

Scrutiny Panel

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

Thursday, 18th July, 2019

7.00 pm

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

Contact:

Tracey Anderson

☎ 0208 3563312

✉ tracey.anderson@hackney.gov.uk

Tim Shields

Chief Executive, London Borough of Hackney

Members: Cllr Ben Hayhurst, Cllr Mete Coban, Cllr Margaret Gordon, Cllr Sharon Patrick, Cllr Sophie Conway, Cllr Sade Etti, Cllr Yvonne Maxwell and Cllr Polly Billington

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1 Election of Chair and Vice Chair**
- 2 Apologies for Absence**
- 3 Urgent Items / Order of Business**
- 4 Declaration of Interest**
- 5 Minutes of the Previous Meeting** (Pages 1 - 24)
- 6 Quarterly Finance Update** (Pages 25 - 110)
- 7 Review of the Statutory Guidance on Overview and Scrutiny in Local Government** (Pages 111 - 144)
- 8 Review of the Overview and Scrutiny Work Programmes for 2019/20** (Pages 145 - 172)
- 9 Work Programme 2019/20** (Pages 173 - 174)
- 10 Any Other Business**

Access and Information

Getting to the Town Hall

For a map of how to find the Town Hall, please visit the council's website <http://www.hackney.gov.uk/contact-us.htm> or contact the Overview and Scrutiny Officer using the details provided on the front cover of this agenda.

Accessibility

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

Further Information about the Commission

If you would like any more information about the Scrutiny Commission, including the membership details, meeting dates and previous reviews, please visit the website or use this QR Code (accessible via phone or tablet 'app')

<http://www.hackney.gov.uk/individual-scrutiny-commissions-health-in-hackney.htm>



Public Involvement and Recording

Scrutiny meetings are held in public, rather than being public meetings. This means that whilst residents and press are welcome to attend, they can only ask questions at the discretion of the Chair. For further information relating to public access to information, please see Part 4 of the council's constitution, available at <http://www.hackney.gov.uk/l-gm-constitution.htm> or by contacting Governance Services (020 8356 3503)

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.

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>18th July 2019</p> <p>Minutes of the previous meeting</p>	<p>Item No</p> <p>5</p>
---	--------------------------------

OUTLINE

Please find attached the draft minutes for the Scrutiny Panel meeting held on 29th April 2019.

Matters arising

Action 1 – Group Director Finance and Resources:

- a) To circulate a briefing with an update on the development of the Tesco site.
- b) Circulate an update on the redevelopment plans for Stoke Newington Town Hall.
- c) Circulate an update on the redevelopment plans for Eastern Curve Gardens in Dalston.

Briefings to be circulated to Scrutiny Panel Members.

Action 2 - The additional questions submitted by the members of the public to the Scrutiny Panel would receive a written response from LBH Officers.

The written questions were submitted and a written update provided.

Action 3 - The Joint Unions to provide the data to support the points made in the report about the number of cases reported to the Unions for harassment and bullying.

Verbal update to be provided by SP Chair at the meeting.

Action 4 - The Joint Unions to make enquiries about Member appeal processes in other London Boroughs.

Verbal update to be provided by SP Chair at the meeting.

ACTION

The Scrutiny Panel is requested to agree the minutes and note the actions and update on matters arising.

This page is intentionally left blank

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

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

Chair	Councillor Margaret Gordon
Councillors in Attendance	Cllr Ben Hayhurst, Cllr Sharon Patrick, Cllr Sophie Conway, Cllr Sade Etti, Cllr Richard Lufkin and Cllr Yvonne Maxwell
Apologies:	Cllr Mete Coban
Co-optees	
Officers In Attendance	Steve Edwards (UNITE), Glyn Harries (Unison), Marvin Hay (Unison), Sonia Khan (Head of Policy and Partnerships), Dan Paul (Head of HR & OD & Elections), Poppy Middlemiss (Public Health Strategist), Lee Ray (UNISON), Tim Shields (Chief Executive), Ian Williams (Group Director of Finance and Resources), Claire Witney (Community Investment and Partnerships Manager), Brian Debus (Unison), Matthew Paul (Unison) and Joanne Blackwood (Policy and Partnerships)
Other People in Attendance	Councillor Caroline Selman (Cabinet Member for Community Safety, Policy and the Voluntary Sector), Sean Canning (Hackney Community Law Centre), Nathaniel Mathews (Hackney Community Law Centre), Councillor Ian Rathbone, Yasmin Alam (Hackney Citizens Advice Bureau), Simin Azimi (Women's Refugee Association), Bethan Lant (Praxis), Amy Wilks (Shelter), Muna Yassin (Fair Money Advice) and Councillor Polly Billington
Members of the Public	25 members of the public
Officer Contact:	Tracey Anderson ☎ 0208 3563312 ✉ tracey.anderson@hackney.gov.uk

Councillor Margaret Gordon in the Chair

1 Apologies for Absence

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

2 Urgent Items / Order of Business

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

3 Declaration of Interest

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

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

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

Property Portfolio

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

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

Questions

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

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

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

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

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

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

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

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

Financial Update

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

Questions

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

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

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

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

Cllr Hayhurst in the Chair

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

Hackney Council

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

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

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

Questions

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

Hackney Community Law Centre

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

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

Citizens Advice Bureau

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

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

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

Praxis

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

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

Fair Money Advice

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

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

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

Questions

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

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

5.15 How had HCLC worked collaboratively with CAB?

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

Women's Refugee Association

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

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

Shelter

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

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

Questions

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

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

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

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

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

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

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

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

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

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

6 Submission from Joint Unions

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

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

Joint Union Presentation

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

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

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

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

Questions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Questions

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

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

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

Waste and Recycling Review Group

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

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

Integrated Commissioning

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

Children's Centres

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

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

9 Work Programme 2018/19

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

10 Minutes of the Previous Meeting

- 10.1 The minutes of the last meeting were approved.

11 Any Other Business

- 11.1 None.

Duration of the meeting: 7.00 - 10.20 pm

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>18th July 2019</p> <p>Quarterly Finance Update</p>	<p>Item No</p> <p>6</p>
--	--------------------------------

Outline

The finance reports attached cover:

- Council’s Monthly Overall Financial Position (OFP) Report – using the data from May’s monitoring.
- Capital Programme report
- Report detailing the Council’s preparations for the new budget and revenue streams available to councils.
- LGIU and MJ - State of Local Government Finance Survey Report 2019.

The first Overall Financial Position (OFP) report for 2019/20 is based on May 2019 provisional outturn monitoring data from directorates. The OFP shows that the Council is forecast to have a £4,028k overspend which is equivalent to 0.5% of the total gross budget.

The report on the capital programme for 2019/20 updates members on the capital programme agreed in the 2019/20 budget. It includes capital project approvals for Children, Adults and Community Health, Finance and Corporate Resources, Neighbourhoods and Housing (Non) and Housing, particularly showing the Council’s commitment to young people across the borough through school and extracurricular facility investment.

The State of Local Government Finance Survey Report 2019 is the annual local government finance survey which gives a snapshot of the pressures facing councils. They asked senior officers in councils to tell them about their plans for the coming year in the run-up to setting their annual budget.

Action

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

This page is intentionally left blank

**2018/19 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND
ACQUISITIONS REPORT (MAY 2019)
KEY DECISION NO. FCR P93**

CABINET MEETING DATE 2018/19 15 TH JULY 2019	CLASSIFICATION: OPEN
---	------------------------------------

WARD(S) AFFECTED: ALL WARDS
CABINET MEMBER Councillor Rebecca Rennison Cabinet Member for Finance and Housing Needs
KEY DECISION Yes REASON Spending or Savings
GROUP DIRECTOR Ian Williams: Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the first Overall Financial Position (OFP) report for 2019/20 and is based on detailed May 2019 provisional outturn monitoring data from directorates. We are forecasting an overspend of £4,028k 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 severe spending cuts by central government since 2010 and increasing cost pressures in services which remain underfunded by the Government. These include social care, homelessness and special educational needs (SEN). The government's failure to provide any additional funding to date to address the inherent increasing demands and cost pressures within these services, and to support wage increases for local government staff makes our financial position next year and in the following years, extremely challenging.
- 1.5 I commend this report to Cabinet.

2. GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES INTRODUCTION

- 2.1 The OFP shows that the Council is forecast to have a £4,028k overspend which is equivalent to 0.5% of the total gross budget. At year end, this overspend will be substantially funded by the application of the unspent 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 be used in 2019/20 only.

- 2.2 There is also significant uncertainty about most other external funding sources post 2019/20. The LGA noted in various news channel interviews on 2nd July that “Councils are in the dark” over how much money that they will get from central government next year and called for urgent guarantees that they will get sufficient resources to provide key services like social care and child protection. It also called for guarantees that local government are given sufficient resources to ensure local services receive the funding they need to survive the uncertainty ahead. They also drew attention to the Better Care Fund and the need for ministers to confirm its continuance. As noted in previous reports, we regard the continuation of the Better Care Fund as a key requirement going forward as it is a very important source of our funding. We also hope that the one-off social care grants (such as winter pressures grant) are made permanent funding streams as these form an important revenue source and the service demands they are intended to meet are recurring.
- 2.3 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.
- 2.4 **Proposed disposal by way of a 125-year lease of 3 – 10 Bradbury Street, Dalston.** Approval is sought to enter into a new 125 years lease of 3 – 10 Bradbury Street with the current tenant, Hackney Co-Operative Developments Community Interest Company (HCD). Cabinet approval is required because the term of 125 years exceeds the delegated authority of the Director of Strategic Property who has authority to approve leases and sub-leases for a term of up to 7 years only.

The Property is currently leased to HCD Limited, a not-for-profit organisation (an affordable workspace operator) on a long lease of 99 years commencing 9th May 1997 and expiring 8th May 2096 at a peppercorn rent. The unexpired term is 77 years and on a full repairing lease (the tenant being responsible for all repairs and outgoings). The tenant has planning consent and funding to carry out works to the property including refurbishment, extension and temporary relocation of the ground floor retail pods. The total project cost of works is expected to be £2,830,000 of which HCD has secured £1,800,000 from Unity Trust Bank (UTB), £824,000 from GLA (via the London Regeneration Fund) and the Council has agreed in principle to provide a loan of £200,000 to support the project.

As a condition of the loan from UTB, HCD is required to extend the existing lease which is considered to be too short to provide sufficient security for the loan of £1.8m. Based on a feasibility study by Gerald Eve for UTB, a minimum lease term of 125 years is required to achieve a minimum Gross Development Value of £5m i.e. the value of the completed scheme has to be at least £5m to provide sufficient security for the loan.

HCD's objectives align with Local Plan 2033 and the emerging Inclusive Economy Strategy. Their offer provides affordable workspace to start-up and early stage businesses in addition to a wide range of activities that supports and promotes social value. The Council's Area Regeneration Team supports this lease extension and the purpose of the exercise.

2.5 Proposed Disposal of Land at Regan Way. The Council is the owner of a small parcel of land extending to approximately 130 square metres adjacent to the rear of 149 – 157 Hoxton Street forming circulation area to the formerly Council owned garages at Regan Way. A planning permission for the development of the garages and part of the Council owned land has been applied for under planning reference 2018/4205 for the construction of six new flats. If permission is granted the scheme can only be implemented on the transfer of the Council owned land to the developer and construction of these flats will improve the immediate locality. The Council will use some or all of the receipt for the land for a project within the ward. It is proposed therefore that the land is transferred.

2.6 Proposed Disposal of Land at Stamford Hill. The Council is the owner of a small parcel of land extending to approximately 30 square metres near the junction of Amhurst Park and Stamford Hill, which forms the entrance stairs to a now redundant former public convenience. A planning permission for the development of the adjoining former public convenience and the Council owned land was granted under planning reference 2017/0574 on the 04/12/2017 for the construction of a new retail kiosk. This permission can only be implemented on the transfer of the Council owned land to the developer and construction of this kiosk will improve the immediate locality by bringing what is now an eyesore back into productive use. The Council will use some or all of the receipt for the land for a project within the ward. It is proposed therefore that the land is transferred.

- 2.7 **Proposed acquisition of up to 25-year Lease of Part First Floor, Block E Woodberry Down.** The Property forms part of the Ground and First Floors of Block E Woodberry Down. This asset was initially acquired by the Council with a view to letting the entire space to East London and City NHS. In August 2012, the proposed tenant withdrew its interest, so the Council considered a range of alternative use options. In February 2016 the Council granted a 15-year commercial lease to the Gym Group to convert the ground floor (except for the entrance to the first-floor space) and a small part of the first floor into a gym. The remainder of the first floor is being let to Hackney Cooperative Developments (HCD), one of LBH's approved list of workspace providers, to provide a business hub for a mixed portfolio of businesses at Woodberry Down, with a mixture of self-contained office units and open plan workspace. HCD will provide discounted occupational costs and business support services to tenants and will target local start-ups.

Consultation and engagement has been carried out with the Woodberry Down Community Organisation and the wider partnership who support this use of the property and welcome the proposals to provide business and training opportunities for the residents of Woodberry Down.

HCD are also required to lease back a small section of the first floor to the Council, so that the neighbourhood regeneration and housing teams and the partner organisation (Notting Hill Genesis Housing Association) can be accommodated there. This report proposes that the Council enter into a leaseback arrangement in respect of this part of the Property.

2.8 **Proposal for granting of two third party loans**

Requests for loans from two entities from within the borough have recently been requested. The granting of loans to third parties requires Cabinet approval.

- Rio Centre (Dalston) Ltd, which operates the Rio Cinema at 107 Kingsland High St, is seeking a £20k loan from the Council to convert the basement storage space into a workable bar and associated lounge area. These works have been completed using the tenant's own reserve funds. Rio Centre (Dalston) Ltd occupy the property under a sub-lease from 1986, expiring in 2037. The Council holds a similar headlease interest which is co-terminus with the tenant's sublease. It is proposed that the loan be repaid over the next 10 years and collected as an additional rent payment of £2,000 per year for 10 years. The value is sufficiently minimal to fall outside state aid requirements.

- **(To be read in conjunction with section 2.3 of this report)**
Hackney Co-operative Developments (HCD) has requested a loan of £200k to meet part of the cost of refurbishing and extending 3-10 Bradbury Street to improve significantly the existing affordable workspace, and provide new affordable workspace, principally on a mezzanine floor. The total project cost of works is expected to be £2,830,000 of which HCD has secured £1,800,000 from Unity Trust Bank (UTB), and £824,500 from GLA (via the London Regeneration Fund). The refurbishment of 3 -10 Bradbury Street forms part of a wider Greater London Authority funded project to deliver more affordable workspace in the borough. The project will see investment in Hackney from the GLA totalling £1,024,000, split across two capital projects at Woodberry Down and Bradbury Street.

The loan would be for five years at a commercial rate of interest to be determined by Group Director of Finance and Corporate Resources. Payments will be interest-only in the first year and then principal and interest payments in the final four years of the loan, on a reducing balance basis. There will be an annual review of the loan arrangements and progress. The loan is non-securitised. There will be a clause in the contract that states that, in the event of HCD failing before the loan is repaid, the balance of the loan and interest will be transferred onto the rent of the property, for the new tenant to repay.

Whilst checks have been made on the strength of both companies around ability to repay the loans, in order to comply with the latest requirements of International Financial Reporting Standards (IFRS) 9, an “expected credit loss” calculation will be made for each loan to reflect risk, although any financial impact of recognising this (through the creation of a provision via a charge to revenue) on the principal values as outlined will be trivial.

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

TABLE 1: GENERAL FUND FORECAST OUTFURN AS AT MAY 2019

Revised Budgets £k	Service Unit	Forecast: Change from Revised Budget after Reserves £k
		£k
86,623	Children's Services	313
91,094	ASC & Commissioning	3,132
32,764	Community Health	-
210,481	Total CACH	3,445
36,338	Neighbourhood & Housing	65
14,957	Finance & Corporate Resources	380
8,938	Chief Executive	138
49,338	General Finance Account	0
320,052	GENERAL FUND TOTAL	4,028
	Application of One-Off Funding	-4,028
	Forecast End Year Position	0

3.0 RECOMMENDATIONS

- 3.1 To update the overall financial position for May 2019, covering the General Fund and the HRA, and the earmarking by the Group Director of Finance and Corporate Resources of any underspend to support funding of future cost pressures and the funding of the Capital Programme.
- 3.2 Authorise the disposal of 3 – 10 Bradbury Street edged red on the attached plan (Appendix 1) by way of a surrender and re-grant of a long lease for a term of 125 years.
- 3.3 Authorise the Director of Strategic Property Services to agree all other lease terms.
- 3.4 Authorise the Director of Legal and Governance to affect the proposed disposal and to enter into any other ancillary legal documentation required to complete the disposal transaction.
- 3.5 To authorise the freehold disposal of the land at Regan Way edged red on the attached plan (Appendix 2)
- 3.6 To authorise the Group Director of Finance and Resources to agree the commercial terms for this disposal
- 3.7 To authorise the Director of Legal and Governance to prepare, agree, settle and sign the sale agreement and transfer and any other legal documentation required to complete the transaction.
- 3.8 To authorise the freehold disposal of the land at Stamford Hill edged red on the attached plan (Appendix 3).

- 3.9 To authorise the Group Director of Finance and Resources to agree the commercial terms for this disposal.
- 3.10 To authorise the Director of Legal and Governance to prepare, agree, settle and sign the sale agreement and transfer and any other legal documentation required to complete the transaction.
- 3.11 Authorise the acquisition of the leasehold interest of Proposed acquisition of up to 25-year Lease of Part First Floor, Block E Woodberry Down for a term of up to 25 years.
- 3.12 Authorise the Director of Legal and Governance to prepare, agree, settle and sign the necessary legal documentation to affect the proposed transaction and to enter into any other ancillary legal documentation required to complete the proposed transaction.
- 3.13 Delegate authority to the Group Director of Finance and Corporate Resources to enter into a lease of 25 years, and to agree all other terms of the lease provided that the requirements of S120 Local Government Act 1972 are met.
- 3.14 To grant a loan of £20k to Rio Centre (Dalston), with repayments to be made at a rate of £2k a year, collected as additional rent payments.
- 3.15 To grant a loan of £200k to Hackney Co-operative Developments at a commercial rate of interest for a period of five years to be determined by the Group Director of Finance and Corporate Resources, with repayments to be interest-only in the first year and then principal and interest payments in the final four years of the loan.

4. REASONS FOR DECISION

- 4.1 To facilitate financial management and control of the Council's finances.

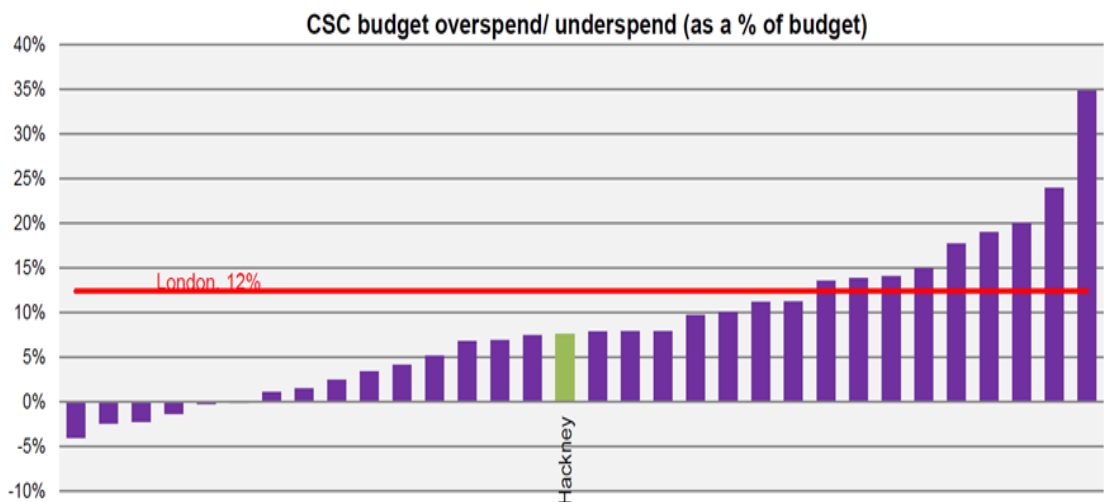
4.2 CHILDREN, ADULT SOCIAL CARE AND COMMUNITY HEALTH (CACH)

The CACH directorate is forecasting an overspend of £3,445k after the application of reserves and drawdown of grant.

