dalston Engagement (£57k). The Dalston engagement reserve is made up of income received by the service last year and set aside for this purpose. There is also an increase in reserves usage to fund the core team in Culture (£147k). This is a change of funding as they were previously being funded by CIL. **Legal & Governance** The combined Legal & Governance Service are forecasting an overspend of £186k. There is an overspend reported in Governance which is primarily due to Internal Printing Recharges estimated at £34k and £36k is for an unfunded Team Manager's post previously funded by HRA. External recharges and Recharge to Capital are forecast to underachieve 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.

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		4.6 HRA The projected outturn on the HRA is at budget. <u>Income</u> There is a surplus of £400k on Dwelling Rents which is due to a new lease agreement for properties rented to housing associations. The other major variance is a surplus of £989k 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 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. <u>Expenditure</u> Repairs and Maintenance is £1,216k 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 £1,068k 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.

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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).

4.7 CAPITAL

This is the third OFP Capital Programme monitoring report for the financial year 2019-20. The actual year to date capital expenditure for the nine months April 2019 to December 2019 is £128.9m and the forecast is currently £244.8m, £42.3m below the revised budget of £287.1m. In each financial year, two re-profiling exercises within the capital programme are carried out in order that the budgets and therefore monitoring reflect the anticipated progress of schemes. The second phase of re-profiling for 2019-20 has been completed and January Cabinet will be asked to approve a total of £41.4m into future years. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 – London Borough of Hackney Capital Programme – Q3 2019-20	Revised Budget Position	Spend as at end of Q3	Forecast	Variance (Under/Over)	To be Re-profiled Phase 2
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Children, Adults & Community Health	14,002	6,139	10,002	(4,000)	4,201
Finance & Corporate Resources	111,410	60,368	89,195	(22,214)	20,891
Neighbourhoods & Housing (Non)	33,193	7,381	19,197	(13,996)	14,198
Total Non-Housing	**158,605**	**73,888**	**118,394**	**(40,211)**	**39,290**
AMP Capital Schemes HRA	69,608	20,734	60,894	(8,714)	8,714

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Council Capital Schemes GF	2,535	1,487	2,976	441		(441)
Private Sector Housing	1,695	860	1,454	(241)		241
Estate Renewal	34,668	19,306	38,856	4,188		(4,188)
Housing Supply Programme	8,289	1,103	6,594	(1,694)		1,694
Other Council Regeneration	11,665	11,509	15,591	3,927		(3,927)
Total Housing	**128,459**	**55,000**	**126,365**	**(2,093)**		**2,093**
Total Capital Expenditure	**287,063**	**128,888**	**244,759**	**(42,304)**		**41,383**

CHILDREN, ADULTS AND COMMUNITY HEALTH

The overall forecast outturn for Children, Adults and Community Health is £10m, £4m

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		below the revised budget of £14m. More detailed commentary is set out below.

CACH Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Adult Social Care	270	132	271	0
Education Asset Management Plan	4,477	2,720	3,310	(1,167)
Building Schools for the Future	161	(32)	66	(94)
Other Education & Children's Services	572	395	546	(26)
Primary School Programmes	6,016	1,329	3,424	(2,592)
Secondary School Programmes	2,505	1,595	2,385	(120)
TOTAL	**14,002**	**6,139**	**10,002**	**(4,000)**

<u>Education Asset Management Plan</u>

The overall scheme is reporting a forecast underspend of £1.2m against an in-year budget of £4.5m. The most significant variance relates to Shoreditch Park Primary School which is now reporting a forecast £0.7m underspend. The proposals for improving facilities at Shoreditch Park Primary School continue to be developed and, as such, the budget for funding these keeps on being revisited through the year as proposals are firmed up. This has required budgets to be increased and reprofiled to 2020-21 to support these works at the school as they are delivered. The refurbishment of an area of road into the playground includes additional expenditure factored into it which will reduce the level changes from existing playground into the new area created. The variance has been reprofiled to 2020-21 to resource the works as they roll into the new financial year.

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		Building Schools for the Future The overall scheme is forecasting an underspend of £0.09m against the in-year respective budget of £0.2m. Final accounts for Mossbourne Victoria Park Academy have been re-profiled to 2020-21. The work to Ickburgh will continue into 2020-21 due to the delay in procurement and the budget has already been reprofiled to 2020-21 to reflect this. Primary School Programmes The overall scheme is reporting a forecast underspend of £2.6m against an in-year budget of £6m. The main scheme relates to Phase 3A of the rolling programme of health and safety remedial works to facades of 23 London School Board (LSB) schools that began in 2017. There was a delay in agreeing the scope of work for a number of the schools. This led to the tranche of work slipping so at the last reprofiling exercise £4m was re-profiled. The budget has been reviewed again and a further £2m has been re-profiled to 2020-21 to reflect programme delay and continued delay in procuring consultants. The Gainsborough Facade variance has been reprofiled to support the final account in 2020/21. London Fields, Queensbridge and Randal Cremer Facade variance relates to retention forecast and has been reprofiled to support the anticipated payments. Final accounts for Shacklewell School are due in 2020-21 and the budget reprofiled to reflect this. Orchard School has some issues with the doors at the school and investigative works are being carried out. There may be possible payments this year and next financial year and the budgets have been reprofiled to reflect that. **FINANCE AND CORPORATE RESOURCES** The overall forecast outturn in Finance and Corporate Resources is £89.2m, £22.2m

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under the revised budget of £111.4m. More detailed commentary is set out below.

F&R Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Property Services	10,239	1,050	4,735	(5,504)
ICT	5,827	2,448	4,360	(1,467)
Financial Management	374	7	274	(100)
Other Schemes	341	14	231	(110)
Mixed Use Development	94,629	56,848	79,596	(15,034)
TOTAL	**111,410**	**60,368**	**89,195**	**(22,214)**

<u>Strategic Property Services – Strategy & Projects</u>

The overall scheme is reporting a forecast underspend of £5.5m against an in-year budget of £10.2m. The main variance relates to Christopher Addison House which is reporting a forecast underspend of £1.7m. This programme is part of the Corporate Estate Rationalisation (CER) Programme and the need to consolidate the Council's buildings to make better use of the space. The project has faced numerous delays particularly relating to stakeholder review, sign off and the time taken to procure and award the main contract. The main contractor is now appointed and the building is programmed to be reoccupied in the summer of 2020. The variance will be reprofiled into 2020-21 in line with the anticipated spend.

<u>ICT Capital</u>

The overall scheme is reporting a forecast underspend of £1.5m against an in-year budget of £5.8m. The main variance relates to a number of ICT projects where the

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		spend will be in future years and have been reprofiled. The Network Refresh project is progressing well with the majority of the high value items to be ordered and received in the current year, including firewalls, switches and wireless access points. The remaining items will be ordered in 2020-21 and the variance has been re profiled to reflect this. Devices for Hackney Residents, which is the Council's plan to replace devices in libraries and other public facing devices, continues with user research. Once concluded this will inform the device choices. The variance has been reprofiled into 2020-21 in line with the anticipated spend. End-user Mtg Rm Device Refresh is on target to spend the £2.2m budget with a minor underspend. This project is rolling-out provision of new ICT equipment for staff and members, and new ICT equipment for meeting rooms to enable on-screen display and video meetings across all Council buildings. The project is close to finishing although there are issues with rolling out devices to the legal team due to specific software currently used in their area. There is a project underway to change their software to a cloud hosted software but there have also been issues relating to testing and meeting expectations of the service. Any variance will fund overspends in other projects. <u>Mixed Use Developments</u> Tiger Way Development is forecasting an underspend of £1.1m against the in-year budget of £7.1m. Defects processes as defined in the governing body agreement liaison procedure have been initiated with the school by the project team and specific