Children & Families Service

Children & Families Service (CFS) is forecasting a £313k overspend against budget after the application of reserves and grants. This variance is after a £1,800k draw down from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget. Additionally, £100k is drawn down from the Housing Costs reserve for families the Council is supporting who have No Recourse to Public Funds (NRPF).

The sustained pressure on CFS budgets is a position that is not unique to Hackney, as shown by the results of a survey on Children's Social Care spend carried out jointly by the Society of London Treasurers (SLT) and the Association of Directors of Children's Services (ADCS). The graph below shows how Hackney's year end position for 2017/18 (before the use of reserves) compared to other London boroughs for Children's Social Care. The main budget pressures in CFS are in relation to Corporate Parenting (which incorporates budgets for looked after children placements), the Children in Need service and the No Recourse to Public Funds (NRPF) Team.



The main budget pressures in CFS are in relation to Corporate Parenting (which incorporates budgets for looked after children placements) and the Children in Need service.

Corporate Parenting is forecasting to overspend by £168k after the use of £1,800k of commissioning reserves. This position also includes the use of £1,200k of non-recurrent social care funding that was announced in October 2018 budget. Spend on Looked After Children and Leaving Care placements (as illustrated in the table below) is forecasted at £18,800k compared to last year's outturn of £18,300k – an increase of £500k.

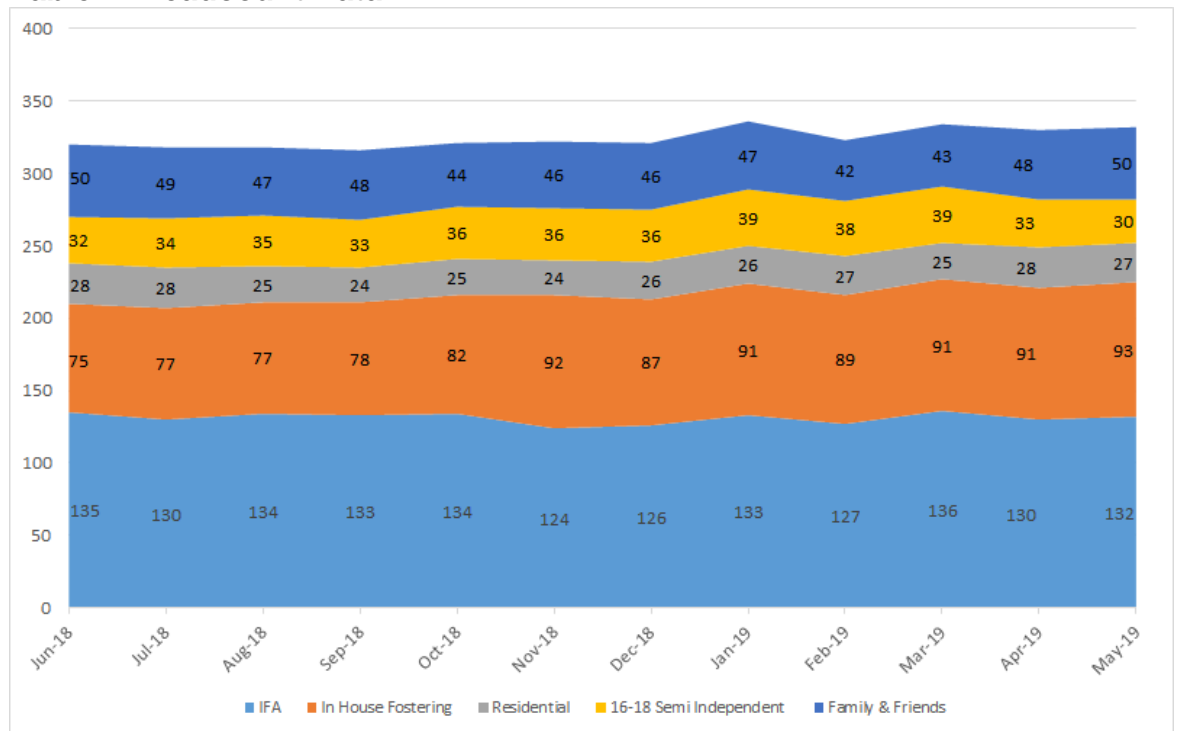
Table 1: Placements Summary

Service Type	Budget £000	Forecast £000	Forecast Variance £000	Budgeted Placements*	Current Placements	Management Actions
Residential	4,331	4,947	616	23	27	<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. Tracking of the financial impact is undertaken on a case by case basis and this indicates significant costs avoided suggesting the cost pressure would be 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>
Semi-Independent (Under 18)	1,570	1,671	101	29	30	
Other Local Authorities	-	198	198	-	4	
In-House Fostering	1,800	2,019	219	83	93	
Independent Foster Agency Carers	6,488	6,344	-144	136	132	
Residential Family Centre (M&Baby)	-	377	377	-	2	
Family & Friends	569	766	197	32	50	
Extended Fostering	-	12	12	-	2	
Staying Put	200	278	78	12	19	
Overstayers	290	457	167	11	24	
Semi-independent (18+)	1,370	1,739	369	50	103	
Total	16,618	18,808	2,190	376	486	

*based on average cost of placements. Residential budget also includes one-off social care funding of £1,200k)

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

Table 2: Headcount Data



As can be seen from the above since this time last year there has been a favourable movement in the ratio between Independent Foster Agency carers and in-house placements. This is 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 which has now sustained for the past year 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.

Following growth in the base budget this year the No Recourse to Public Funds (NRPF) Team is forecast to break even after use of £86k of reserves. We are currently supporting 72 families who have no recourse to public funds. The main area of spend is Section 17 payments on accommodation and subsistence, with spend forecast at £1,600k in the current year which is in line with the budget. This position has improved significantly from the previous year, and the service continues to work to ensure that services are targeted at those in need.

Children in Need is forecast to overspend by £301k after use of reserves. The overspend is mainly due to staffing overspends relating to supernumerary social worker posts to meet service pressures, maternity cover, agency premiums associated with covering vacant posts and these items collectively total £301k. There is an overspend in LAC incidental costs in relation to support to children in care proceedings of £370k, which has been offset by the use of reserves.

Disabled Children Services is forecast to overspend by £65k. The overspend is attributed to £190k overspend in placements including homecare, direct payments and residential respite.

Overspends across the service are partly offset by underspends elsewhere in the Directorate Management Team and Safeguarding and Learning Services.

Directorate Management Team is forecast to underspend by £236k. This is due to maximisation of non-recurrent funding in the service.

Safeguarding and Learning Service is forecast to underspend by £66k. This is due to a vacant post that will not be filled this financial 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 £3.5m and £4.5m), mainly due to pressures in special educational needs. This is an early forecast that will be adjusted as data on any new demands on HLT services become known throughout the year.

Special educational needs (SEND) 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 overspend 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 investigate ways where the Council might be able to bring expenditure under control. Recent reports submitted to HLT SLT estimate that HLT reserves will be fully utilised 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's have increased by more than 50% since 2011. Apart from 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 in this funding source.

Adult Social Care & Community Health

The forecast for Adult Social a £3,132k overspend. The position for Adult Social Care last year was an overspend of £4,083k and this has improved through adjustments for corporate growth items and non-recurrent funding. The revenue forecast includes significant levels of non-recurrent funding including iBCF, Social Care grant funding of £1,200k and Winter Pressures funding of £1,400k.

It is unclear what funding will be available in Adult Social Care post 2019/20 to support a sustainable adult social care funding solution. 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 continue to take forward actions to contain these cost pressures. Some of these management actions are outlined in the table below.

Care Support Commissioning (external commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £2,200k pressure. The forecast includes £700k Winter Pressures grant to fund additional costs resulting from hospital discharges in 2018/19. It is expected that the remaining grant of £700k will be released through the year to offset additional pressures from hospital discharges.

Service type	2018/19 Budget	May 2019 Forecast	Full Year Variance to budget	Full Year Variance to Apr 2019	Management Actions
	£k	£k	£k	£k	
Learning Disabilities	15,000	15,987	987	987	<ul style="list-style-type: none"> - ILDS transitions/demand management and move on strategy - Multi-disciplinary review of care packages (delivered £395k) - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	12,843	13,318	476	476	
Memory, Cognition and Mental Health ASC (OP)	7,710	8,328	619	619	
Occupational Therapy Equipment	840	850	110	110	
Asylum Seekers Support	170	203	34	34	
Total	36,462	38,688	2,226	2,226	

The Learning Disabilities service is the most significant area of pressure with a £987k overspend. £290k of this pressure arises from the estimated costs of new transition clients in the year. This is significantly less than last year due to the application of both budget growth and one-off funds in this 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 quarterly reconciliation and 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 ringfence £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 need for individuals could be potentially less or more than the initial identified range. In light of this uncertainty, it will be important for partners to manage proactively the quarterly reconciliation in order to provide adequate lead in time to address any significant gap in financial forecasting.

Physical & Sensory Support is forecasting an overspend of £476k, whilst Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £619k. The cost pressures being faced 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 £700k. 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.

Care Management & Adults Divisional Support is forecasting an overspend of £24k which is a significant decrease on the overspend of £700k reported in 2018/19. The decrease reflects the drive by the service and Learning Disabilities, in particular, to recruit permanent staff and reduce the use of agency staff.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £494k. The overall position is made up of two main elements - a £720k overspend on externally commissioned care services and £226k underspend across staffing-related expenditure.

Provided Services is forecasting a £123k overspend which is largely attributed to:

- Housing with Care overspend of £206k. The forecast includes additional resources to respond to issues raised in the recent CQC inspection. The service is currently under strategic review to seek efficiencies and reduce costs without impacting negatively on service provision.
- Day Care Services are projected to underspend by £97k, primarily due to the current staff vacancies across the service.

Preventative Services. The forecast position is a £587k underspend which is primarily accounted for within the Median Road position. The Hospital Social Work Team forecast includes non-recurrent funds towards supporting staffing levels needed to ensure hospital discharge targets are met.

ASC Commissioning is forecasting a £851k overspend mainly due to ongoing challenges around Housing Related Support (HRS) service redesign (£801k); £33k due to increase in activity levels for the Phower contract (VSC) and £17k is linked to additional interim QA officer cost in commissioning team

HRS procurement plans are however on track to meet future savings through close working with Providers to manage expectations around delivery timelines. The savings target was revised to incorporate savings attributed to telecare charging.

The decision not to go ahead with telecare charging was taken after benchmarking against other local authorities which highlighted the planned charging proposals would only yield a small amount of additional income which would not be sufficient to meet the agreed savings target. New proposals around assistive technology are now being looked at and is expected to inform the charging model for service users going forward.

Public Health

Public Health is forecasting a breakeven position. There are pressures in the service due to the delay in implementation of 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.

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

4.3 NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate is a £65k overspend. The forecast includes the use of £1,200k of reserves, the majority of which are for one off expenditure/projects.

Planning is forecast to overspend by £86k which is due to a shortfall of income in the Building Control Service. The Head of Service has undertaken a high-level review of the service with a view to modernising and improving the Building Control offer. A new Building Control manager has been appointed and will be in post from July to improve the service and to achieve full cost recovery going forward.

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

Housing General Fund is forecast to be on budget at this stage.

Regeneration is forecast to underspend by £13k, due to a vacancy within the Area Regeneration team which is being recruited to shortly.

The Private Sector Housing Licensing scheme is due to make a surplus again this financial year and any favourable variance to budget will be moved to a reserve for use in future years when income levels will reduce. This is in line with the expected operation of the scheme.

The directorate forecast includes the use of £1,200k of reserves which are used for one off expenditure.

4.4 FINANCE & CORPORATE RESOURCES

The forecast is an overspend of £380k.

The overspend in Facilities Management (£410k) 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.

Financial Management and Control are forecasting an underspend of £264k due to vacancies across all services

Directorate Finance Teams are projecting an underspend of £157k which mainly relates to salaries and projected additional income from service fees

Revenues and Benefits and Business Support is reporting a forecast underspend due to a surplus on Net Cost of Benefits, while 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 overtime 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, which could result in significantly higher accommodation costs over time.

4.5 CHIEF EXECUTIVE

Overall the Directorate is forecasting to overspend by £138k after forecast reserves usage.

Within Communications, Culture & Engagement, there is a forecast overspend of £60k in relation to venues, primarily due to costs relating to Hackney House, which the council will no longer be responsible for after July 2019. The rest of Communications including Hackney Today, Design & Film are forecast to breakeven but there is a risk in relation to the publication of Hackney Today.

Legal & Governance are forecasting an overspend of £78k, which is primarily due unbudgeted Internal Printing Recharges estimated at £36k and £58k is for an unfunded Team Manager's post in Governance previously funded by HRA. Internal Legal is projecting an underspend of £16k in relation to minor under spends on salaries budget.

All other services are forecast to come in at budget.

4.6 HRA

The projected outturn on the HRA is at budget.

Income

Other charges for services and facilities is over budget which is mainly due to the extension of LBH collection of water rates on behalf of Thames Water. The income was negotiated to continue throughout 2019/20 after the budgets had been set.

Expenditure

The overspend on Repairs and Maintenance is mainly due to reactive repair costs and an increase in legal disrepair expenditure. There is an overspend on Supervision and Management costs while Special services is forecast to be overspent due to increased costs within estate cleaning, but this is expected to reduce in 2020/21 as the effects from restructuring of the service are realised.

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

This report is primarily an update on the Council's financial position and there are no alternative options here.

On **3 -10 Bradbury Street**, the Council is not obliged under the terms of existing lease to extend the term. If the Council refuses the lease extension though, HCD is not likely to be able to meet UTB's loan conditions and may not be able to proceed with the refurbishment. This would mean that existing affordable workspace could not be brought into good condition and the additional affordable workspace would not be delivered. Failure to deliver the scheme would also threaten the existing operation, because the property does not currently meet Energy Efficient Regulation 2015, which means that new sub-leases cannot be agreed. HCD is considered to be an appropriate occupier, both in terms of their record as a tenant and impact within Hackney, and without the new lease, their existing operation would be at significant risk.

With regard to the **Regan Way** disposal, there is no other option if the development is to take place.

On the **Stamford Hill** disposal, there is no other option if the development is to take place.

With regard to the **Woodbury Down lease**, the Council could have taken space within the first-floor business centre on a more flexible short-term lease or licence, in line with other users of the centre. However, this would have meant the Council had less security over its long-term operations from the site, and less certainty over costs. This option was therefore considered less desirable than the long-term sub lease option.

With regard to the **Loan proposals**, there are no other practical options

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of May 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 regard to the **3 – 10 Bradbury Street** proposal, under the Hackney Mayoral Scheme of Delegation of January 2017, the disposal of leasehold land (other than by leases of less than seven years' term) is reserved to the Mayor and Cabinet and additionally Financial Procedure Rule 20.4 confirms that the acquisition or lease of land or disposal of land shall be agreed by Cabinet. Section 1 of the Localism Act 2011 ('the power of general competence) grants local authorities the ability to do anything that a private individual is empowered to do, subject to any restrictions which bound local authorities before the coming into force of that section or any later provisions expressed to apply to it. Section 123 of the Local Government Act 1972 enables the Council to dispose of land provided the best consideration reasonably obtainable is achieved but if best consideration is not achieved then only with the consent of the Secretary of State. The General Disposal Consent 2003 ('the 2003 Circular') was issued by the Secretary of State and permits an undervalue in respect of best consideration reasonably obtainable not to exceed £2 million where the proposed disposal has as its aim the promotion or improvement of the economic, social or environmental well-being of its area.
- 8.6 In the opinion of the Council's surveyors the premium that could have been charged for the extension of the term would have been less than £10,000. Accordingly, this disposal can occur by using the 2003 Circular by way of granting a longer lease term as necessary to enable the investment by private lenders and the GLA which has clear economic and social benefits to the area. In approving this disposal, consideration should also be given to the Council's over-arching fiduciary and best value duties concerning its responsible stewardship of assets and resources.
- 8.7 With regard to the **Regan Way disposal**, under the Hackney Mayoral Scheme of Delegation of January 2017, the disposal of an interest in land is reserved to the Mayor and Cabinet and additionally Financial Procedure Rule 20.4 confirms that the acquisition or disposal of freehold or leasehold land shall be referred to Cabinet. Section 1 of the Localism Act 2011 ('the general power of competence') grants local authorities the ability to do anything that a private individual is empowered to do, subject to any restrictions which bound local authorities before the coming into force of that Section or any later provisions expressed to apply to it.

As the land is held in the Housing Revenue Account, the consent of the Secretary of State is required by operation of section 32(2) of the Housing Act 1985, given either as a specific consent for that particular transaction or by the circumstances falling within those envisaged by the general consents that have been issued. Consent A3.1.1 of the General Housing Consents 2013 states that “A local authority may, subject to paragraph 3.1.2, dispose of land for a consideration equal to its market value.” The conditions in paragraph 3.1.2 relate to underlettings and local authority owned companies and so will not apply to this proposed disposal. If the condition requiring market value is not fulfilled, then a specific consent of the Secretary of State will be required.

As in all property transactions upon which Cabinet is asked for a decision, consideration should properly be given to the Council’s over-arching fiduciary and best value duties concerning its responsible stewardship of assets and resources.

- 8.8 On the **Stamford Land disposal**, Under the Hackney Mayoral Scheme of Delegation of January 2017, the disposal of an interest in land is reserved to the Mayor and Cabinet and additionally Financial Procedure Rule 20.4 confirms that the acquisition or disposal of freehold or leasehold land shall be referred to Cabinet. Section 1 of the Localism Act 2011 (‘the general power of competence’) grants local authorities the ability to do anything that a private individual is empowered to do, subject to any restrictions which bound local authorities before the coming into force of that Section or any later provisions expressed to apply to it.

Section 123(2) of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained. Accordingly, the requirement to receive the best consideration reasonably obtainable will determine the sale price as referred to in the comments of Interim Director of Strategic Property Services above.

As in all property transactions upon which Cabinet is asked for a decision, consideration should properly be given to the Council’s over-arching fiduciary and best value duties concerning its responsible stewardship of assets and resources.

- 8.9 With regards to the **Woodberry Down** proposal, Under the Hackney Mayoral Scheme of Delegation of January 2017, the acquisition of an interest in land is reserved to the Mayor and Cabinet and additionally Financial Procedure Rule 20.4 confirms that the acquisition or disposal of freehold or leasehold land shall be referred to Cabinet. Section 1 of the Localism Act 2011 ('the general power of competence') grants local authorities the ability to do anything that a private individual is empowered to do, subject to any restrictions which bound local authorities before the coming into force of that section or any later provisions expressed to apply to it.

Section 120 of the Local Government Act 1972 ("the 1972 Act") enables the Council to acquire by agreement any land for any purpose for which they are authorised by that Act or any other enactment to acquire land. The purposes authorised by section 120 of the 1972 Act are (a) any of the Council's statutory functions or (b) the benefit improvement or development of the Council's area. The proposed transaction fulfils both limbs as the permitted users who may share occupancy with the Council under the leaseback expressly include groups engaged in carrying out Housing Services or community functions.