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		defect meetings have been held with the school. With the residential element, two new show flats are now being used as part of the promotional activities and sales remain strong with approximately 20 remaining unsold. The team attendance at Nightingale residents committee has now ceased. The works with Hackney Highways to discharge S278 street and pavement works on the school elevation are complete. The S278 works on the residential pavements are also complete. The variance relates to retention element which will be released after all defects have been rectified and sign off complete. The variance has been reprofiled to 2020/21. Nile Street is forecasting an underspend of £3.9m against the in-year budget of £31.4m. Completion of the 2nd Phase Tower is due in February 2020. The School and Nile Street Block is complete and handed over. Development is in the 2-year contract defects period in the Design and Build contract. The remaining project works to phase 1 and 2 of the Residential were delayed on Nile Street Block and the Tower was delayed but is now progressing well. A revised completion programme has been issued following the resolution of various issues relating to missing cladding panels on the Tower and handover is now expected in February 2020 following completion of remaining works. The fit out of the Nile Street Show flat was completed in November 2019. The Nile Street block was behind programme due to a number of issues including the stick and glazing system and a subsequent leak to apartment 20.02. The damage and investigative work resulted in abortive work that delayed completion of the Nile Street block hence the variance. The variance has been reprofiled to 2020-21. Britannia Site is forecasting an underspend of £10m against the in-year budget of £40.1m. Phase 1a (Leisure) is progressing well with completion on target for March 2021. Phase 1b (CoLASP) is also progressing well with completion on target for May 2021. Both Phase 1a and 1b have held start on site events and a successful jobs fair was held in November 2019. The project has also been shortlisted for Best Mixed-Use

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Scheme at Building London Planning Awards 2020. Client-side resourcing for the construction phase of the Phase 1 project is finalised for the Leisure Centre and the School. There has been a transfer of £2.4m to start Phase 2a. Phase 2b is currently under review. The variance has been reprofiled to 2020-21.

NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is £19.2m, £14m under the revised budget of £33.2m. More detailed commentary is set out below.

N&H – Non-Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
Museums and Libraries	528	154	350	(178)
Leisure Centres	750	0	375	(375)
Parks and Open Spaces	3,812	855	2,688	(1,124)
Infrastructure Programmes	14,061	3,818	10,016	(4,046)
EHPC Schemes	7,742	1,651	3,542	(4,200)
TFL	2,462	674	1,524	(938)
Parking and Market Schemes	373	106	196	(177)
Other Services	900	0	0	(900)

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Regulatory Services	79	0	0	(79)
Safer Communities	1,363	0	189	(1,174)
Regeneration	1,123	123	317	(806)
Total	**33,193**	**7,381**	**19,197**	**(13,996)**

<u>Parks and Open Spaces</u>

The overall scheme is forecasting an underspend of £1.1m against the in-year budget of £3.8m. The main variance relates to Springfield Park Restoration which is forecasting an underspend of £0.7m. The budget for this financial year is made up of the main contractor cost and the design team fees. The main contractor, Borras, started work on site at the beginning of October 2019. The soft strip out (non-structural) of Springfield House and Stables has been completed. The stable yard wall, and fences and walls surrounding the new community venue building site, have been taken down. The old extension on the House has been removed and enabling works have begun in preparation for the excavation of the foundations for the new extension. The foundations have been built and the slab for the new community events building has been poured. Scaffolding has gone up around the House and Stables. The internal structural strip out of the House and Stables has been completed. The agreed tree felling and shrub clearance has taken place. The variance has been reprofiled to 2020-21.

<u>Infrastructure</u>

The overall scheme is forecasting an underspend of £4m against the in-year budget of £14.1m. A number of Highways Schemes originally planned for 2019-20 will take place in 2020-21 and the variance has been reprofiled to 2020-21.

London Borough of Hackney – Decisions taken by the Cabinet on Monday, 24 February 2020

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		EHPC Schemes The overall scheme is forecasting a £4.2m underspend against the in-year budget of £7.7m. The vehicles have been ordered but will not be delivered until 2020-21 therefore the variance has been reprofiled to the anticipated spend. Safer Communities The main variance relates to Shoreditch CCTV Cameras which is reporting a forecast underspend of £1.3m. There have been delays in obtaining sign off to progress the scheme on the TfL routes. The majority of sites will be on red routes and will require significant coordination with TfL to meet their requirements. Without absolute TfL approval, the Council cannot order the works without risk of incurring abortive costs. The variance has therefore been reprofiled to 2020-21. Regeneration (Non-Housing) The overall scheme is forecasting a £0.8m underspend against the in-year budget of £1.2m. The Hackney Wick Regeneration plan to commission a public realm strategy this financial year, with public realm improvement works is being undertaken during 2020-21 and the budget reprofiled accordingly. Dalston Regeneration will now take place in 2020-21 and the budget reprofiled. 80-80a Eastway (GLA) 2 Pods and a CNC machine will be purchased this year with the remaining expenditure reprofiled to future

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years. The Trowbridge (GLA) budget this year will be mainly design work and remaining budget to be utilised in 2020-21. The variance has been reprofiled to 2020-21 to support the anticipated spend.

HOUSING

The overall forecast in Housing is £126.4m, £2.1m below the revised budget of £128.5.5m. More detailed commentary is set out below.

Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	**£000**	**£000**	**£000**
AMP Housing Schemes HRA	69,608	20,734	60,894	(8,714)
Council Schemes GF	2,535	1,487	2,976	441
Private Sector Housing	1,695	860	1,454	(241)
Estate Regeneration	34,668	19,306	38,856	4,188
Housing Supply Programme	8,289	1,103	6,594	(1,694)
Woodberry Down Regeneration	11,665	11,509	15,591	3,927
Total Housing	**128,459**	**55,000**	**126,365**	**(2,093)**

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		AMP Housing Schemes HRA The overall scheme is forecasting an underspend of £8.7m against the in-year budget of £69.6m. The largest variance relates to the Fire Risk Works SCA for £1.9m which were approved later than anticipated and installations are not now expected to start until mid to late February 2020. The programme of works for Lift Renewals and Housing Improvement Programme (HiPs) South West have also been pushed back to 2020-21. Therefore, the variance has been re-profiled to 2020-21. Council Schemes GF The overall scheme is forecasting an overspend of £0.4m against the in-year budget of £2.5m. The variance relates to Borough Wide Housing Under Occupation where the Regeneration voids continue to be used as Temporary Accommodation. Alongside this, there has been significant expenditure on 111 Clapton Common which required the budget from 2020-21 to be reprofiled back to the current year to cover this spend. Private Sector Housing The overall scheme is forecasting to come largely in line with the budget with only a minor underspend. Disabled Facilities Grant expenditure is progressing well and on target to spend £1.05m representing a minor underspend. The variance has been reprofiled. General repairs grants are on target to spend the full budget as a large payment relating to Hackney leaseholders is expected before the end of the year. Landlord Grants applications are now on hold and expenditure is unlikely this year. The variance has been re-profiled to 2020-21. Estate Regeneration

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		The overall scheme is forecasting an overspend of £4.2m against the in-year budget of £34.7m. The main overspend relates to two sites. Construction at Tower Court has started and accelerated compared to previous expectations. Coville Phase 2 Site is now handed over with the final account and retention still to be paid. The budget from 2020-21 has been re-profiled back to the current year to cover this expenditure. Housing Supply Programme The overall scheme is forecasting an underspend of £1.7m against the in-year budget of £8.3m. Gooch House Site is now live again and options are currently being considered. The Whiston Road Site is now handed over with only retention still to be paid. The Shaftesbury Street Site is currently on hold and no costs are expected to be

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		incurred this year. The Pedro Street Construction contract award is going to CPC this financial year and start on site is forecast for early 2020-21. Mandeville Street is progressing well. Tradescant House and Woolridge Way design works are ongoing and start on site is planned for 2021-22. The Daubeney Road Construction contract award is nearing completion after a slight delay and start on site is early 2020-21. Buckland Street, Downham Road 1 and 2, Balmes Road and 81 Downham Road have ongoing Design works and a planning application is expected to be submitted in 2020-21. The EA and Architect procurement for Lincoln Court and Rose Lipman Projects are nearing completion. The variance has been re-profiled to 2020-21. <u>Woodberry Down Regeneration</u> The overall scheme is forecasting an overspend of £3.9m against the in-year budget of £11.7m. The main overspend relates to additional Buybacks expected compared to Q2 (another 6 more before the end of March 2020). Costs will be reimbursed from Berkeley Homes. The next claim is due either late 2019-20 or early 2020-21, depending on Planning approval. The budget from 2020-21 has been re-profiled back to the current year to cover this expenditure. **5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** This report is primarily an update on the Council's financial position and there are no alternative options here. With regards to the HLT proposal, there were a number of options discussed with both the SPV, and internally within the Council, to improve the terms of the contract. These options included restructuring the debt repayment and changing the indexation rates applied. These options were worked through in detail, however they were either not acceptable to the SPV or to the Council.