- 8.10 The loans in recommendations 3.15 and 3.15 of this Report are made under the power of general competence in section 1 of the Localism Act 2011 which allows the Council to do anything that individuals generally may do. The provision of the loans is subject to the Council's Financial Procedure Rules (FPR) made pursuant to the Local Government Act 1972. FPR 7.5 states that "Group Directors shall also ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Cabinet or the Council, following consultation with the Group Director, Finance and Corporate Resources." Further FPR 16.4 states that "The approval of the Cabinet shall be sought before a Group Director provides assistance to industry by way of loan, grant or guarantee over £50,000 to any one body in any one financial year." Therefore, this Report is seeking the approval of Cabinet for the two loans
- 8.11 In addition to the above the Council will also need to consider the requirements of the law regarding State Aid. State Aid is aid granted through state resources which distorts or threatens to distort competition by favouring certain undertakings and is capable of affecting trade between Member States. If all four of these are present, then the aid is potentially illegal. If any of them are not present, then it will not be classified as State Aid and will not contravene the rules.

The loan to the Rio Centre (Dalston) Limited is of a value which is below the permitted de minimis aid level of E200,000 over a three-year rolling period and so the aid is deemed not to distort competition and can be provided under the de minimis regulation. In such circumstances the aid is permitted in advance, but written records should be kept to support this.

- 8.12 The loan to Hackney Co-operative Developments is provided at a market rate and therefore the aid is not State Aid as no advantage/favouring is given to the undertaking because the Council is acting as a normal operator in the market, i.e. the 'aid' is given on normal commercial terms. If there is no advantage to the undertaking there is no illegal State Aid as one of the four tests is not met and would therefore be permitted.
- 8.13 All other legal implications have been incorporated within the body of this report.

9.0 COMMENTS OF THE DIRECTOR FOR STRATEGIC PROPERTY SERVICES

- 9.1 With regard to **3 -10 Bradbury Street**, entering into a new 125-year lease with HCD will enable them to refurbish 1,267 sq. m. of existing affordable workspace and to provide 473 sq. m. of new affordable workspace on a mezzanine floor to the existing building. All businesses currently trading from the premises will be protected since they will be temporarily re-located and will then move back into the re-furbished property at the same rent that they are currently paying. HCD has a well-established track record in delivery of affordable workspace specifically in Central Dalston and, as part of their larger Dalston Works programme this project will support them in providing workspace for an additional 101 jobs, as well as training and support for 250 people and 30 new businesses a year. This supports the Council's objective of retaining businesses within the Borough and I support the proposal to grant a new 125-year lease to HCD.
- 9.2 With regard to the **Regan Way disposal**, the sale price agreed must meet the best consideration requirements of s.123 of the Local Government Act 1972. This sale will be by private treaty, and Strategic Property Services will take all necessary steps to ensure compliance with this statutory obligation.
- 9.3 On the **Stamford Hill disposal**, the sale price agreed must meet the best consideration requirements of s.123 of the Local Government Act 1972. This sale will be by private treaty and Strategic Property Services will take all necessary steps to ensure compliance with this statutory obligation.

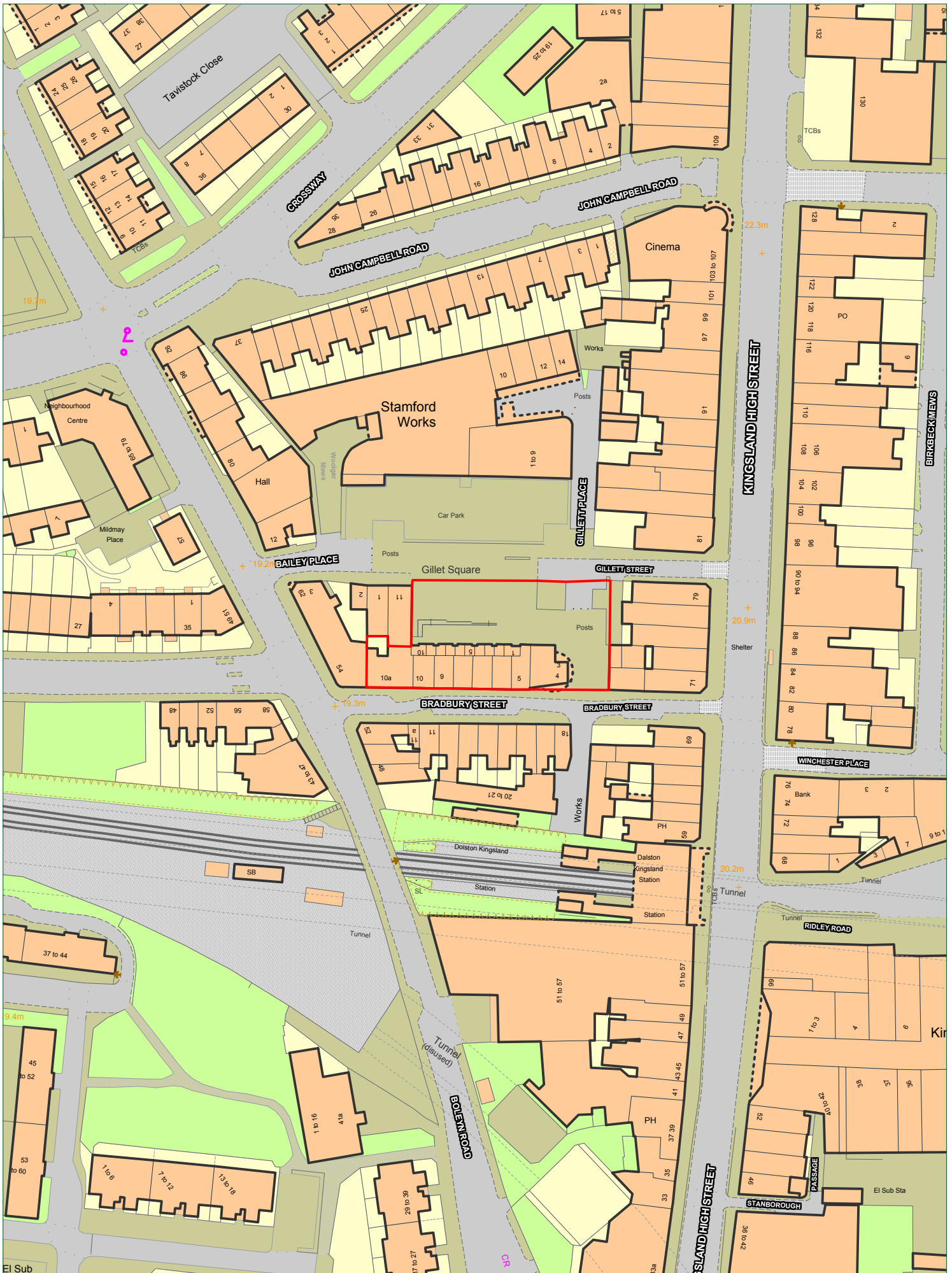
- 9.4 With regard to the **Woodbury Grove proposal**, the terms of the proposed leasehold interest provide the Council with the protection it needs in order to operate successfully from the Property in conjunction with relevant partner organisations. In effect the Council will pay zero rent for the space that it occupies, because the rent payable by the Council under the sub-lease will be exactly the same as the rent payable for this space by HCD to the Council under the superior lease. This will continue to be the case throughout the life of the lease, including following any rent reviews. The Council will of course receive rental income from HCD for the remainder of the first floor. As with all Corporate properties, the Council will be required to cover operational costs of occupying the Property, such as utilities, maintenance, service charges and business rates.

Appendices

- 1. Site Plan – Bradbury Way**
- 2. Site Plan – Regan Way**
- 3. Site Plan – Stamford Hill**
- 4. Site Plan – Woodbury Grove**

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

This page is intentionally left blank



2-10A Bradbury Street, London, N16 8JN

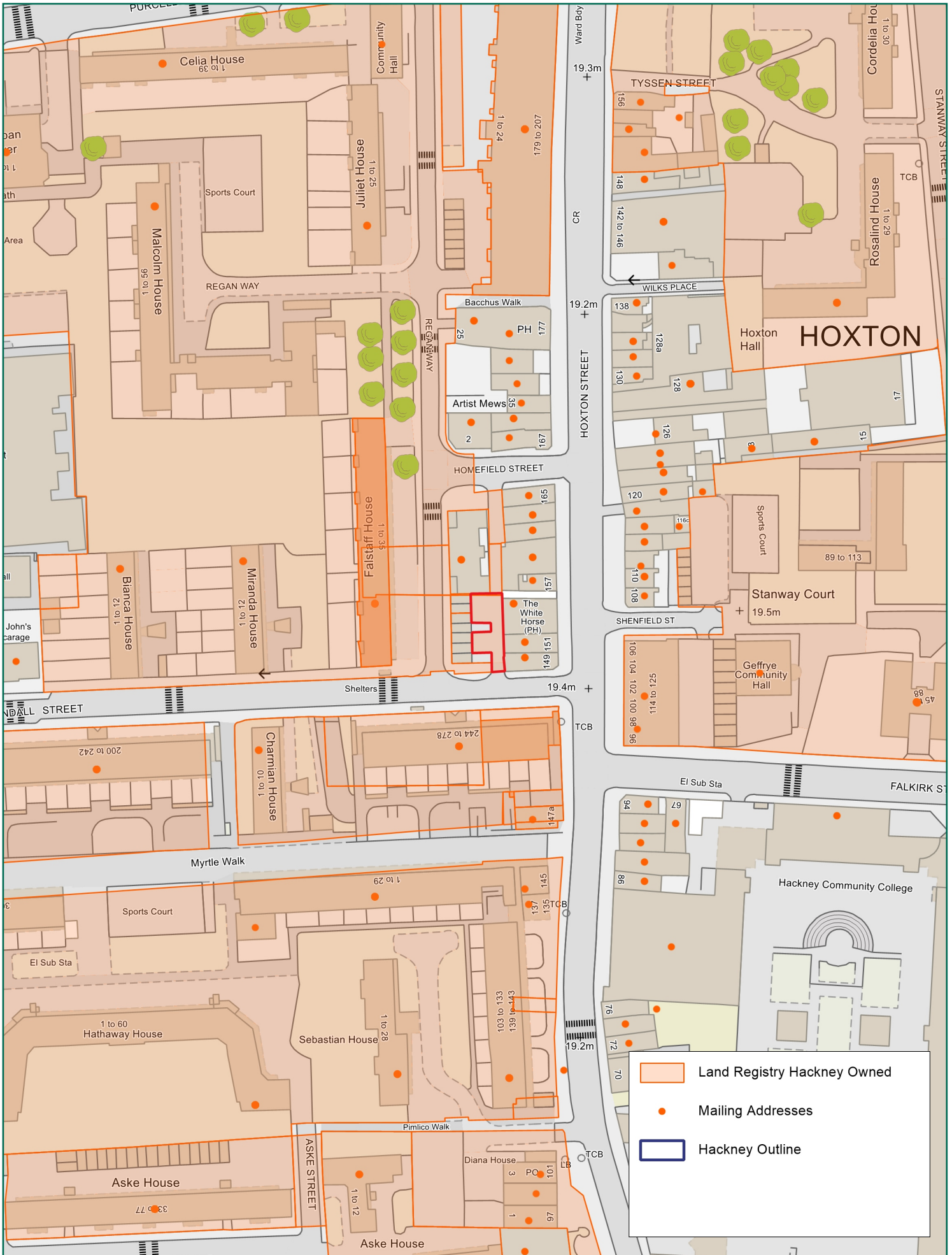
Page 53

NORTH
 Scale: 1:250 at A4

Produced by: Property Services
 03/02/2010
 email:gis@hackney.gov.uk web:www.hackney.gov.uk/gis

This product includes mapping data licensed from Ordnance Survey with the permission of HMSO © Crown Copyright 2010. All rights reserved. License number. 100019635. 2010
 ©Bartholomew Ltd.Reproduced by permission, Harper Collins Publishers 2008

This page is intentionally left blank



Scale: 1:1250 at A4



Ref:

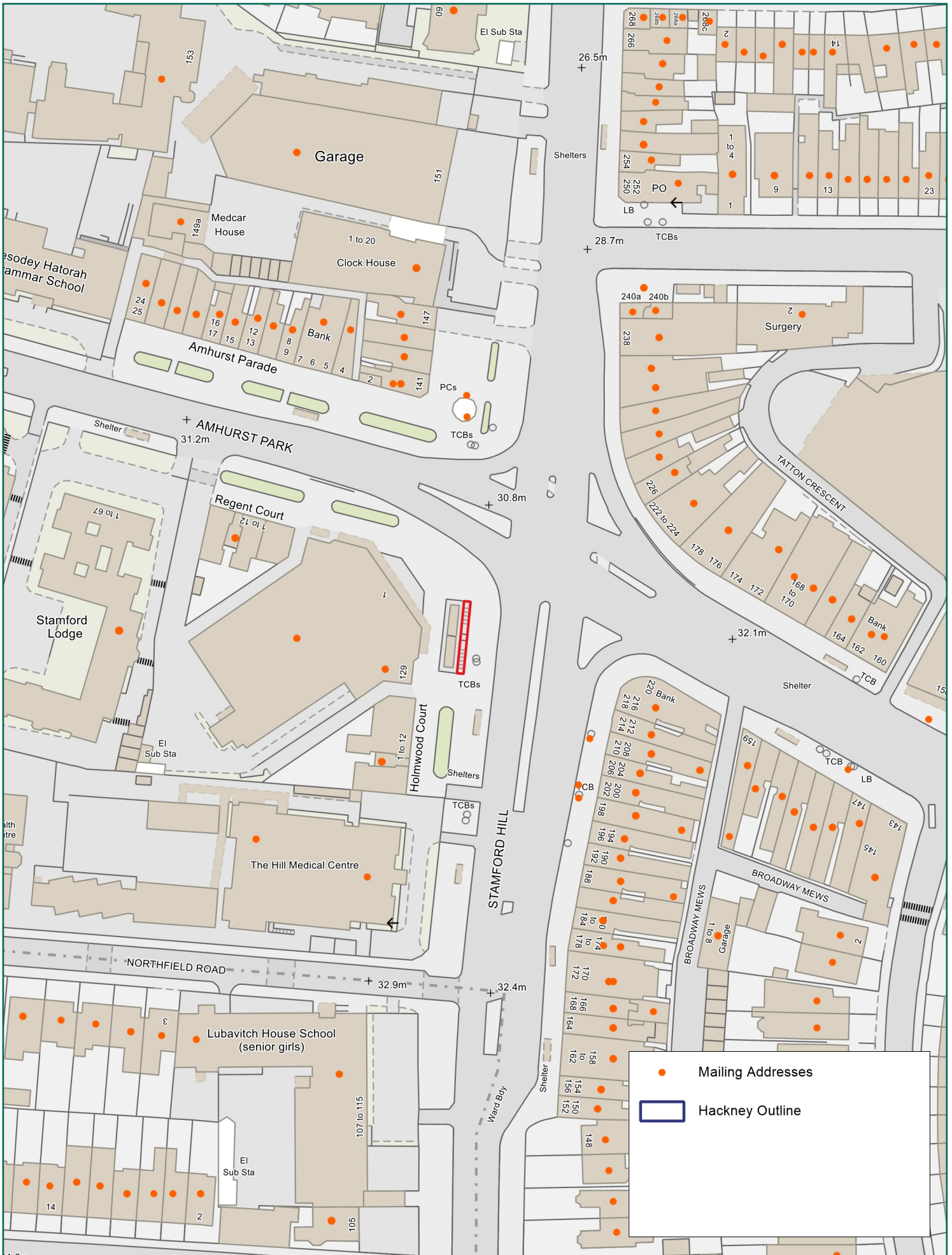
29 May 2019

Page 55
Produced by: unspecified

email:

please specify copyright statement

This page is intentionally left blank



Scale: 1:1250 at A4



Ref:

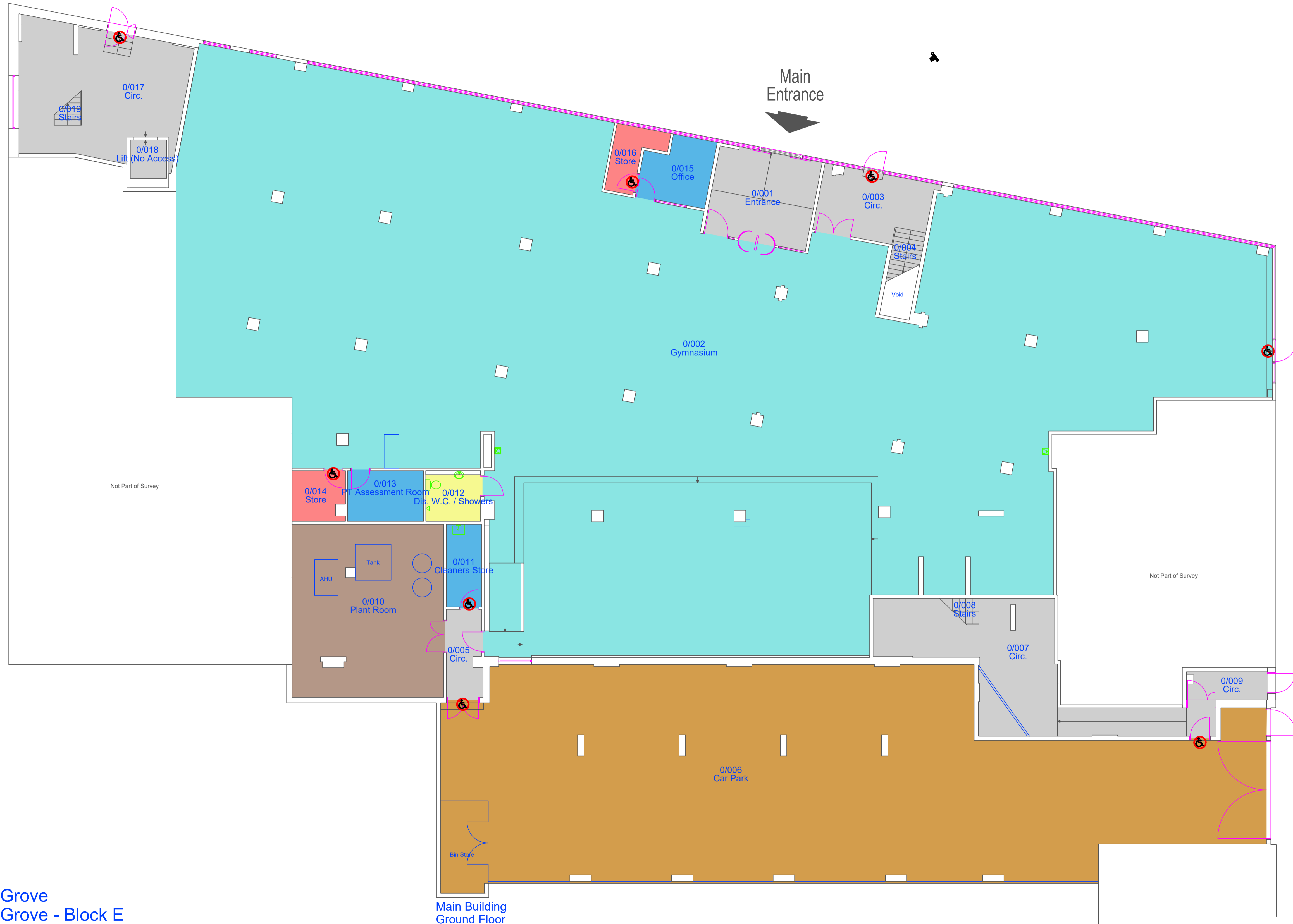
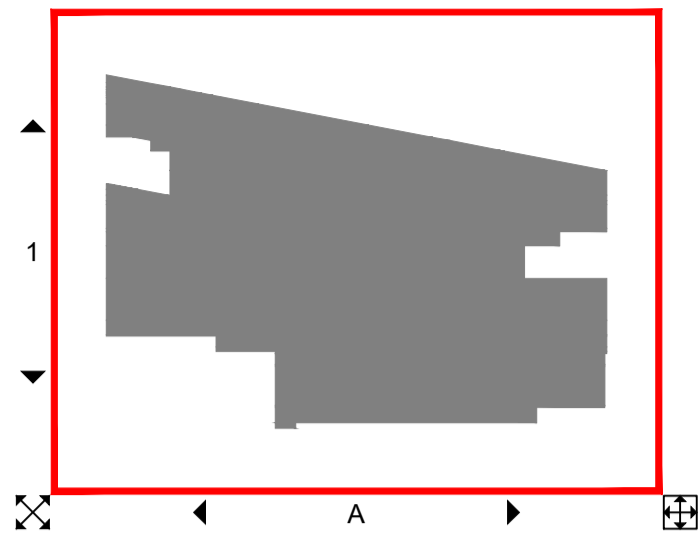
04 June 2019