London Borough of Hackney – Decisions taken by the Cabinet on Monday, 24 February 2020

Agenda Item No	Topic	Decision
12	Regeneration Sales & Marketing Strategy Update - Key Decision No. NH Q50	**RESOLVED** **i. That approval be given to the use of the Council's Help to Buy Equity Loan Funding Agreement or any equivalent replacement scheme to market qualifying outright sale homes being delivered at Lyttelton House and all future projects where the Council's Cabinet Procurement Committee gives authority to a direct disposal strategy as part of the procurement;** **ii. That approval be given to the disposal of homes delivered by the Regeneration Programme to Hackney Housing Company and its subsidiaries; and** **iii. That approval be given to the updated Sales & Marketing Framework which supports the continued direct disposal of homes delivered by the Regeneration Programmes.** **REASONS FOR DECISION** The reasons for providing this report and the recommendations set out within it are: ● To extend the authority granted in relation to the direct disposal of outright sale homes at Lyttelton House and all future pipeline projects, to include the use of the Council's Help to Buy Equity Loan Agreement. ● To provide Cabinet with an updated Sales & Marketing Strategy, which reflects the business growth since July 2016 and authorises disposals to Hackney Housing Company.

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		• To confirm continued support for the Hackney Sales brand for the direct disposal of homes delivered by the Regeneration Programmes, and confirm support for the additional use of the Hackney Sales brand for Assured Shorthold lettings on behalf of the Council's Housing Company **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** The alternative options considered by Cabinet in July 2016, including the earlier practice of entering into a Service Level Agreement with an external supplier to market our new homes, would not support the delivery of the Strategy. The Council has developed the required in-house sales and marketing expertise for the Strategy to be delivered; focusing on local residents and the wider aspirations of the Regeneration Programmes. The Council's innovative approach to regeneration and direct delivery of shared ownership and market disposals has proven to be a success in helping households purchase a home the borough. This update report seeks continued support for the Strategy and Framework approach and introduces new initiatives to further reinforce our commitment to delivering genuinely affordable housing.
13	A Place For Everyone Hackney Voluntary And Community Sector Small Grants 2020/21 (First Round) - Key Decision No. CE Q28	**RESOLVED** **i. That approval be given to the small grant awards recommended as listed in Appendix One of the report; and** **ii. That the £9,543 contribution from London Housing Consortium (LHC) towards the Small Grant budget which enabling two additional projects to be funded, be noted.**

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		REASONS FOR DECISION **A Place for Everyone open grants programme** Small grants are one of the grant streams within the 2020/21 Voluntary and Community Sector grants programme, and recommendations are being made for activities that will be delivered during 2020/21. Each application has been scored by an assessor from the Council or a partner organisation from the VCS. The application scores were then reviewed to ensure parity and consistency of scoring across assessors and objectives. The applications were then considered by the same assessors at a panel meeting and recommendations agreed. The panel considered how the applications scored overall, how they met the grant programme priorities and identified local community needs. This year LHC made a one-off contribution of £9,543 towards LB Hackney's Small Grants Round One budget 2020/21. The funding enabled us to award two additional small grants. LHC is a not-for-profit procurement consortium of which London Borough of Hackney is a member. Any surplus from their activity is ploughed back into community projects through their Community Benefit Fund. LHC and LB Hackney have worked with Locality, the national network supporting community organisations to thrive, to make the funding recommendation. All applications were automatically considered for the LHC funding after they were assessed through the standard assessment process. A representative from the organisation Locality

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		attended the Grants Panel meeting and reviewed the assessed applications against LHC and Locality's additional criteria for projects which demonstrate innovation or specific added value, the potential to bring in match funding and investment in physical or organisational one-off improvements that will help make organisations more sustainable in the future. The panel was also asked to consider the following for LHC grants in relation to the recommendations: 1. The uniqueness of the proposed project activity (one or small number of services of this nature in the borough). 2. Services for residents who have protected characteristics as defined by the Equalities Act; or meet the needs of a particular community. The Small Grants awarded through the LHC funding will be managed and monitored by LB Hackney and will follow the standard Small Grant contract management process. Information about the grant will be shared with Locality such as the grantees' organisational policy documents and monitoring reports. The organisations funded through the LHC contribution will also receive an introductory 6 month Locality membership, a monitoring visit and social impact guidance from Locality. Applicants were informed of LHC funding in the application form and the accompanying guidance notes. This included information on how the application would be assessed, LHC and Locality's additional criteria for projects and how the funding relationships would be managed. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

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		The process for reaching the recommendations is outlined above, and a full list of recommended and non- recommended applications is appended to this report.
14	Rough Sleeping Strategy - Key Decision No. FCR Q 58	**RESOLVED** That approval be given to the draft Rough Sleeping Strategy 2020-22. **REASONS FOR DECISION** In August 2018 the Ministry of Housing, Communities & Local Government (MHCLG) published the Government's Rough Sleeping Strategy. Within the strategy is a requirement for local authorities to update their Homelessness Strategy to include an additional focus on responding to Rough Sleeping. Hackney had already preempted this requirement by publishing its own Rough Sleeper Strategy in 2016. The Council had already identified that rough sleeping within the borough warranted a stand alone strategy to complement the strategic vision highlighted within the Council's Homelessness Strategy. Our existing strategy runs until 2020 and it was therefore time to refresh and update our strategy, while also factoring in the national Rough Sleeping Strategy by MHCLG. This refresh also coincides with the review and refresh of the wider Homelesness Strategy and supports a consistent approach across both strategies. The Council has made considerable progress in tackling rough sleeping despite the particularly challenging backdrop; a lack of suitable affordable housing stock, the significant cuts in central Government funding for health and support services and the ongoing reform of the welfare state that has seen housing support for low income

Agenda Item No	Topic	Decision
		households reduced considerably. Hackney saw a 4.7% decrease in rough sleepers between 2017/18 and 18/19 from 171 to 163. This goes against the London wide trend which saw a significant increase in rough sleeping, with numbers up 18% from 7,484 to 8,855. Over the last year Hackney's decrease is out of synch with our surrounding boroughs, with Newham, Islington, Waltham Forest and The City of London seeing significant rises in rough sleeping, which are amongst the highest in London. This refreshed strategy seeks to build on this successful work and meet the Council's ambitions of: stopping people from becoming homeless and sleeping rough through providing timely information and advice, appropriate accommodation and support options, delivering services which can engage with all local rough sleepers and assess their full range of needs; ensuring that street activities are responded to in an effective and proportionate way, and providing accommodation options which are sustainable and support rough sleepers to improve their health and wellbeing and employability while developing independence and resilience. The Rough Sleeping Strategy has been fully reviewed to reflect the new priorities outlined in the Government's rough sleeping strategy, and to take stock of the progress towards our goal of ending rough sleeping in the borough. It allows the Council to highlight the enhanced provision of services for rough sleepers across the borough, especially around street outreach. And to provide a strategic framework to measure future performance and service delivery.

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		The document forms part of Hackney's new overarching approach to homelessness and rough sleeping as a combined Homelessness and Rough Sleeping Strategy. However given the particularly negative impact rough sleeping has on individuals it is felt that producing a distinct document is still appropriate to ensure the issue is given sufficient focus, priority and impact. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** The MHCLG national Rough Sleeping Strategy requires that the Council ensure that our homeless strategy pays due regard to rough sleeping and is rebadged as a homelessness and rough sleeping strategy. The Council did consider combining the Rough Sleeping Strategy into the Homelessness Strategy as a single homelessness document, but we believe having a separate document will help publicise the importance of preventing rough sleeping,and highlight the services that are available. While a combined strategic approach is important in ensuring constructive monitoring of the effectiveness of current service provision and the direction of future activities as appropriate, this distinct strategy document provides a framework for meaningful dialogue between Council departments and with those groups working in the borough to support people sleeping rough who are not currently connected to the support structures available. Without a more focused statement there is a potential for duplication, gaps in provision and miscommunication.