Page 57
Product: unspecified

email:

please specify copyright statement

This page is intentionally left blank



Block E
Woodberry Grove
Woodberry Grove - Block E

Site Area:
Gross External Area: 3026.4
Gross Internal Area: 2979.0
Total Room Area: 2819.2
Net Internal Area: 1469.7

Legend for room types and accessibility:

- Accommodation (Blue)
- Changing/Cloaks (Yellow)
- Child Care (Pink)
- Circulation (Grey)
- Dining (Green)
- Kitchen (Orange)
- Medical (Light Blue)
- Office (Light Blue)
- Plant (Brown)
- Recreation (Purple)
- Resource (Teal)
- Retail (Light Blue)
- Sport/Fitness (Light Blue)
- Store (Red)
- Toilet (Yellow)
- Training/Teaching (Light Green)
- Unclassified (Light Green)
- Utility (Light Blue)
- Vehicle Storage (Light Blue)
- Workshop (Red)
- Worship (Grey)

Accessibility symbols: <850 & / OR STEP

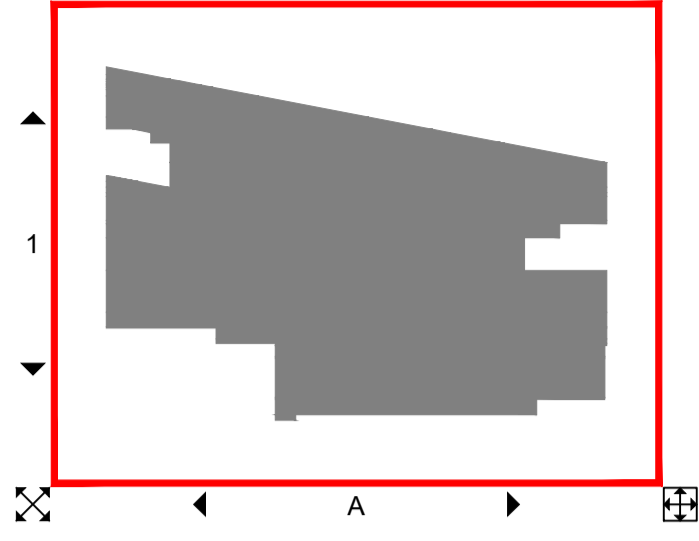
Rev	Description	Drn	Chk	Date
01	Drawing updated	OCC	ARB	25/06/2019
00	Initial Supply - FMS	CC	ARB	23/05/2018



OCCUPEYE LTD www.occupeye.com Tel: 020 300 200 14

Property: Block E
Woodberry Grove
Title: Ground Floor Plan

Area Information		Job:	
Total Site Area:	3026.4	Scale:	1:100@A1 1:200@A3
Gross External Area:	3026.4	Date:	23/05/18
Gross Internal Area:	2979.0	Survey:	09/05/18
Total Room Area:	2819.2	Drawn:	OCCUPEYE
Net Internal Area:	1469.7	Checked:	ARB
Filename:	Woodberry Grove - Block E.dwg		
Drawing No:	Woodberry Grove - Block E		



Main Building First Floor No Access to this Floor

<850 & / OR STEP

Accommodation	Retail
Changing/Cloaks	Sport/Fitness
Child Care	Store
Circulation	Toilet
Dining	Training/Teaching
Kitchen	Unclassified
Medical	Utility
Office	Vehicle Storage
Plant	Workshop
Recreation	Worship
Resource	

Rev	Description	Drn	Chk	Date
01	Drawing updated	OCC	ARB	25/06/2019
00	Initial Supply - FMS	CC	ARB	23/05/2018



OCCUPEYE LTD www.occupeye.com Tel: 020 300 200 14

Property: **Block E**
Woodberry Grove
Title: **First Floor Plan**

Area Information	Job: OPP-00098481
Total Site Area:	Scale: 1:100@A1 1:200@A3
Gross External Area: 3026.4	Date: 23/05/18
Gross Internal Area: 2979.0	Survey: 09/05/18
Total Room Area: 2819.2	Drawn: OCCUPEYE
Net Internal Area: 1469.7	Checked: ARB
Filename: Woodberry Grove - Block E.dwg	
Drawing No: Woodberry Grove - Block E	

Capital Update Report KEY DECISION NO. FCR P92	
CABINET MEETING DATE 15 July 2019	CLASSIFICATION: Open If exempt, the reason will be listed in the main body of this report.
WARD(S) AFFECTED All Wards	
CABINET MEMBER Philip Glanville, Mayor of Hackney	
KEY DECISION Yes REASON Spending or Savings	
GROUP DIRECTOR Ian Williams Finance and Corporate Resources	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report on the capital programme for 2019/20 updates members on the capital programme agreed in the 2019/20 budget. It includes capital project approvals for Children, Adults and Community Health, Finance and Corporate Resources, Neighbourhoods and Housing (Non) and Housing, particularly showing the Council's commitment to young people across the borough through school and extracurricular facility investment.
- 1.2 We promised to maintain Hackney's education success by investing in our schools, so they are fit for the 21st century. The report provides further significant funding for the improvement of schools in the form of ongoing lifecycle works, as well as specific projects that will further enhance school facilities, like the £1.2m refurbishment of Stoke Newington School's theatre.
- 1.3 There is also a significant investment in facilities at the Old Baths Eastway, "match funding" resources provided by the Mayor of London's Good Growth Fund to create a multi-use games-room and classroom. These new community facilities will be managed by Young Hackney to provide community based learning and accredited programmes. This project will enable children and young people to gain new skills and opportunities, as well as support their emotional well-being, resilience and self-esteem. It is further evidence that despite central government imposing a £140m cut to our grant since 2010, Hackney Council continues to deliver services over and above the statutory requirements and prioritise the younger generation.
- 1.4 Finally, the investment in the West Reservoir Improvement Project included in this report takes forward a manifesto commitment to invest in our parks and green spaces and more specifically to provide wider public access to West Reservoir in Woodberry Down and expand the activities on offer to our residents. This approval builds upon a previous Cabinet resolution from January 2018 and will further improve the leisure offer at West Reservoir by improving the entrances to the Reservoir, and its links to the wider public realm, open up the banks of the Reservoir to the public for the first time in many years, and interpret the heritage of the site for a wider audience.

2. GROUP DIRECTOR'S INTRODUCTION

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

3. RECOMMENDATION(S)

- 3.1 **That the schemes for Children, Adults and Community Health as set out in section 9.2 be given approval as follows:**

BSF Lifecycle Works Programme 2019/20: Virement and spend approval of **£990k** in 2019/20 is requested to fund the BSF lifecycle works of 9 schools and across all the

BSF school buildings that are not the liability of the LEP within the managed service contract.

Stoke Newington School Theatre Refurbishment: Virement and spend approval of **£1,200k (£1,186k in 2019/20 and £14k in 2020/21)** is requested to fund the refurbishment of the Drama Theatre and associated ancillary spaces at Stoke Newington School.

3.2 That the schemes for Neighbourhoods and Housing (Non) as set out in section 9.4 be given approval as follows:

New Classroom Facility at The Old Baths 80-80a Eastway: Resource and spend approval of **£350k (£300k in 2019/20 and £50k in 20/21)** is requested to fund the delivery of a classroom at the Old Baths.

3.3 That the S106 schemes as set out in section 9.4 and summarised below be given resource and spending approval as follows:

S106	2019/20
	£'000
Capital	1,979
Total S106 Resource and Spend Approvals	1,979

3.4 That the schemes outlined in section 9.5 be noted.

3.5 That the expenditure plans and associated resources to be carried from 2018/19 to 2019/20 as set out in 9.6 and summarised below be approved:

Directorate	2018/19 Slippage
	£'000
Children, Adults & Community Health	(1,163)
Finance and Corporate Resources	2,776
Neighbourhoods	3,642
Total Non-Housing	5,254
Housing	2,494
Total Capital Expenditure	7,749

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.

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

7.1 The gross approved Capital Spending Programme for 2019/20 currently totals **£346.641m (£177.856m non-housing and £168.785m 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 **£356.858m (£185.579m non-housing and £171.279m housing)**.

Directorate	Revised Budget Position	July 2019 Cabinet Update	Slippage from 18/19	Updated Budget Position
	£'000	£'000	£'000	£'000
Children, Adults and Community Health	29,430	0	(1,163)	28,267
Finance and Corporate Resources	115,705	0	2,776	118,481
Neighbourhoods & Housing	32,721	2,468	3,642	38,831
Total Non-Housing	117,856	2,468	5,255	185,579
Housing	168,785	0	2,494	171,279
Total	346,641	2,468	7,749	356,858

8. COMMENTS OF THE DIRECTOR OF LEGAL

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

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

- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
- (ii) Determine the accounting records to be kept by the Council.
- (iii) Ensure there is an appropriate framework of budgetary management and control.
- (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

8.3 Under the Councils Constitution although full Council set the overall Budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible

for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.

- 8.4 The recommendations include requests for spending approvals. The Council's Financial Procedure Rules (FPR) paragraphs 2.7 and 2.8 cover the capital programme with 2.8 dealing with monitoring and budgetary control arrangements.
- 8.5 Paragraph 2.8.1 provides that Cabinet shall exercise control over capital spending and resources and may authorise variations to the Council's Capital Programme provided such variations: (a) are within 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 Children, Adults and Community Health Services:

- 9.2.1 **BSF Lifecycle Works Programme 2019/20:** Virement and spend approval of **£990k in 2019/20** is requested to fund the BSF lifecycle works at 9 schools set out in the table below, including contingency allowance for emergency works across all the BSF school buildings that are not the liability of the LEP within the managed service contract.

No.	Name of School
1	Cardinal Pole
2	Stoke Newington

3	Clapton Girls Academy
4	Stormont House
5	Ickburgh
6	Haggerston
7	Urswick
8	Our Ladys
9	The Garden

As part of the Facilities Management contract for BSF schools, there is a requirement to provide an annual lifecycle programme which is made up of a number of elements determined by three main processes: (a) condition surveys undertaken by the Local Education Partnership (LEP) to ascertain items that are going to need replacement / attention to enable them to continue functioning; (b) observations made on site and inspecting the school with the Business manager to determine the individuals schools requirements; and (c) reactive items that are either identified by early failure of plant and fabric or items that are failing due to the parts of refurbished schools that were not addressed by the BSF programme. The works will include cyclical redecoration, replacement of flooring, fire doors, furniture, new blinds, maglocks, installation of mains water supply to school site and repairs to staircases. The lifecycle programme enables the ongoing sustainability of the various schools to be maintained and improved. The ongoing delivery of works ensures that the teaching environment provided is conducive to improving the student, staff and visitor experience. The proposed works will also significantly contribute to keeping students, staff and visitors safe and secure and providing an environment that enables all occupants of the various premises to gain maximum benefit from highly maintained facilities. This capital project links in with the Council's 2018-2028 Sustainable Community Strategy Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life'. This approval will have no net impact as the resources already form part of the capital programme.

9.2.2 **Stoke Newington School Theatre Refurbishment:** Virement and spend approval of **£1,200k (£1,186k in 2019/20 and £14k in 2020/21)** is requested to fund the refurbishment of the Drama Theatre and associated ancillary spaces at Stoke Newington School. During the BSF programme, Stoke Newington was one of the three schools that was partially refurbished rather than rebuilt and as a result there were certain areas that still need upgrading to BSF standards. This drama theatre is one such area. It is crucial for the delivery of the drama curriculum, as well as for use as an assembly hall and for general teaching. This capital project links in with the Council's 2018-2028 Sustainable Community Strategy Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact as the resources already form part of the capital programme.

9.3 Neighbourhood and Housing (Non):

9.3.1 **New Classroom Facility at The Old Baths 80-80a Eastway:** Resource and spend approval of **£350k (£300k in 2019/20 and £50k in 2020/21)** is requested to fund the delivery of class room facility alongside the refurbishments to the Multi-Use Games Area (MUGA) at the Old Baths. In 2018 the Area Regeneration team successfully secured £450k of funding from the GLA's Good Growth Fund to carry out works at The Old Baths & the Depot (at 80 and 80A Eastway). Once the classroom is built the intention is for Young Hackney (the Council's single service for all young people aged 6-19) to manage this facility. The classroom facility will be used for community based learning/accredited programmes for young people and not for profit. The classroom will be used to teach students over 14 years of age courses that are not a statutory obligation of the Council. Training will include sports coaching, health related activities, sports administration, apprenticeship and integrated projects which are inclusive of children and young people with special educational needs or disabilities. It will offer industry specific information and advice and guidance with our partners on the pathways into the sports industry and higher education. It will support children and young people's emotional well-being, develop their resilience and self-esteem. The youth programmes on the MUGA and surrounding areas will include football, hockey, netball, fitness sessions, cycling, stand up paddle board and paralympic sports. This project will enable children and young people to gain new skills, improve their physical health, address community cohesion and reduce the fear of crime. This capital project links in with the Council's 2018-2028 Sustainable Community Strategy Priority 2 'A borough where residents and local businesses fulfil their potential and everyone enjoys the benefits of increased local prosperity and contributes to community life' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as the resources are funded by earmarked reserves held by the authority.

9.4 S106 Capital Approvals:

9.4.1 Capital Resource and Spend approval is requested for **£1,979k 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
2013/2042& 2015/2577	Ridley Road Environmental Improvements	51 -57 Kingsland High Street London E8 2JS	390
2013/3223	West Reservoir Improvement Project	Woodberry Down Future Phases	1,589
Total Capital S106 Approvals			1,979

9.5 For Noting:

9.5.1 The s106/CIL Corporate Board Meeting dated 3 April 2019 and 17 June 2019 considered and approved the following bids for resource and spend approval. As a

result **£189k 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
2012/1945	Highway Works at 55 Pitfield Street (0027-17)	55 Pitfield Street London N1 6BU	27
2015/2258	Highway Works at 6 Orsman Road (0001-19)	6 Orsman Road London N1 5QJ	23
2016/2713	Highway Works at St Leonards Court (0022-18)	St. Leonards Court New North Rd.London N1 6JA	53
2013/3223	Fairchild's Garden Improvements (0025-17)	97-137 Hackney Road, London, E2 8ET	87
Total Capital S106 Approvals			189

9.6 Carry Forward of Schemes from 2018/19 to 2019/20

9.6.1 Further to the outturn position reported in the March OFP to June 2019 Cabinet, the table below summaries the proposed carry forward to 2019/20 of £7,749k in respect of overall slippage against the 2019/20 capital programme with a detailed scheme analysis provided in Appendix 1.

Directorate	2018/19 Slippage
	£'000
Children, Adults & Community Health	(1,163)
Finance and Corporate Resources	2,776
Neighbourhoods	3,642
Total Non-Housing	5,254
Housing	2,494
Total Capital Expenditure	7,749

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

Programme Description	19/20 Budget	Slippage 18/19	Revised Budget 19/20
Children, Adults & Community Health			
Adult Services Capital			
Oswald Street Day Centre	241,798.28	(45,453.99)	196,344.29
Median Road Refurbishment	1,000,000.00	46,115.60	1,046,115.60
AMP Primary Programmes			
Harrington Hill AMP	327,410.20	(13,161.60)	314,248.60
Parkwood AMP	129,894.24	102,000.43	231,894.67
William Patten AMP	165,315.00	(110,136.98)	55,178.02
Princess May AMP	0.00	2,906.80	2,906.80
Sebright AMP	57,900.00	(12,674.15)	45,225.85
Education Asbestos Removal	20,888.82	(20,888.82)	0.00
Primary Capital Prog 13/14	1,719,061.44	100,717.00	1,819,778.44
C C AMP needs/maintenance	173,635.50	(104,170.07)	69,465.43
Primary School AMP Needs	154,312.10	(7,088.40)	147,223.70
Building Schools for the Future			
Mossbourne Victoria Park Acad	82,478.95	(49,741.19)	32,737.76
Stormont College SEN Pre BSF	210,245.25	(2,121.25)	208,124.00
Ickburgh BSF	411,048.95	(34,648.26)	376,400.69
Misc Education & Children's Services			
DFC Holding Code	1,217,010.43	(801,493.52)	415,516.91
HLT - IT Service Desk CRM	0.00	13,000.00	13,000.00
Queensbridge ARP	216,500.00	8,000.00	224,500.00
Asbestos works	660,065.00	(25,371.84)	634,693.16
Primary School Programmes			
Woodberry Down	167,972.20	63,180.70	231,152.90
Early Ed. for 2 Year Olds	0.00	38,000.00	38,000.00
Woodberry Down CC Relocation/r	619,183.67	50,549.21	669,732.88
Shaklewell School	956,047.18	(565,148.63)	390,898.55
Berger School Works	260,553.86	(13,077.50)	247,476.36
Façade Developmnt & Profes Cost	344,054.00	(248,456.59)	95,597.41
Gainsborough Façade Repair	810,191.22	729,428.26	1,539,619.48
London Fields Façade	506,098.00	(132,536.08)	373,561.92
Princess May Façade	388,331.00	35,000.00	423,331.00
Contingency Facade Repairs	154,880.00	74,530.24	229,410.24
Shoreditch Park School Façade	548,725.00	(529,565.33)	19,159.67
Colvestone Façade	230,956.20	23,867.80	254,824.00
De Beauvoir Façade	315,360.90	28,918.14	344,279.04
Gayhurst Façade	705,682.00	13,688.53	719,370.53
Grasmere Façade	311,649.30	33,174.90	344,824.20
Harrington Hill Façade	0.00	4,000.00	4,000.00
Hoxton Gardens Façade	800,000.00	43,804.98	843,804.98
Mandeville Façade	150,090.00	(581.90)	149,508.10
Millfields Façade	337,430.00	20,000.00	357,430.00
Morningside Façade	54,252.00	20,000.00	74,252.00
Orchard Façade	2,000.00	(2,000.00)	0.00