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Agenda Item No	Topic	Decision
15	Gooch House, Clapton - Hackney Living Rent Proposal - Key Decision No. NH Q12	**RESOLVED** i. That the Director of Regeneration be authorised to dispose of the 16 void bedsits at Gooch House through the Housing Supply Programme as Hackney Living Rent accommodation; ii. That the Director of Regeneration be authorised to offer a long leasehold interest for the 16 refurbished bedsits at Gooch House to the Hackney HLR Housing Company Limited (11750958) for private renting at Hackney Living Rent levels at a premium equivalent to the value of the affordable property; iii. That the Director of Regeneration be authorised to seek Secretary of State consent as required to dispose of the 16 void bedsits at Gooch House; iv. That authority be delegated to the Group Director of Neighbourhoods and Housing, the Group Director of Finance and Corporate Resources and the Director of Legal and Governance Services to undertake such necessary steps to implement (i) and (ii) above and to enter into the agreed leasehold interests; and v. That the Director of Legal and Governance Services be authorised to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in the report and to enter into any other ancillary legal documentation as required.

Agenda Item No	Topic	Decision
		REASONS FOR DECISION The reasons for providing this report and the recommendations within it are: To dispose of the 16 refurbished bedsits at Gooch House through the HSP as Hackney Living Rent accommodation; To offer the leasehold interest of the 16 refurbished bedsits at Gooch House for sale to the Hackney HLR Housing Company Ltd (11750958); To dispose of the 16 refurbished bedsits at Gooch House to the Hackney HLR Housing Company Limited (11750958) following agreement of the disposal value. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** There are 16 empty bedsits at Gooch House. The option of doing nothing with the empty bedsits has been rejected, as these properties are void and present a cost to the Council in terms of lost income from the 16 households that could potentially be housed there and Council Tax liability. Plans to knock the flats through and provide bigger homes were rejected as too costly, not meeting housing need and potentially impacted by the Bedroom Tax. One of the options in the February 2016 Cabinet report, authorising delivery of the Housing Supply Programme, was to explore if the Gooch House bedsits could be converted into larger two storey homes as they are stacked vertically. This was rejected due to the extent of the structural alterations that would be required to the occupied block, in terms of the risks, costs and level of disruption to residents.

Agenda Item No	Topic	Decision
		Disposal of the Gooch House bedsits for Shared Ownership was considered and rejected, as established lenders of Shared Ownership mortgages stated that they would not be willing to lend against the properties. Despite the Council offering to underwrite the resale risk, lenders still would not agree to lend. This reflects the current Shared Ownership mortgage market, which has a limited number of active lenders who are cautious with regard to perceived risk. As a result, Shared Ownership disposals could not be pursued. The option to develop a bespoke Low Cost Home Ownership (LCHO) product was extensively considered. However, the terms of the LCHO product were not financially viable or attractive to the target cohort when tested, so this option was rejected. Homerton Hospital faces significant staff recruitment and retention challenges, partly due to the cost of buying or renting a home privately in Hackney. The potential to lease the Gooch House bedsits to Homerton University Hospital NHS Foundation Trust was explored. However, the Trust was not in a position to enter into a lease with the Council, and therefore this option was rejected. Finally, the option of selling the bedsits to buyers on the open market was also rejected. The existing units are not readily mortgageable and would therefore appeal mainly to cash-buyers and private investors; although the current economic climate, changes to Stamp Duty (SDLT) rules and uncertainty around Brexit has reduced the number of investors in the market. If the homes purchased by investors were then let privately, this is unlikely to contribute towards creating a sustainable community within Gooch House. Ultimately the Council wanted to ensure that these homes remained an affordable housing option for Hackney residents.
16	Review of Lea Bridge Conservation Area - Key Decision No. NH Q54	**RESOLVED**

Agenda Item No	Topic	Decision
		That approval be given to the designation of the extended Lea Bridge Conservation Area, including the revised Lea Bridge Conservation Area Appraisal & Management Plan (Appendix A) and Lea Bridge Conservation Area Boundary Map (Appendix B). **REASONS FOR DECISION** This decision is required in order to ensure that the area's heritage is recognised and a full and up to date conservation area appraisal clearly sets out the area's qualities and identifies threats and weaknesses. This decision is required in order to ensure that guidance is in place in the form of a management plan that provides ways to address weaknesses in the conservation area and add to its special interest and character. This decision is required in order to ensure that the conservation area boundary accurately reflects the special character and historic context of this area and ensures that appropriate protection is in place. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED** Consideration was given to extending the Lea Bridge Conservation Area to only include the Middlesex Filter Beds to the east of the River Lea. However, this was rejected as the Millfields Recreation Grounds to the west of the existing conservation are considered to be equally important in terms of historic interest and contribution to the open setting of the historic core of 19th century buildings.