Appendix 1

Queensbridge Façade	99,279.90	8,139.52	107,419.42
Randal Cremer Façade	424,266.77	91,279.23	515,546.00
Rushmore Façade	215,586.00	20,555.79	236,141.79
Sebright Façade	1,000,000.00	81,546.45	1,081,546.45
Southwold Façade	25,000.00	1,925.22	26,925.22
Springfield Façade	27,500.00	24,773.16	52,273.16
Tyssen Façade	131,252.00	15,000.00	146,252.00
William Patten Façade	209,138.00	2,067.21	211,205.21
Secondary School Programmes			
BSF LC Early Failure Conting	64,457.81	(64,457.81)	0.00
Temp Sec School Audrey St site	0.00	79,549.23	79,549.23
The Urswick School Expansion	3,901,211.60	13,949.43	3,915,161.03
AMP Works 2017/18	646,223.47	(279,658.89)	366,564.58
Haggerston Science Lab	326,000.00	109,632.74	435,632.74
Finance & Corporate Resources			
Strategic Property Capital			
PV Solar Panel	50,431.30	(850.00)	49,581.30
Corporate Property Annual Surv	87,803.67	(6,517.39)	81,286.28
Asbestos Surveys	569,922.50	87,778.28	657,700.78
SFA - Stoke Newington Assembly	378,148.74	(40,631.99)	337,516.75
148-154 SN Church Street	400,000.00	(8,443.06)	391,556.94
Chats Palace R&M	0.00	85,891.36	85,891.36
Keltan House Windows & Refurb	100,000.00	18,470.44	118,470.44
14 Andrews Rd Roof Renewal	287,500.00	(20,726.25)	266,773.75
39-43 Andrews Road Works	160,224.94	(6,663.49)	153,561.45
Essential Works Corporate Estate	0.00	250,000.00	250,000.00
FM Upgrade HSC generator	153,000.00	(1,447.24)	151,552.76
HSC Flooring Replacement Works	1,113,873.20	5,967.64	1,119,840.84
HSC Lighting Upgrade	217,780.64	(11,937.14)	205,843.50
Annex (Staff Moves)	100,000.00	(7,340.50)	92,659.50
Christopher Addison Phase 2	4,231,000.00	61,249.54	4,292,249.54
Decant to MBH & Moves to CAH	932,731.00	(49,911.09)	882,819.91
HLT Maintenance Works	0.00	11,611.29	11,611.29
HLT Restack	0.00	56,777.75	56,777.75
Acquisition Gd Flr Retail DWC	100,000.00	262.61	100,262.61
CLAPTON COMMON FRM TOILET REFU	200,000.00	53,919.52	253,919.52
Landlord wks 37-39 Leswin Road	169,252.35	(6,486.61)	162,765.74
Landlord Wks Trowbridge Ctre	0.00	9,753.71	9,753.71
LandlordWks12-14 Englefield Rd	293,880.07	80,340.73	374,220.80
VCS 186 Homerton High St	0.00	23,679.76	23,679.76
161 Northwold Rd New Boiler	0.00	28,000.00	28,000.00
80 Eastway New Boiler & Plant	0.00	53,865.20	53,865.20
80a Eastway	0.00	176,175.10	176,175.10
80 Eastway	0.00	105,259.02	105,259.02
AcquisitionOfBuilding for FLIP	0.00	5,684.10	5,684.10
234-238 Mare Street	100,000.00	17,395.00	117,395.00

Acquis Flat 16 Cranwood Crt	0.00	30,808.39	30,808.39
Dalston Lane Regen Outfit	0.00	7,070.21	7,070.21
Dalston Lane Terrace	500,000.00	(302,808.58)	197,191.42
Voluntary Sector	42,201.17	40,000.27	82,201.44
Property Overall	1,142,273.83	93,031.52	1,235,305.35
ICT Capital			
Digital Discharge to Social Care	200,000.00	(52,244.17)	147,755.83
Corporate Booking System	22,000.00	(22,000.00)	0.00
Social Care Microfiche	0.00	16,936.25	16,936.25
End-user Mtg Rm Device Refresh	1,500,000.00	719,582.72	2,219,582.72
Business Intelligence	318,704.00	(109,555.08)	209,148.92
New Payroll & Recruitment Sys	100,000.00	11,608.25	111,608.25
Network refresh	800,000.00	118,680.96	918,680.96
Legal Case Management System	0.00	107,250.00	107,250.00
Financial Management CAP			
Financial Management System	759,829.19	169,417.38	929,246.57
Other Scheme			
E-Tendering System	0.00	56,010.64	56,010.64
Mixed Use Development			
Tiger Way Development	8,811,066.75	(1,558,308.41)	7,252,758.34
PRU Nile Street	32,292,188.24	36,315.39	32,328,503.63
Britannia Site	54,314,961.10	2,442,964.34	56,757,925.44
Neighbourhood & Housing (Non)			
Museums & Libraries			
Library Management System	0.00	3,395.58	3,395.58
Library Capital Works	589,169.00	173,274.41	762,443.41
Library Self-Issue Machines	5,465.00	14,511.00	19,976.00
Parks and Open Spaces			
Abney Park	590,000.00	150,640.56	740,640.56
Springfield Park Restoration	3,359,475.50	(20,774.37)	3,338,701.13
Hackney Marshes	198,883.00	(32,514.44)	166,368.56
Parks Strategy - Infrastructure	375,000.00	168,437.12	543,437.12
De Beauvoir Square Play Area	0.00	3,413.70	3,413.70
Fairchild's Gardens	98,522.37	14,890.30	113,412.67
Parks Equipment and Machinery	0.00	14,984.00	14,984.00
Stonebridge Gardens Refurb	0.00	890.50	890.50
Daubney Fields Play Area	90,312.98	40,789.30	131,102.28
Shepherdess Walk Play Area	36,925.00	0.35	36,925.35
Park Tractor	38,650.00	(38,650.00)	0.00
Comm Vehicles Parks Central	271,534.00	(45.80)	271,488.20
Infrastructure Programmes			
Wick Road	1,177,029.00	(75,191.10)	1,101,837.90
Park Trees H&S Works	0.00	23,587.80	23,587.80
Bridge Height Sign Programme	0.00	10,734.16	10,734.16
Highways Planned Maintenance	4,010,000.00	(325,302.56)	3,684,697.44
Street Lighting	100,000.00	(879.00)	99,121.00

Appendix 1

Zero Emissions Network	0.00	4,600.00	4,600.00
Develop Borough Infrastructure	0.00	5,618.67	5,618.67
1-14 Spurstowe Works	0.00	25,839.59	25,839.59
H/ways Oakwharf (0040-08) S106	0.00	81,000.00	81,000.00
Central London Grid (Phase 1)	200,000.00	290,074.56	490,074.56
Cycle Super Highway	345,084.00	263,385.98	608,469.98
SS Road Safety	169,968.54	(40.00)	169,928.54
Regents Canal Denne Terr Wall	0.00	31,000.00	31,000.00
Legible London Wayfinding	0.00	4,254.87	4,254.87
Tysen Street	0.00	13,000.00	13,000.00
East Rd Car Club Bays	0.00	18,000.00	18,000.00
Pembury Circus Land	0.00	1,143.44	1,143.44
100 Shepherdess Walk	0.00	11,490.00	11,490.00
68-82 Digby Rd	0.00	6,724.23	6,724.23
25a Willberforce Road	0.00	4,370.00	4,370.00
184-186 Well Street	0.00	15,797.14	15,797.14
Hackney Car Club	0.00	22,590.08	22,590.08
Shoreditch Village	0.00	15,459.32	15,459.32
Clifton Street	0.00	17,966.21	17,966.21
52 well Street & 1 Shore Plac	0.00	31,350.00	31,350.00
218 Green Lanes	0.00	22,186.69	22,186.69
Gascoyne Road	0.00	19,204.73	19,204.73
42 Lower Clapton Road	0.00	15,187.36	15,187.36
Wenlock Rd/Sturt St/Shepherde	0.00	14,987.80	14,987.80
Clapton Common Pedestrian Imp	0.00	5,717.24	5,717.24
Highways works Denman House	0.00	26,611.00	26,611.00
Highways works Parr St 17-20	0.00	7,936.56	7,936.56
Highways 94-96 Lordship Lane	0.00	9,502.00	9,502.00
Highways works 3-11 Stean St	0.00	6,076.68	6,076.68
42-48 Whitmore Rd & 56 Orsman	7,969.00	(1,200.00)	6,769.00
Highway Works 1-13 Long St	0.00	102,050.75	102,050.75
Hgway Works 48-76 Dalston Lane	0.00	30,584.26	30,584.26
Hgway Works Kings Crescent Est	50,209.00	32,284.06	82,493.06
Highway Works at 10 Andre St	3,345.00	(392.50)	2,952.50
Highway Wk 112-118 Kingsland	6,477.59	(825.00)	5,652.59
Highway Wk 22-44 London Lane	0.00	14,245.00	14,245.00
Highway Wk at 9 Shepherds Lane	0.00	10,000.00	10,000.00
Hackney Car club	0.00	9,000.13	9,000.13
Highways Wk Haggerston West	0.00	18,690.08	18,690.08
Highway wks 17-19 Shacklewell	0.00	6,450.00	6,450.00
Highway work 18 Ellingfort Rd	0.00	1,560.45	1,560.45
Highway wks adj 47 Lea Bridge	0.00	15,178.63	15,178.63
Highway wks Bayton Crt	0.00	16,494.12	16,494.12
Highway works Spurstowe Works	0.00	35,355.48	35,355.48
Highway wks at Woodmill Road	0.00	8,000.00	8,000.00
The Shoreditch Public Realm	736,329.63	58,288.26	794,617.89

Appendix 1

Highway work Principal Place	300,000.00	160,548.77	460,548.77
Highway works Phipp St	0.00	18,309.47	18,309.47
Highway works Gransden Ave	0.00	654.06	654.06
Highway works 258 Kingsland Rd	27,149.00	(2,699.85)	24,449.15
Highway works 1 Mentmore Ter	0.00	486.44	486.44
Highway Wks 61-67 Great Easter	0.00	84,481.20	84,481.20
Highway Wks 99 East Road	0.00	32,197.12	32,197.12
Highway works 125C Dunlace Rd	0.00	4,027.63	4,027.63
Highway works 11-15 Tudor Road	0.00	17,737.29	17,737.29
Highway Works 25 Penhurst Rd	0.00	11,936.10	11,936.10
Highway Works at 62 Paul St	0.00	41,042.39	41,042.39
Highway Wk 10,14 &16 Crossway	14,954.00	29,588.47	44,542.47
Highway Wks Aikin Crt	0.00	1,737.85	1,737.85
HighwayWks 32-34 EagleWharf Rd	0.00	62,500.00	62,500.00
Public Realms TfL Funded Schemes			
Maintenance (TFL)	0.00	1,877.46	1,877.46
Local Transport Fund (TFL)	0.00	167,931.63	167,931.63
Corridors (TFL)	1,765,000.00	1,097,790.79	2,862,790.79
Mayors Air Quality Fund	0.00	99,220.29	99,220.29
Zero Emissions Network	128,400.00	(128,400.00)	0.00
Low Emission Neighbourhood	0.00	200,897.78	200,897.78
Neighbourhoods of the Future	108,000.00	144,615.58	252,615.58
Liveable Neighbourhoods (TfL)	0.00	37,300.00	37,300.00
Parking and Market Schemes			
Hackney Street Markets Strat	204,574.94	67,253.06	271,828.00
Safer Communities Capital			
HTH Square CCTV Cameras	0.00	13.56	13.56
Ashwin St & St Johns CCTV	6,000.00	5,484.40	11,484.40
Shoreditch CCTV Cameras	1,324,000.00	(300.00)	1,323,700.00
Regeneration			
Hackney Wick Regeneration	131,993.29	(218,097.00)	(86,103.71)
80-80a Eastwy(GLA)	215,000.00	170,325.00	385,325.00
Trowbridge (GLA)	0.00	60,000.00	60,000.00

Housing			
AMP Capital Schemes HRA			
HiPs North West	14,400,000.00	2,164,720.98	16,564,720.98
HiPs Central	9,531,316.09	801,579.31	10,332,895.40
HiPs South West	11,457,136.58	(174,039.22)	11,283,097.36
Estate Lighting	720,000.00	220,496.57	940,496.57
Ventilation Systems	400,000.00	81,811.91	481,811.91
CCTV upgrade	1,150,000.00	(145,898.65)	1,004,101.35
Door Entry Syst (Replacements)	950,000.00	(26,801.71)	923,198.29
Drainage	500,000.00	(2,515.66)	497,484.34
Lifts Major Components	350,000.00	310,211.97	660,211.97
Dom Boiler Replace/Cen Heating	2,000,000.00	(396,983.70)	1,603,016.30
Road & Footpath Renewals	500,000.00	(328,555.12)	171,444.88
Void Re-Servicing	2,000,000.00	(82,982.77)	1,917,017.23
Water Mains/Boosters	300,000.00	95,538.12	395,538.12
Disabled Adaptations	1,000,000.00	(189,533.30)	810,466.70
H & S and Major Replacement	177,000.00	268,425.01	445,425.01
Community Halls Maj. Reps/DDA	400,000.00	187,521.33	587,521.33
Lift Renewals	1,700,000.00	46,798.32	1,746,798.32
Intergrated Housing Manag Sys	2,000,000.00	(269,404.17)	1,730,595.83
Boiler Hse Major Works	550,000.00	(5,312.85)	544,687.15
Fire Risk Works	13,000,001.32	1,297,015.51	14,297,016.83
Planned & Reactive Water Mains	100,000.00	23,617.52	123,617.52
High Value Repairs/Imp & Wk	2,000,000.00	225,447.66	2,225,447.66
Estate Boundary Security Imp	100,000.00	(42,116.64)	57,883.36
Garage Review	200,000.00	(172,505.35)	27,494.65
Capitalised Salaries	5,000,000.00	(346,188.95)	4,653,811.05
Lateral Mains	1,000,000.00	(31,141.95)	968,858.05
Re-wire	1,073,000.00	27,000.00	1,100,000.00
Green initiatives	2,600,000.00	317,619.50	2,917,619.50
Cycle Facilities	323,000.00	5,755.00	328,755.00
Contingency Planned Maintenance	3,000,000.00	1,822,549.98	4,822,549.98
District Heating System	0.00	268,529.00	268,529.00
Better Estates Cherbury Court	0.00	1,215,582.08	1,215,582.08
L&B Acquisition Sherry Wharf	0.00	18,103.45	18,103.45
Commercial Properties	200,000.00	101,577.61	301,577.61
Comm Vehicles Estate Cleaning	283,377.50	0.00	283,377.50
Gascoyne Comm Hall refurb	0.00	165,054.26	165,054.26
Recycling Scheme	760,000.00	(99,976.34)	660,023.66

Appendix 1

Council Capital Schemes GF			
Hostels - Major Repairs	612,000.00	(426,982.66)	185,017.34
Private Sector Housing schemes			
Disabled Facilities Grant	1,713,600.00	364,537.09	2,078,137.09
General repairs grant (GRG)	332,802.71	50,000.00	382,802.71
Warmth & security grant (WSG)	122,400.00	78,200.59	200,600.59
Estate Renewal Programme			
Bridge House Phase 2	7,792,713.00	(1,667,280.64)	6,125,432.36
Kings Crescent Phase 3+4	2,591,708.00	(670,456.61)	1,921,251.39
St Leonard's Court	6,277,413.00	(1,102,295.31)	5,175,117.69
Nightingale	3,752,729.96	(388,579.95)	3,364,150.01
Housing Supply Programme			
Housing Supply Programme	0.00	85,042.70	85,042.70
Gooch House	1,119,862.00	26,554.09	1,146,416.09
Whiston Road	0.00	115,595.03	115,595.03
Buckland Street	1,660,801.00	42,692.84	1,703,493.84
Downham Road 1	243,810.00	66,135.15	309,945.15
Pedro Street	2,906,084.00	100,847.52	3,006,931.52
Mandeville Street	2,376,098.60	336,641.18	2,712,739.78
Other Regeneration Schemes			
Phase2 & Other Heads	4,913,357.04	(1,867,278.78)	3,046,078.26

Total budget slipped from 2018/19 to
2019/20

7,748,573.96

This page is intentionally left blank

OUR PREPARATIONS FOR THE NEW BUDGET

1.0 The key driver of the 2020/21 General Fund budget process is our forecast of sustainable funding for the year. Effectively this sets the maximum level of sustainable expenditure (i.e. directorate cash limits for the year plus required corporate spending) that can take place. There may though be some additional one-off spending which is funded by available one-off funding. Any changes to the forecast made during this year are reported to Cabinet through regular finance update reports.

The resources forecast comprises four main elements: -

- (a) forecast council tax income
- (b) forecast business rates income
- (c) general funding grant from government, which covers all general fund expenditure (top-up grant)
- (d) specific government grants such as IBCF and New Homes Bonus grant

2.0 We monitor council tax and business rates income throughout the year, so we are able to include robust estimates of these income streams in the forecast. However, this is not the case for (c) and (d). We were expecting a three to five year spending review in the autumn of this year which should have given us some idea of what specific grants we would get [(d) above] and some idea of the totality of funding which will be available for the top-up grant, although it would have given only some idea of our allocation [(c) above]. In December, we then expected actual allocations for all grants in (c) and (d) to be published in the Local Government Finance Settlement Report. We would therefore have had some indication of future funding position in the autumn. However, because of the uncertainty caused by Brexit and the Conservative Party Leadership contest, we may not get any information at all on future funding until the Local Government Finance Report is published in December. This makes robust budget planning for 2020/21 and beyond, very challenging to say the least. Worse still we expect the Government to introduce a new system of general grant funding (the top-up grant) in 2020/21, which we will almost certainly lose from but at this stage, we have no indication of by how much. We have built an assumed funding reduction in the forecast to reflect this, but we won't know whether we have understated or overstated this until December which may require late adjustments to the 2020/21 budget.

3.0 Having formulated the resources forecast (but recognising that it may change if the Government does release any meaningful funding information before December), the next stage in the process is to derive a total expenditure estimate. The starting point is the sum of 2019/20 directorate cash limits and corporate requirements (such as capital charges and superannuation and pay award), incremented by known service cost pressures such as those in temporary accommodation, childrens' services and adult social care.

4.0 If we compare the spend estimate to the resources estimate, it is clear that we have a significant budget gap (£30m over the period 2020/21 to 2022/23) which means that savings (including increased income) are required to balance the budget in 2020/21 and in the following years.

5.0 We have known this for some time and so directorates have been working on identifying savings opportunities for members to consider. Cabinet and HMT have also agreed a process for considering, reviewing and approving these proposals, which cover the period 2020/21 to 2022/23 and which revolve around 5 themes, which are discussed below.

- 6.0 The Council's **Scrutiny Panels** established 4 budget scrutiny task and finish groups to consider the Council's current models of service delivery and related issues, as well as examining options for future delivery including the identification of cost savings and/or additional income generation to assist with the delivery of a balanced budget going forward. The task and finish groups are considering Fees and Charges, Early Years' Service, North London Waste – Recycling and Waste and Integrated Commissioning.
- 7.0 Two **Cabinet led working groups** have been established. The working groups are starting with only officers and Cabinet members in attendance; once Cabinet members are content with / have had an opportunity to interrogate the proposals, they will be opened up for backbench Members to attend, before reporting to the formal scrutiny structures. Membership of each group includes representatives from Communications and Consultation, to ensure communications and engagement needs are considered from the outset. The first group is reviewing Libraries, Museum and Green Spaces and the second group is focused on Workforce including voluntary redundancy/ use of agency staff and the development of an overarching workforce strategy. A third Cabinet led working group will be established to review Housing Related Support in 2020.
- 8.0 In parallel to the Cabinet led working groups, it has been agreed to establish **Steering Groups** to review Customer Services and Early Help. Whilst these reviews are likely to lead to savings being identified, they are not driven by the budget process and the need to deliver savings; these Steering Groups will therefore sit alongside the budget process but are not formal Cabinet budget working groups.
- 9.0 Another strand of work which is also underway is a **coordinated cross-Council approach** to how we deploy the significant resource we will still have including the HRA, DSG including the non-school's element and NHS resources where applicable. Within this stream, we need to ensure that everyone realises that the current and ongoing financial challenges must be tackled from a holistic corporate perspective. Ultimately, even after the next round of savings Hackney will still have considerable assets and resources available and these can be best harnessed if we look beyond traditional HRA, General Fund, Schools and Health resources to see how we can best deploy these for service provision and not simply look at them as separate entities.
- The following themes have been identified and are being developed:
- (a) Municipal Entrepreneurialism
 - (b) Productivity and Efficiency
 - (c) Demand Management & Cost Avoidance
- 10.0 Various **Directorate Savings Initiatives** are being worked on by Directorates in conjunction with Lead Members with a view to bringing them to Cabinet and Group in the Autumn.
- 11.0 During the Autumn we will introduce the approved savings into the budget forecast, revise the budget gap and begin intensive work on formulating the 2020/21 budget. During this time, Cabinet will also have to agree a council tax level for 2020/21. This is an iterative process and the final iteration cannot take place until the 2020/21 Local Government Finance Settlement is published in December. Only then can we begin finalising the budget. The finalisation process will take place in December but could spread into January depending on the outcome of the Local Government Finance Settlement.

MAJOR GENERAL FUND REVENUE FUNDING STREAMS 2019/20

1.0 The major revenue income streams are as follows: -

FUNDING STREAM	£m
Housing Benefit Subsidy	290
Dedicated Schools Grant	210
Business Rates (including prior year surplus)	74.4
Top Up Grant (General Grant)	83.4
Council Tax	82.3
Specific Government Grants including Public Health £32.3m, Social Care Grants £24.5m & New Homes Bonus £8.4m	76.5
All Other Income including Fees and Charges	191
TOTAL	1007.6

2.0 Housing Benefit Subsidy simply compensates us for the subsidy payments we have made to claimants whilst most of the DSG goes directly to schools. So half of our income funds expenditure that the Council has no control over at all and there are other smaller grants that also fall into this category. In fact our controllable spending associated with this funding is well under half of the total.

3.0 There is huge uncertainty about the future levels of our Top-Up grant and Government hasn't even yet confirmed that any of the Specific Grants will continue into 2020/21 and beyond. We certainly expect Public health Grant to continue and New Homes Bonus too at a much reduced rate but we have no intelligence on the future of Social Care grants.

This page is intentionally left blank

State of Local Government Finance Survey 2019

Published 14th February 2019



About the State of Local Government Finance Survey

LGiU and The MJ have run the State of Local Government Finance Survey every January since 2012 to coincide with councils setting their annual budgets. The results give a snapshot of the key pressures facing councils and the impact of ongoing financial uncertainty on their communities.

The survey was sent to senior decision-makers at each of England's 353 councils (Council Leaders, Chief Executives, Cabinet Members for Finance/Resources and Directors of Finance/Resources) between 9th January and 5th February 2019.

This year we received 158 responses from 123 individual councils, meaning that over a third of English councils are represented in the results. We received responses from a broad cross-section of councils, encompassing county, district and unitary authorities, a mixture of political control, and all regions.

The survey questions covered topics including income sources, confidence, service level spending and public trust.

Executive Summary

Eight in ten (**80%**) councils say they are not confident in the sustainability of local government finance; none said they were 'very confident'.

97% of councils plan to increase council tax in 2019-20, three quarters by more than 2.5% (the maximum increase without a referendum is 3% in most places).

Over half of councils (**53%**) plan to dip into their reserves this year. Worryingly, **40%** of councils plan to use their reserves two years running.

97% of councils are planning to increase fees and charges in the coming year, with some planning rate rises of more than 5% (**13%** of councils).

Almost one in ten (**9%**) councils are anticipating legal challenges this year due to reductions in service provision and over half (**53%**) of councils said that the current financial situation in local government is negatively affecting their relationship with citizens.

84% of councils say it is a high priority or essential to explore other sources of income. Eight in ten (**82%**) councils are considering commercialising council services to raise extra money and over half (**57%**) want to sell off council assets.

Children's Services and Education is the top immediate financial pressure for the second year running (**36%** of councils), ahead of Adult Social Care (**23%**) which has historically ranked highest. However Adult Social Care is still under severe strain, being named as the top longterm financial pressure (**37%** of councils).

Councils will be forced to cut many community services this year, with reduced activity expected across libraries (**32%** of councils), arts and culture (**46%**), parks and leisure (**45%**), waste collection (**22%**), recycling (**11%**) and roads (**38%**).

Services for vulnerable people are not immune, with councils also planning to reduce activity in Adult Social Care (**29%**), Children's Care Services (**24%**), special education and disability support (**16%**), homelessness support (**11%**) and funding for local Citizens Advice Bureaux (**18%**).

Forewords

Jonathan Carr-West, Chief Executive of LGiU



Uncertainty piled upon uncertainty: we have been running this annual survey with the MJ since 2012. We know that council funding is broken. Eight out of 10 of those people leading English local government tell us it is unsustainable.

This year we see that we are no closer to finding a solution. Councils are making do by increasing council tax as much as they can, increasing charging and dipping in to their reserves. And even with these desperate measures they are having to reduce spending; not just on vital place-shaping services like leisure, libraries and parks but in core life-saving areas like social care and children's services.

Now more than ever we need a thriving, resilient local government sector to weather the storm of national uncertainty, but years of chronic underfunding has left local government on life support.

So we urgently need a bigger debate about how and at what level we fund vital local services.

We hope this survey provides a starting point for that conversation.

Heather Jameson, Editor of The MJ



After nearly a decade of austerity, councils have been cut to their very core. With one in three councils delivering just the bare minimum services, local people – and our places – will start to suffer.

Council tax is rising and people are seeing very little return on their money – it is no surprise they expect better services but the finances just don't stack up.

Local government will be central to rebuilding the economy after Brexit. Councils are key in the Government's plans to tackle the housing crisis. They are responsible for caring for our elderly and for vulnerable children – yet the Government is hollowing out their capacity with a lack of funding.

If our communities are to survive, central government needs to rethink its funding, fast. The people in our communities deserve more.

Introduction

The annual State of Local Government Finance Survey gives a snapshot of the pressures facing councils. We ask the most senior figures in each council to tell us their plans for the coming year in the run-up to setting their annual budget. This year 158 council leaders, chief executives, cabinet members for finance and finance directors took part, representing over a third of all English councils.

The results help us to assess the impact of policies and highlight areas that are of current or future concern. As an independent, cross-party membership body we hope to bring together the voice of the sector and contribute to the strength of our local democracy.

What's happening in local government?

Local government is responsible for a dizzying array of essential community services, visible and invisible, universal and targeted – from care homes to business support, potholes to social services, education to leisure centres. But if you ask the average person on the street what their council does, they'll likely reply, 'Collecting my bin.'

If you were feeling particularly cruel, you could ask the poor soul how their council is funded, to which they would probably hesitantly reply, 'Council tax?' And who could blame them for this assumption? Most of those working in the sector struggle to wrap their own heads around the complexities and vagaries of the various grants, tariffs, top-ups, funding formulas and local business rate shares.

But this (somewhat glib) example strikes right to the core of the challenge that councils face in articulating their current financial situation with the urgency it requires.

When people see their council tax go up and the quality of their services deteriorate, they rightly ask questions. But in reality council tax only accounts for 16% of local authority income: over half comes in the form of grants from central government*.

However, local authority grant income has plummeted by £16bn since 2011**, first because of wider public sector budget cuts after the financial crisis, and then as part of government's plan for councils to transition from grant funding to relying on local business rate income by 2020 – the implementation of which has been severely delayed.

As it stands, councils are facing the 2020 cliff-edge without a clear idea of how they will be funded afterwards or how much money they will have.

Why this work matters

The real world impact of delaying these seemingly technical decisions is that, across the country, libraries and parks are closing down, the elderly and disabled can't access basic care, vulnerable children aren't be supported and the streets are dirtier and more dangerous.

Council tax and charging are two of the only mechanisms left over which councils have some control, which is why we are seeing 97% of councils increase both this year. This is not a sustainable solution.

Each council has approached these challenges in different ways according to the needs and wishes of their residents, so it can be difficult to see the overall impact of central cuts to council income. This survey helps us to shine a light on the cross-sectoral challenges in order to move the conversation back to the national scale.

It would be easy for this to remain a technocratic debate among those in the sector, but the consequences of slow or ineffective decisions is potentially disastrous and deserves greater urgency and a wider audience.

* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723999/Local_Government_Finance_Statistics_2018_publication_Web_Accessible.pdf

** <https://www.local.gov.uk/sites/default/files/documents/LGA%20briefing%20-%20Debate%20on%20the%20review%20of%20the%20business%20rates%20system%20-%20130618.pdf>



nurseries



health and safety checks



new housing

What does my council do?



bus shelters



gritting the roads



elderly care



allotments



social housing



equipment for disabilities



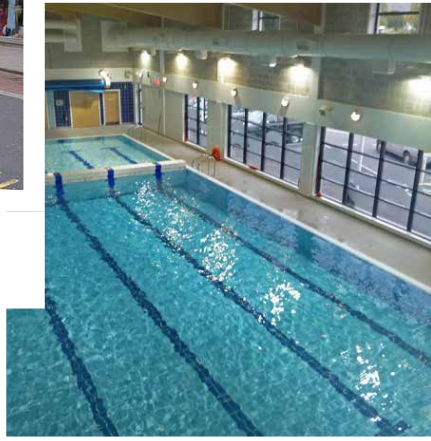
youth centres



Page 89 museums



taxi licenses



leisure centres



trading standards



adoption & fostering



parks



public health



bins & recycling



public space



street cleaning

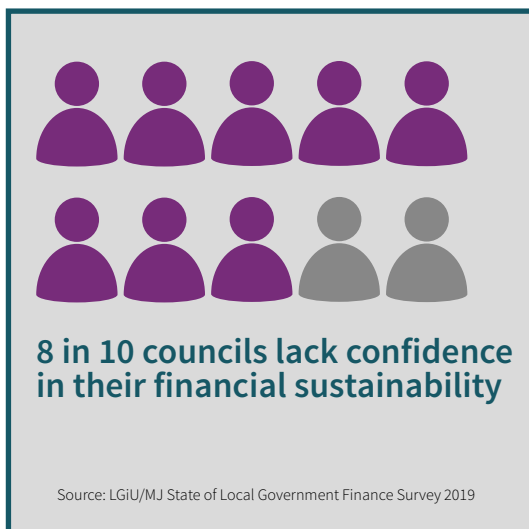


public toilets



schools

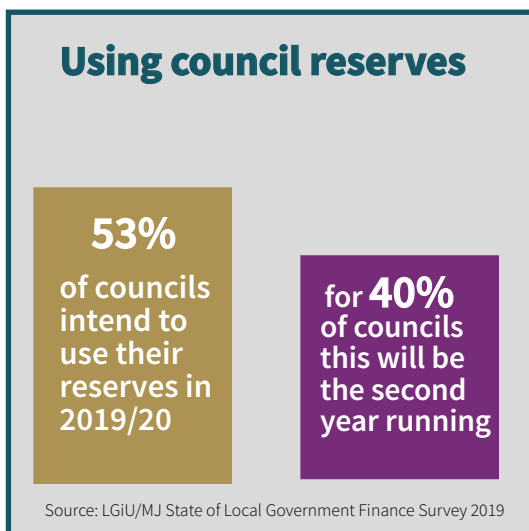
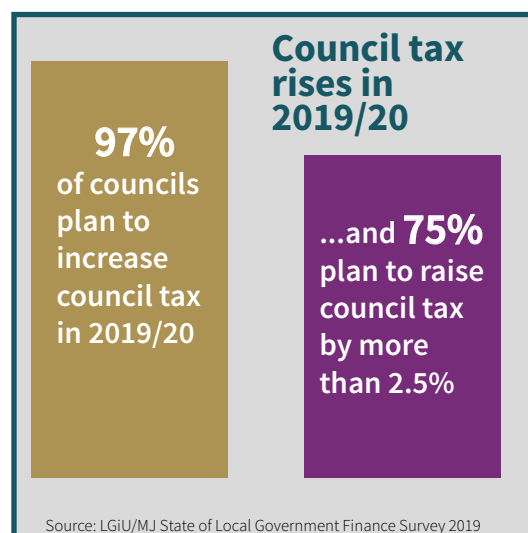
Current situation



Eight in ten (80%) councils say they are not confident in the sustainability of local government finance; none said they were 'very confident'. There has been no improvement in confidence since 2017.

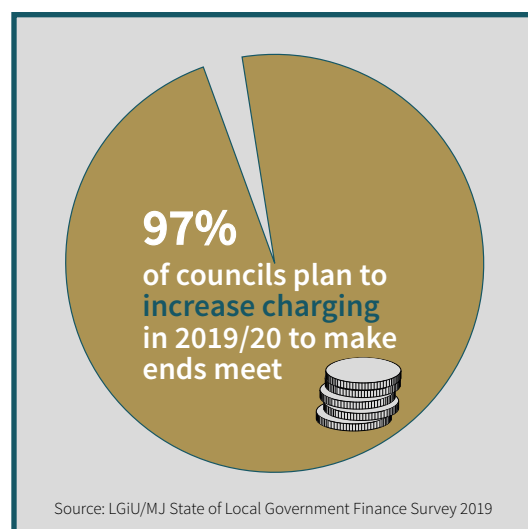
Nearly all (97%) councils plan to increase council tax in 2019-20*, 75% by more than 2.5% (the maximum increase allowed without a referendum is 3% in most places).

**Excluding any additional precepts such as the social care precept*



Over half of councils (53%) plan to dip into their reserves this year, even more than the 49% who used their reserves last year. Worryingly, 40% of councils plan to use their reserves two years running.

Nearly all (97%) councils are planning to increase fees and charges in the coming year, with some planning rate rises of more than five per cent (13% of councils).



Councils say they are planning to introduce or increase charging across a wide range of areas including: garden and bulky waste collection, parking, fine enforcement, leisure facilities, planning services, adult social care, electric vehicle charging points, registrar services, cremation and burials, licensing (taxis, venues, landlords), pest control, public toilets, replacement bins, community meals, business support and council venue hire.

Four fifths (84%) of councils say it is a high priority or essential to explore other sources of income.

In the future, two thirds (61%) of councils expect core council services to become reliant on income from commercial investments (19% said they weren't sure; 21% said they didn't).

1 in 20 councils say they are in danger of being unable to fulfil statutory duties this year

more than the statutory minimum and three (2%) councils said they are unable to provide anything more than the legal minimum.

Almost one in ten (9%) councils are anticipating legal challenges this year due to reductions in service provision.

A third of councils (30%) said the level of frontline services available to residents has declined over the past year, and a quarter (26%) said planned cuts to services in the coming year would be evident to the public. One in twenty (6%) councils say there is a danger they will be unable to fulfil statutory duties this year due to financial constraints.

Only a third (37%) of councils said they are able to comfortably provide a range of non-statutory services to their residents, while two thirds (61%) said they were able to provide a little bit

1 in 10 councils expect to face legal challenges this year due to service cuts

Income generation activities

Eight in 10 (82%) councils are considering commercialising council services to raise extra money and over half (57%) want to sell off council assets. Other income sources being considered include offering advertising space (41%), sponsorship opportunities (28%) and energy projects (28%).



Investing in property has become a widespread practice across local government, with the dual aims of place-shaping and developing new income streams. Around three quarters are investing in local commercial developments (81%) or residential developments (73%), while a few are looking outside their council area for development opportunities (13% for commercial, 5% for residential). Over half (56%) are thinking of purchasing investment properties.

Over half (53%) of councils have increased their level of borrowing over the past five years in order to fund investments.

The Public Works Loan Board (PWLB) is still the most popular source of finance. Almost nine in ten (88%) councils seeking external funding this year plan to approach the PWLB. Other external funding sources councils plan to pursue include grant funding (58%), private investment (17%), other local authorities (15%), the Municipal Bond Agency (14%), the capital markets (12%) and crowdfunding (9%).

What projects or service improvements have you cancelled or postponed due to financial uncertainty?

Asset repairs

New city centre scheme for retail and leisure

Commercial acquisitions

We haven't been planning new projects for years as a result of continued austerity

BUILT ENVIRONMENT

New housing development

Regeneration projects

Town Hall major refurbishment to reduce costs

Backlogs in road, housing and building maintenance

Major capital projects

City centre redevelopment has been cancelled

Delays caused by lack of government clarity on new policies eg social care

Some projects are taking longer due to resource constraints

GENERAL DELAYS

Postponed projects across all areas

Uncertainty from Brexit has arguably slowed down private investment plans in the city

Ageing leisure facilities

Advisory support project for benefit seekers following Universal Credit roll out

Community engagement

PLACE-SHAPING AND COMMUNITY

Waste collection improvements

Parking improvement schemes

A new swimming pool

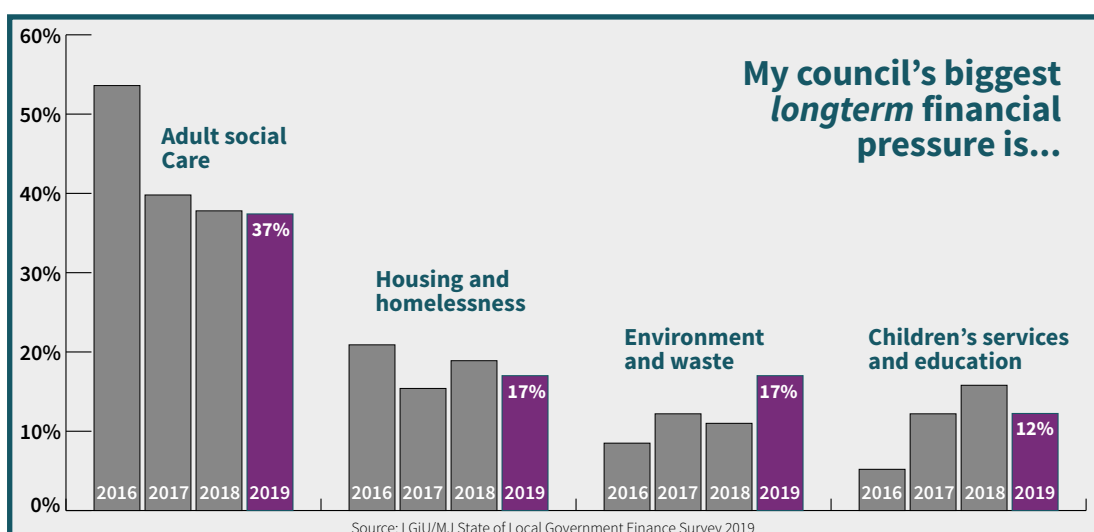
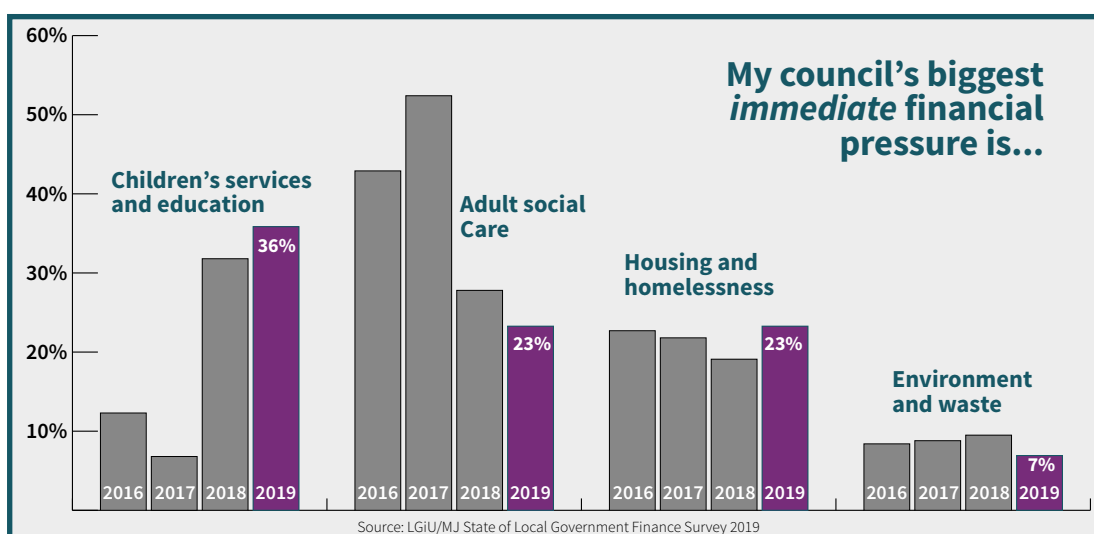
New school for children with special educational needs and disabilities