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Agenda Item No	Topic	Decision
		The option of doing nothing was rejected as the 2017 Conservation Areas Review identifies a need to review existing conservation areas where the special architectural and historic interest justifies it, in line with national legislation.
17	Non - key Decision - Designation of Brownswood Conservation Area	**RESOLVED** **i. That approval be given to the designation of the Brownswood Conservation Area including the Brownswood Conservation Area Appraisal and boundary map; and** **ii. That approval be given to the making of a non-immediate Article 4 Direction over part of the conservation area (see Appendix B) to withdraw the permitted development rights granted by Schedule 2, Part 1, Class A, B, C, D, E, F, G, H. Part 2, Class A, B and C and Part 14, Class A and J of the GPDO.** **REASONS FOR DECISION** This decision is required in order to ensure that the area's heritage is recognised and a full and up to date conservation area appraisal clearly sets out the area's qualities and identifies threats and weaknesses. This decision is required in order to ensure that a management plan is in place that provides ways to enhance the conservation area and its special historic and architectural interest. This decision is required to ensure that the uniform character, appearance and original features of the area are preserved by Article 4 Direction. **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Agenda Item No	Topic	Decision
		Consideration was given to including a wider area, including whether Gloucester Drive, Adolphus Road, Alexandra Grove, Portland Rise, Henry Road and Princess Crescent should be included with the proposed area. Conservation Areas require special architectural and historic interest to warrant designation. Whilst these streets date from a similar time period (1870s/80s) and are indeed similar, there has been a higher level of unsympathetic alterations which considerably impact the uniformity and group value of the buildings and spaces. In particular there are dormers of varying sizes and high levels of replacement windows. There has also been a considerable extent of infill development that is not prevalent within the proposed designated area. Consideration was given to extending the Brownswood Conservation Area to include Blackstock Road. However, this was rejected as the buildings on Blackstock Road have undergone considerable alterations, particularly at ground level where there are no surviving historic shopfronts. Moreover, the boundary of the London Borough of Hackney and London Borough of Islington runs through the centre of the road, with no proposals for Islington to designate. The option of doing nothing was rejected as the 2006 and current 2017 Conservation Areas Review identifies a need to designate new conservation areas where the special architectural and historic interest justifies it, in line with national legislation. The option of designating the Brownswood Conservation Area without an Article 4 Direction was considered. However, this was rejected as the Appraisal identifies a number of significant threats to the buildings and the overall conservation area which householders could undertake using permitted development rights. The use of an Article 4 Direction will therefore provide increased protection against the loss of historic architectural features.
18	Schedule of Local Authority School	**RESOLVED**

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Agenda Item No	Topic	Decision
	Governor appointments	**That approval be given to the School Governor re-nomination, and new nomination as follows;** <table><tr><th>Governing Body</th><th>Name</th><th>Date Effective</th></tr><tr><td>St Paul's with St Michael's CE School</td><td>Mr Alex Doherty(LA Gov) re-nomination</td><td>24 FEBRUARY 2020</td></tr><tr><td>Jubilee Primary School</td><td>Mr Max Lawson (LA Gov) new nomination</td><td>24 FEBRUARY 2020</td></tr></table>
19	Appointments to Outside Bodies	There were no appointments to outside bodies. **NOTED**
20	New items of unrestricted urgent business	There were no items of unrestricted urgent business. **NOTED**
21	Exclusion of the press and public **Part B – Items considered in private**	**RESOLVED:** That the press and public be excluded from the remainder of the meeting as items 22 and 23 below contain exempt information, as defined under paragraph 3 of Part 1, schedule 12A of the Local Government Act 1972.
22	Exempt minutes of the previous	**RESOLVED**

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Agenda Item No	Topic	Decision
	meeting of Cabinet held on 20 January 2020	**That the exempt minutes of Cabinet held on 20 January 2020 be confirmed as an accurate record of the proceedings.**
23	Exempt minutes of Cabinet Procurement Committee held on 2 December 2019, and 13 January 2020	**RESOLVED** **That the exempt minutes of Cabinet Procurement Committee held on 2 December 2019, and 13 January 2020 be received and noted.**
24	New items of exempt urgent business	There were no items of exempt urgent business. **NOTED**