Adaptation to climate change

Pressure on local services

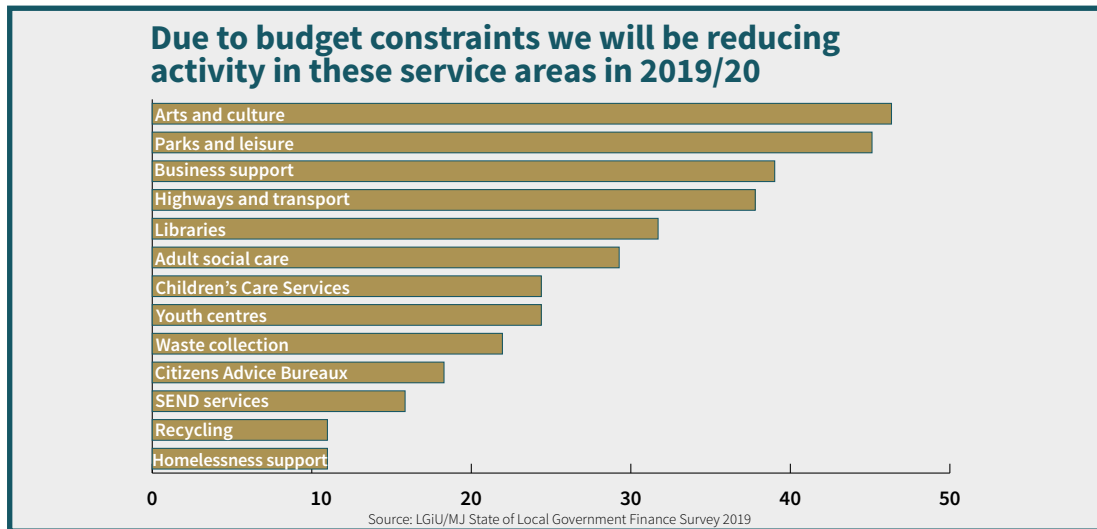
Children’s Services and Education is the top immediate financial pressure for the second year running (36% of councils), ahead of Adult Social Care (23%) which has historically ranked highest. However Adult Social Care is still under severe strain, being named as the top longterm financial pressure (37% of councils).

Housing and Homelessness was also flagged as both an immediate and a longterm pressure, tied with Adult Social Care as second most urgent immediate financial pressure (23% of councils) and with Environment and Waste as the second most urgent longterm pressure (17%).



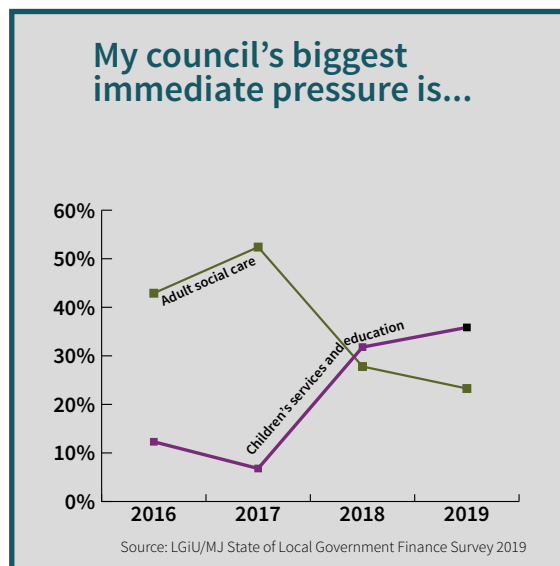
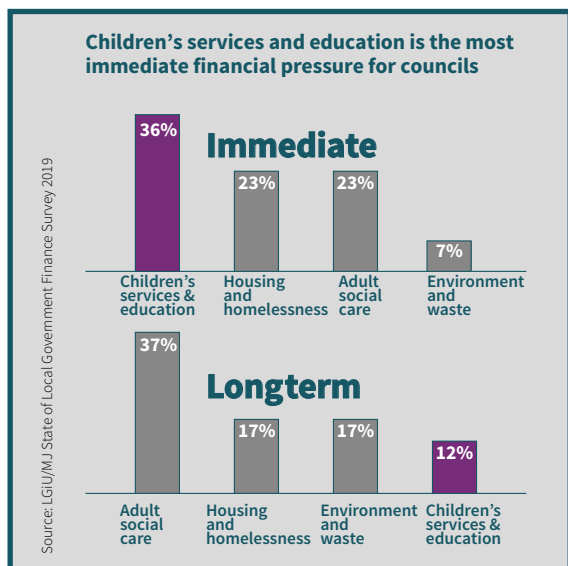
Ongoing budget cuts and financial uncertainty will continue to hit community services, with councils forced to reduce activity across everything from libraries (32%), arts and culture (46%) and parks and leisure (45%) to waste collection (22%), recycling (11%) and roads (38%).

Concerningly, services for vulnerable people are not immune, with councils planning to reduce activity in Adult Social Care (29%), Children’s Care Services (24%), special education and disability support (16%), homelessness support (11%) and funding for local Citizens Advice Bureaux (18%).



Children’s Services and Education

Last year, Children’s Services and Education overtook Adult Social Care as the biggest immediate financial pressure facing councils.



Children’s Services and Education was named as the top immediate pressure for upper tier councils (i.e. those authorities with responsibility for delivering care and education), with 72% placing it first.

Council services that affect children are seeing cuts this year

- Children’s care services (24%)
- Youth centres (24%)
- Arts and culture (46%)
- Parks and leisure (45%)
- Libraries (32%)
- Special educational needs and disability services (16%)

% of councils saying they will be reducing activity in this area

Source: LGIU/MJ State of Local Government Finance Survey 2019

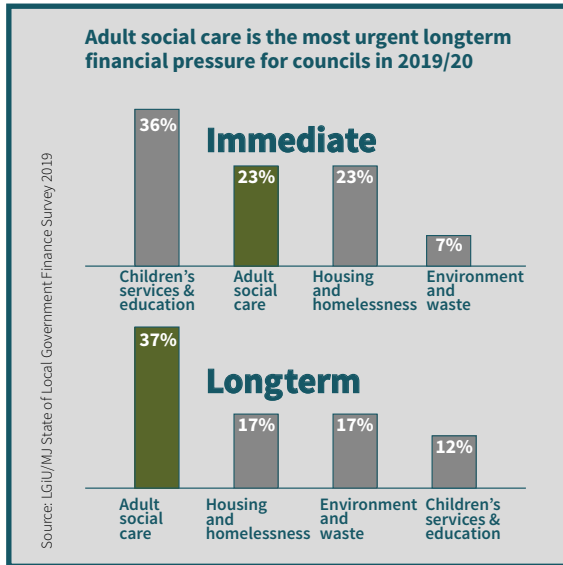
As Children’s Services is a growing pressure for councils, we asked respondents from social care (upper tier) authorities to identify the top three sources of pressure on their local service. They identified having more families with complex support needs as the top driver (59%) along with more children being taken into care (57%) and services for children with special educational needs and disabilities (52%).

Other significant factors include the increasing cost of providing residential care (49%), social worker recruitment and retention (43%), more referrals about child safety concerns (38%) and a lack of foster carers and adoptive parents (35%).

Gang activity, including county lines operations, was identified as a top three pressure on Children’s Services by one in twenty upper tier councils (6%), all of which were located in the South East, London and the Midlands. Unaccompanied child asylum seekers was identified as a top pressure by one in seven (14%) upper tier councils, across these same regions and also Yorkshire.

Adult Social Care

In terms of immediate pressures, Adult Social Care (23%) was overtaken as the top choice by Children’s Services (36%) for the second year in a row. However Adult Social Care was named the most urgent longterm financial pressure for councils (37%), followed by Housing and Homelessness (17%) and Environment and Waste (17%).

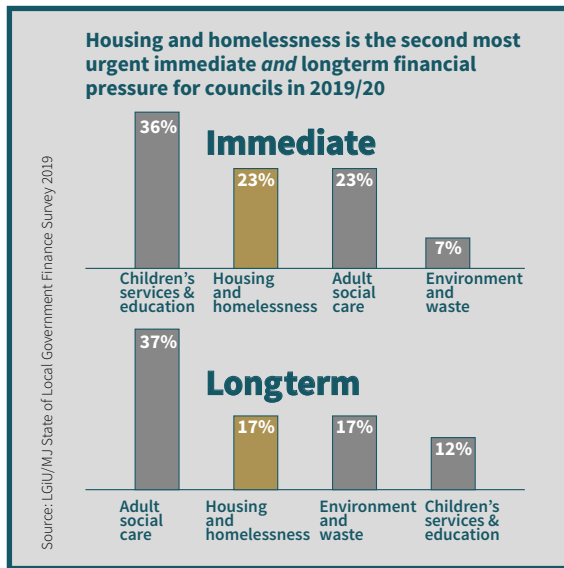


Among upper tier councils only (i.e. those authorities with responsibility for delivering social care), Adult Social Care was named as the top longterm financial pressure, with 61% placing it first. These councils also said Adult Social Care is the second most urgent immediate pressure (28%) after Children’s Services (72%).

The acute pressure on Adult Social Care services is also being felt by councils without direct responsibility for social care (lower tier councils), with 20% saying it was their top immediate pressure, second only to Housing and Homelessness (37%) among this group.

Almost a third of councils (29%) said they were planning reductions in service level within Adult Social Care due to budget constraints.

Housing and Homelessness

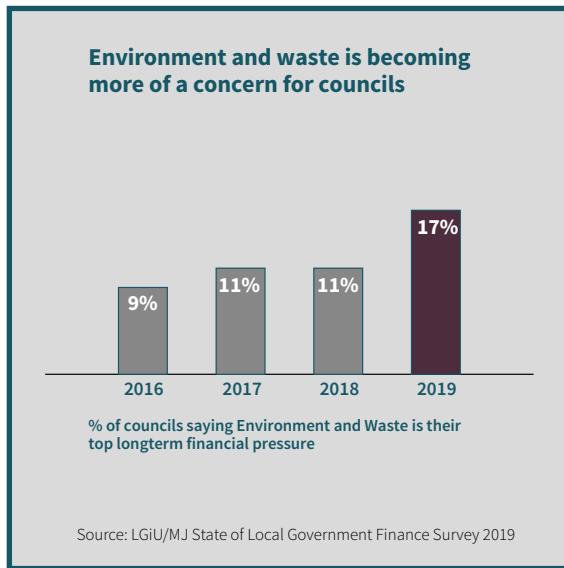


After Children’s Services, Housing and Homelessness is tied with Adult Social Care as the second most urgent immediate financial pressure, with 23% of councils naming it their top concern. It was also second among the longterm financial pressures, tied with Environment and Waste (17%). Among those authorities without responsibility for social care, it was named as the top immediate (37%) and longterm (24%) financial pressure.

One in ten councils (11%) said they were planning reductions in service level within Homelessness Support due to budget constraints.

Almost two thirds (61%) of councils said that the lack of variation in the Local Housing Allowance is causing problems in their local housing market. The type of issues vary across different authorities, from making it harder to tackle homelessness (45%) and artificially inflating local rental prices (25%), to encouraging rogue landlords (10%) and causing a decline in the quality of local housing stock (10%).

Environment and Waste



Environment and Waste was named second in the list of top long-term concerns (17% of councils placed it top), tying with Housing and Homelessness and following Adult Social Care (37%). Environment and Waste is becoming more of a concern for councils, with the percentage of councils naming it their top long-term concern doubling in three years (from 9% in 2016).

Almost a quarter of councils (22%) said they were planning reductions in service level within waste collection due to budget constraints, and one in ten plan to reduce recycling activity (11%).

Community Services

Councils are responsible for providing a wide range of community services, many of which are coming under intense pressure because of the rising costs associated with

Adult Social Care, Children's Services and Housing and Homelessness.

Community services seeing cuts in 2019/20 due to council funding reductions

- Libraries (32%)
- Arts and culture (46%)
- Parks and leisure (45%)
- Road maintenance and transport (38%)
- Special educational needs and disability services (16%)
- Homelessness support (11%)
- Funding for local Citizens Advice Bureaux (18%)

% of councils saying they will be reducing activity in this area

Source: LGIU/MJ State of Local Government Finance Survey 2019

Councils say they will be forced to reduce activity across Libraries (32% of councils), Arts and Culture (46%), Parks and Leisure (45%), Road Maintenance and Transport (38%), Special Educational Needs and Disability (SEND) Services (16%), Homelessness Support (11%) and funding for local Citizens Advice Bureaux (18%).

Public Trust

Over half (53%) of councils said that the current financial situation in local government is negatively affecting their relationship with residents. From staff cuts leading to slower response times to anger over bins and potholes, councils tell us they are struggling to match rising public expectations with less money.

While some respondents said their residents are sympathetic to their financial situation, others said that a lack of understanding about how local government is funded and structured, along with rising council tax bills, has led to negative perceptions about council services. Respondents told us how voter turnout has declined, civic groups

are more reluctant to engage with the council, and that residents were complaining about cuts to specific services including pothole repair, waste collection, school crossing patrols, Citizen's Advice Bureau funding, libraries and parking charges.



APPENDIX

Survey respondents

RESPONSES BY REGION	
East Midlands	22
Eastern	23
London	7
North East	8
North West	12
South East	33
South West	23
West Midlands	16
Yorkshire and Humber	14
RESPONSES BY COUNCIL TYPE	
<i>Upper tier</i>	
County	13
Unitary	24
London Borough	7
Metropolitan	20
Total	64
<i>Lower tier</i>	
Non-Metropolitan District	94
RESPONSES BY POLITICAL CONTROL OF COUNCIL	
Conservative Council	101
Labour Council	42
Liberal Democrat Council	6
No Overall Control Council	8
UKIP	1
RESPONSES BY ROLE	
Cabinet Member (Finances/Resources)	17
Chief Executive	52
Director of Finance/Resources	46
Leader	42
Elected mayor	1

Data tables

EXPECTED COUNCIL TAX CHANGE 2019/20	
Reduce	0.00%
Freeze	2.53%
Increase - up to 0.49%	0.00%
Increase - 0.5% to 0.99%	0.00%
Increase - 1% to 1.49%	3.80%
Increase - 1.5% to 1.99%	13.29%
Increase - 2% to 2.49%	5.06%
Increase - 2.5% to 2.99%	60.76%
Increase - more than 3% (without referendum)	14.56%
Increase - more than 3% (with referendum)	0.00%

Is there a danger that financial constraints will put your authority in a position where you no longer have enough funding to fulfil your statutory duties in 2019/20?	
Yes	6.37%
No	93.63%

GREATEST IMMEDIATE PRESSURES 2016-19	2019	2018	2017	2016
Children's services and education	35.85%	31.8%	6.8%	12.3%
Adult social care	23.27%	27.8%	52.4%	42.9%
Housing and homelessness	23.27%	19.1%	21.8%	22.7%
Environment and waste	6.92%	9.5%	8.8%	8.4%
GREATEST LONGTERM PRESSURES 2016-19	2019	2018	2017	2016
Adult social care	37.41%	37.8%	39.8%	53.6%
Housing and homelessness	17.01%	18.9%	15.4%	20.9%
Environment and waste	17.01%	11.02%	10.75%	8.5%
Children's services and education	12.24%	15.8%	12.2%	5.2%

In which of these areas will activity be reduced in 2019/20 due to budgetary constraints? Tick all that apply	
Arts and culture	46.34%
Parks and leisure facilities	45.12%
Business support	39.02%
Highways and transport	37.80%
Libraries	31.71%
Adult social care	29.27%
Youth centres	24.39%
Children's Care Services	24.39%
Waste collection	21.95%
Citizens Advice Bureaux	18.29%
SEND services	15.85%
Homelessness support	10.98%
Recycling	10.98%
Planning	7.32%
Further education	4.88%

How confident do you feel about the sustainability of local government finance?			
Not at all confident	Not very confident	Quite confident	Very confident
25.32%	55.06%	19.62%	0.00%

Are residents still able to access the same level of frontline service as this time last year?	
Yes	70.25%
No	29.75%

Will your 2019/20 budget lead to cuts in frontline services which will be evident to the public?	
Yes	25.95%
No	74.05%

Did your authority use, increase or not touch your reserves last year? And do you intend to use, increase or not touch your reserves this year?			
	Use reserves	Not touch reserves	Increase reserves
2018/19	49.36%	25.64%	25.00%
2019/20	53.21%	30.77%	16.03%

How much of a priority is it for you to actively explore other sources of income?				
Not a priority	Low priority	Medium priority	High priority	Essential
0.00%	0.00%	15.71%	42.86%	41.43%

Which sources of income are you considering? Tick all that apply	
Fees and charges, eg. Garden waste, Planning fees	86.54%
Commercialising council services	82.05%
Commercial developments (locally)	81.41%
Housing developments (locally)	73.08%
Asset sales	57.05%
Purchasing investment properties	55.77%
Advertising space	41.03%
Sponsorship	28.21%
Energy Projects	28.21%
Commercial developments (further afield)	13.46%
Housing developments (further afield)	5.13%
Other (please specify)	3.85%
Congestion charge	0.64%

Has your council increased the level of borrowing in order to invest over the past 5 years?	
Yes	52.94%
No	47.06%

In the future do you see core services becoming reliant on income from commercial investments?	
Yes	60.65%
No	20.65%
Not sure	18.71%

If you are planning to seek external funding for any of the above projects, where from? Tick all that apply	
Public Works Loans Board	88.44%
Grant funding	57.82%
Private investment	17.01%
Other local authorities	14.97%
Municipal Bonds Agency	13.61%
Capital markets	11.56%
Crowdfunding	8.84%
Bank loan	5.44%
Other (please specify)	4.76%

By how much do you intend to increase fees and charges income in 2019/20 compared with last year? Give a best estimate across all service areas	
None	3.33%
Below 5%	83.33%
5% to 9%	12.00%
10% to 14%	1.33%
15% to 19%	0.00%
20% to 24%	0.00%
25% to 29%	0.00%
30% or more	0.00%

Are you anticipating an increase in judicial challenges to the level of service provision this year?	
Yes	8.55%
No	91.45%

How would you characterise your current level of service provision?	
We are fulfilling our statutory obligations but nothing else	1.96%
We are providing a little bit more than our statutory obligations	60.78%
We are comfortably providing a range of non-statutory services	37.25%

Is the financial situation in local government negatively affecting your relationship with the public?	
Yes	52.63%
No	47.37%

FOR SOCIAL CARE AUTHORITIES ONLY Where is the pressure on Children's Services coming from? Choose the top 3	
More families with complex support needs	58.73%
More children being taken into care	57.14%
Special educational needs and disabilities	52.38%
Increasing cost of providing residential care	49.21%
Social worker recruitment and retention	42.86%
More referrals about child safety concerns	38.10%
Lack of foster carers and adoptive parents	34.92%
Providing support for care leavers	20.63%
Other (please specify)	15.87%
Unaccompanied child asylum seekers	14.29%
Youth remand services	7.94%
County lines/gang activity	6.35%

Are you finding that a lack of variation in Local Housing Allowance payments is causing problems in your local housing market? Tick all that apply	
No - it is not a problem for us	39.23%
Yes - it is making it harder to tackle homelessness	45.38%
Yes - it is artificially inflating local rental prices	24.62%
Yes - it is encouraging rogue landlords	10.00%
Yes - it is causing a decline in the quality of our housing stock	10.00%
Yes - other issue (please describe)	4.62%

Copyright notices for images used on pages 6-7

Children's play area, Springfield Park - cc-by-sa/2.0 - © P L Chadwick - geograph.org.uk/p/798887

Gritter lorry at Baltasound - cc-by-sa/2.0 - © Mike Pennington - geograph.org.uk/p/1691778

Pothole patching. Locality: Táboritů street, Olomouc - © Michal Mañas - CC BY 3.0 - wikimedia.org.uk

Checking in with a Patient - CC BY-ND 2.0 - © Jose Luis Pelaez, Inc./Blend Images/Corbis - flickr.com

Solihull Library - cc-by-sa/2.0 - © Nigel Mykura - geograph.org.uk/p/5253558

Kingston Youth Centre, Hull - cc-by-sa/2.0 - © Stephen Meara-Blount - geograph.org.uk/p/3222476

Taxi rank in Channel Street, Galashiels - © Walter Baxter - CC BY-SA 2.0

Hampshire County Council counterfeit goods warning notice, Blackbushe - cc-by-sa/2.0 - © Jaggery - geograph.org.uk/p/3672644

Food hygiene rating - © Quinn Comendant - CC BY-SA 2.0 - via Flickr

Colour-coded recycling bins outside Somerfield, Lower Northam Road - cc-by-sa/2.0 - © Peter Facey - geograph.org.uk/p/1041984

Uxbridge Foster Posters - © Alan Stanton - CC BY-SA 2.0 - via Flickr

Portree Community Swimming Pool - © John Allan - CC BY-SA 2.0 - via Wikimedia

Outdoor gym in Fairy Hill Park - cc-by-sa/2.0 - © Stephen Craven - geograph.org.uk/p/2362164

City centre regeneration in Birmingham - cc-by-sa/2.0 - © Roger Kidd - geograph.org.uk/p/5343739

Roadside parking restriction notice in Fulham - © DeFacto - CC BY-SA 2.5 via Wikimedia

Fallow Hill, Sydenham, Leamington - © Lydia - CC BY 2.0 via Flickr

Runnymede council dialaride bus - © David Howard - CC BY-SA 2.0 via Wikimedia

Base seeks crosswalk patrols for school year - Senior Airman Stacy Sanchez via <https://www.airforcemedicine.af.mil/News/Photos/igphoto/2000684068/>

Planning Notice on Halfacres Lane - cc-by-sa/2.0 - © Ian S - geograph.org.uk/p/4074914

Bournemouth : Housing Construction - © Lewis Clarke CC BY-SA 2.0 via Wikimedia

A quadrant bench on Saint Werburgh Street - cc-by-sa/2.0 - © John S Turner - geograph.org.uk/p/781494

Bus shelter, Albany Road, Preston - © Derek Harper CC BY-SA 2.0 geograph.org.uk - 764960.jpg

The Great Bath at the Roman Baths - © Diliff - CC BY 2.5 via Wikimedia

Street cleaning vehicle on a Neath corner - cc-by-sa/2.0 - © Jaggery - geograph.org.uk/p/4944441

Afternoon playtime at Forest Fields Primary and Nursery School - © John Sutton - CC BY-SA 2.0 via geograph.org.uk - 1408918.jpg

Wheatley Village allotments - © allispossible.org.uk - CC BY 2.0 - via Flickr

Public toilets, Driffield, East Riding of Yorkshire - © michael ely - CC BY-SA 2.0 geograph.org.uk - 970563.jpg

Children's Nursery - cc-by-sa/2.0 - © Alan Hughes - geograph.org.uk/p/4985875

London Road cycle path - cc-by-sa/2.0 - © Richard Croft - geograph.org.uk/p/535347

Colourful outdoor play area, Little Acorns Nursery, Littledean - cc-by-sa/2.0 - © Jaggery - geograph.org.uk/p/4367979

Thamesdown Transport school bus fleet - cc-by-sa/2.0 - © P L Chadwick - geograph.org.uk/p/885423

A straight rail stairlift - © Bcm924 - CC BY-SA 4.0 - via Wikimedia

Basketball practice court Banks Road - © David Lally - CC BY-SA 2.0 - geograph.org.uk - 752055.jpg

About LGiU

The Local Government Information Unit (LGiU) is a think tank and membership body with over 200 councils and other organisations subscribing to our networks. We work to strengthen local democracy and put citizens in control of their own lives, communities and local services. For more information, [visit www.lgiu.org.uk](http://www.lgiu.org.uk)

About The MJ

The Municipal Journal (MJ) is the UK's leading weekly magazine for council chief executives and senior managers in local authorities and allied sectors. It offers an insiders' view of what's going on and what people are thinking in today's ever changing and challenging world of local politics – the latest news, incisive comment, in-depth features and interviews, business analysis and the top recruitment vacancies. Visit www.themj.co.uk

Published 14th February 2019
Copyright LGiU 2019

LGiU
Third Floor,
251 Pentonville Road,
London N1 9NG
020 7554 2800
info@lgiu.org.uk
www.lgiu.org.uk

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>18th July 2019</p> <p>Review of the Statutory Guidance on Overview and Scrutiny in Local Government</p>	<p>Item No</p> <p>7</p>
---	--------------------------------

Outline

The statutory guidance on overview and scrutiny in local government was published by the Ministry of Housing, Communities and Local Government (MHCLG) following the Communities and Local Government Select Committee’s inquiry into overview and scrutiny and a commitment by Government in early 2018.

The statutory guidance talks about the technical aspects of scrutiny and offers ideas and a framework within which local scrutiny functions can find their own solutions. The role that overview and scrutiny can play in holding an authority’s decision makers to account makes it fundamentally important to the successful functioning of local democracy. Councils are asked to use this guidance to reflect on their own performance.

Action

The Panel is asked to use this document to review the role of Overview and Scrutiny within Hackney.

This page is intentionally left blank



Ministry of Housing,
Communities &
Local Government

Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities



© Crown copyright, 2019

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

May 2019

ISBN: 978-1-4098-5458-6

Contents

Ministerial Foreword	4
About this Guidance	5
1. Introduction and Context	7
2. Culture	8
3. Resourcing	13
4. Selecting Committee Members	15
5. Power to Access Information	18
6. Planning Work	21
7. Evidence Sessions	25
Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol	27
Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers	28
Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee	30

Ministerial Foreword

The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

It is vital that councils and combined authorities know the purpose of scrutiny, what effective scrutiny looks like, how to conduct it and the benefits it can bring. This guidance aims to increase understanding in all four areas.

In writing this guidance, my department has taken close note of the House of Commons Select Committee report of December 2017, as well as the written and oral evidence supplied to that Committee. We have also consulted individuals and organisations with practical involvement in conducting, researching and supporting scrutiny.

It is clear from speaking to these practitioners that local and combined authorities with effective overview and scrutiny arrangements in place share certain key traits, the most important being a strong organisational culture. Authorities who welcome challenge and recognise the value scrutiny can bring reap the benefits. But this depends on strong commitment from the top - from senior members as well as senior officials.

Crucially, this guidance recognises that authorities have democratic mandates and are ultimately accountable to their electorates, and that authorities themselves are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.

I would, however, strongly urge all councils to cast a critical eye over their existing arrangements and, above all, ensure they embed a culture that allows overview and scrutiny to flourish.



A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

Rishi Sunak MP
Minister for Local Government

About this Guidance

Who the guidance is for

This document is aimed at local authorities and combined authorities in England to help them carry out their overview and scrutiny functions effectively. In particular, it provides advice for senior leaders, members of overview and scrutiny committees, and support officers.

Aim of the guidance

This guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring.

As such, it includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The guidance recognises that authorities approach scrutiny in different ways and have different processes and procedures in place, and that what might work well for one authority might not work well in another.

The hypothetical scenarios contained in the annexes to this guidance have been included for illustrative purposes, and are intended to provoke thought and discussion rather than serve as a 'best' way to approach the relevant issues.

While the guidance sets out some of the key legal requirements, it does not seek to replicate legislation.

Status of the guidance

This is statutory guidance from the Ministry of Housing, Communities and Local Government. Local authorities and combined authorities must have regard to it when exercising their functions. The phrase 'must have regard', when used in this context, does not mean that the sections of statutory guidance have to be followed in every detail, but that they should be followed unless there is a good reason not to in a particular case.

Not every authority is required to appoint a scrutiny committee. This guidance applies to those authorities who have such a committee in place, whether they are required to or not.

This guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, which requires authorities to have regard to this guidance. In addition, authorities may have regard to other material they might choose to consider, including that issued by the Centre for Public Scrutiny, when exercising their overview and scrutiny functions.

Terminology

Unless 'overview' is specifically mentioned, the term 'scrutiny' refers to both overview and scrutiny.¹

Where the term 'authority' is used, it refers to both local authorities and combined authorities.

Where the term 'scrutiny committee' is used, it refers to an overview and scrutiny committee and any of its sub-committees. As the legislation refers throughout to powers conferred on scrutiny committees, that is the wording used in this guidance. However, the guidance should be seen as applying equally to work undertaken in informal task and finish groups, commissioned by formal committees.

Where the term 'executive' is used, it refers to executive members.

For combined authorities, references to the 'executive' or 'cabinet' should be interpreted as relating to the mayor (where applicable) and all the authority members.

For authorities operating committee rather than executive arrangements, references to the executive or Cabinet should be interpreted as relating to councillors in leadership positions.

Expiry or review date

This guidance will be kept under review and updated as necessary.

¹ A distinction is often drawn between 'overview' which focuses on the development of policy, and 'scrutiny' which looks at decisions that have been made or are about to be made to ensure they are fit for purpose.

1. Introduction and Context

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements to ensure that members of an authority who were not part of the executive could hold the executive to account for the decisions and actions that affect their communities.
2. Overview and scrutiny committees have statutory powers² to scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.

Effective overview and scrutiny should:

- Provide constructive 'critical friend' challenge;
- Amplify the voices and concerns of the public;
- Be led by independent people who take responsibility for their role; and
- Drive improvement in public services.

3. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011.
4. The Localism Act 2011 amended the Local Government Act 2000 to allow councils to revert to a non-executive form of governance - the 'committee system'. Councils who adopt the committee system are not required to have overview and scrutiny but may do so if they wish. The legislation has been strengthened and updated since 2000, most recently to reflect new governance arrangements with combined authorities. Requirements for combined authorities are set out in Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
5. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt.
6. In producing this guidance, the Government fully recognises both authorities' democratic mandate and that the nature of local government has changed in recent years, with, for example, the creation of combined authorities, and councils increasingly delivering key services in partnership with other organisations or outsourcing them entirely.

² Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

2. Culture

7. The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.
8. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.
9. Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.
10. Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports, including best value inspection reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole.

How to establish a strong organisational culture

11. Authorities can establish a strong organisational culture by:

- a) **Recognising scrutiny's legal and democratic legitimacy** – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for all authorities operating executive arrangements and for combined authorities.

Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.

- b) **Identifying a clear role and focus** – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority (see chapter 6).

Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic.

While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications. Members should always follow the authority's constitution and associated Monitoring Officer directions on the matter. Further guidance on whistleblowing can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf.

- c) **Ensuring early and regular engagement between the executive and scrutiny** – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme. Authorities should, though, be mindful of their distinct roles:

In particular:

- The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee (see chapter 4); and
- The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting.

- d) **Managing disagreement** – effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee.

It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement.

One way in which this can be done is via an 'executive-scrutiny protocol' (see annex 1) which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often,

the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.

Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.

- e) **Providing the necessary support** – while the level of resource allocated to scrutiny is for each authority to decide for itself, when determining resources an authority should consider the purpose of scrutiny as set out in legislation and the specific role and remit of the authority's own scrutiny committee(s), and the scrutiny function as a whole.

Support should also be given by members and senior officers to scrutiny committees and their support staff to access information held by the authority and facilitate discussions with representatives of external bodies (see chapter 5).

- f) **Ensuring impartial advice from officers** – authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.
- g) **Communicating scrutiny's role and purpose to the wider authority** – the scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.
- h) **Maintaining the interest of full Council in the work of the scrutiny committee** – part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.

One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such

reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.

In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both. At those chairs' discretion, particular Combined Authority scrutiny outcomes, and what they might mean for each individual area, could be either discussed by scrutiny in committee or referred to full Council of the constituent authorities.

- i) **Communicating scrutiny's role to the public** – authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process (see chapter 6).
- j) **Ensuring scrutiny members are supported in having an independent mindset** – formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers.

Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them (see paragraph 25).

Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.

Directly-elected mayoral systems

12. A strong organisational culture that supports scrutiny work is particularly important in authorities with a directly-elected mayor to ensure there are the checks and balances to maintain a robust democratic system. Mayoral systems offer the opportunity for greater public accountability and stronger governance, but there have also been incidents that highlight the importance of creating and maintaining a culture that puts scrutiny at the heart of its operations.
13. Authorities with a directly-elected mayor should ensure that scrutiny committees are well-resourced, are able to recruit high-calibre members and that their scrutiny functions pay particular attention to issues surrounding:
 - rights of access to documents by the press, public and councillors;
 - transparent and fully recorded decision-making processes, especially avoiding decisions by 'unofficial' committees or working groups;
 - delegated decisions by the Mayor;
 - whistleblowing protections for both staff and councillors; and
 - powers of Full Council, where applicable, to question and review.

14. Authorities with a directly-elected mayor should note that mayors are required by law to attend overview and scrutiny committee sessions when asked to do so (see paragraph 44).

3. Resourcing

15. The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.
16. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.
17. Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).

When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include:

- Scrutiny's legal powers and responsibilities;
- The particular role and remit scrutiny will play in the authority;
- The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations;
- The need for ad hoc external support where expertise does not exist in the council;
- Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and
- Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions.

Statutory scrutiny officers

18. Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer,³ someone whose role is to:
 - promote the role of the authority's scrutiny committee;
 - provide support to the scrutiny committee and its members; and
 - provide support and guidance to members and officers relating to the functions of the scrutiny committee.

³ Section 9FB of the Local Government Act 2000; article 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

19. Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs.

Officer resource models

20. Authorities are free to decide for themselves which wider officer support model best suits their individual circumstances, though generally they adopt one or a mix of the following:

- Committee – officers are drawn from specific policy or service areas;
- Integrated – officers are drawn from the corporate centre and also service the executive; and
- Specialist – officers are dedicated to scrutiny.

21. Each model has its merits – the committee model provides service-specific expertise; the integrated model facilitates closer and earlier scrutiny involvement in policy formation and alignment of corporate work programmes; and the specialist model is structurally independent from those areas it scrutinises.

22. Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.

4. Selecting Committee Members

23. Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.
24. While there are proportionality requirements that must be met,⁴ the selection of the chair and other committee members is for each authority to decide for itself. Guidance for combined authorities on this issue has been produced by the Centre for Public Scrutiny⁵.

Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.

25. Authorities are reminded that members of the executive cannot be members of a scrutiny committee.⁶ Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of interest, including familial links (see also paragraph 31), between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.
26. Members or substitute members of a combined authority must not be members of its overview and scrutiny committee.⁷ This includes the Mayor in Mayoral Combined Authorities. It is advised that Deputy Mayors for Policing and Crime are also not members of the combined authority's overview and scrutiny committee.

Selecting individual committee members

27. When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.

⁴ See, for example, regulation 11 of the Local Authorities (Committee System) (England) Regulations 2012 (S.I. 2012/1020) and article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

⁵ See pages 15-18 of 'Overview and scrutiny in combined authorities: a plain English guide': <https://www.cfps.org.uk/wp-content/uploads/Overview-and-scrutiny-in-combined-authorities-a-plain-english-guide.pdf>

⁶ Section 9FA(3) of the Local Government Act 2000.

⁷ 2(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

28. Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality referred to in paragraph 24).

Selecting a chair

29. The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.

30. The attributes authorities should and should not take into account when selecting individual committee members (see paragraphs 27 and 28) also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.

Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.

31. Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives⁸. Combined authorities should note the legal requirements that apply to them where the Chair is an independent person⁹.

32. The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot. Combined Authorities should be aware of the legal requirements regarding the party affiliation of their scrutiny committee Chair¹⁰.

Training for committee members

33. Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.

34. When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.

Co-option and technical advice

35. While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable.

⁸ A definition of 'relative' can be found at section 28(10) of the Localism Act 2011.

⁹ See article 5(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

¹⁰ Article 5(6) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

36. There are two principal ways to procure this:

- Co-option – formal co-option is provided for in legislation¹¹. Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and
- Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence (see annex 2).

¹¹ Section 9FA(4) Local Government Act 2000

5. Power to Access Information

37. A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.
38. This need is recognised in law, with members of scrutiny committees enjoying powers to access information¹². In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
39. When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.
40. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.
41. Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.

While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.

42. The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision¹³. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency.

¹² Regulation 17 - Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹³ Regulation 17(4) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(4) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session.

43. Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member¹⁴. When agreeing to such requests, authorities should:

- consider whether seeking clarification from the information requester could help better target the request; and
- Ensure the information is supplied in a format appropriate to the recipient's needs.

44. Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions¹⁵. It is the duty of members and officers to comply with such requests.¹⁶

Seeking information from external organisations

45. Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations.

46. When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either (see annex 3), scrutiny committees should consider the following:

- a) **The need to explain the purpose of scrutiny** – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;
- b) **The benefits of an informal approach** – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;

¹⁴ Regulation 17(2) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(2) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹⁵ Section 9FA(8) of the Local Government Act 2000; paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

¹⁶ Section 9FA(9) of the Local Government Act 2000; paragraph 2(7) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

- c) **How to encourage compliance with the request** – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to emphasise the opportunity their request gives the organisation to ‘set the record straight’ in a public setting; and
- d) **Who to approach** – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority’s pre-existing relationship with it.

Following ‘the Council Pound’

Scrutiny committees will often have a keen interest in ‘following the council pound’, i.e. scrutinising organisations that receive public funding to deliver goods and services.

Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a *requirement* for them to supply information to or appear before scrutiny committees.

6. Planning Work

47. Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to accommodate any urgent, short-term issues that might arise during the year.
48. Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.

Being clear about scrutiny's role

49. Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that there might be things that, despite being important, scrutiny will not be able to look at.
50. Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.
51. Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.
52. When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.

Who to speak to

53. Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:
 - *The public* – it is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results.

Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.

- *The authority's partners* – relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:
 - Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);
 - Voluntary sector partners;
 - Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);
 - In parished areas, town, community and parish councils;
 - Neighbouring principal councils (both in two-tier and unitary areas);
 - Cross-authority bodies and organisations, such as Local Enterprise Partnerships¹⁷; and
 - Others with a stake and interest in the local area – large local employers, for example.

- *The executive* – a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work (see chapter 2), but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.

Information sources

54. Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:

- Performance information from across the authority and its partners;
- Finance and risk information from across the authority and its partners;
- Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;
- Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre-decision scrutiny; and
- Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.

¹⁷ Authorities should ensure they have appropriate arrangements in place to ensure the effective democratic scrutiny of Local Enterprise Partnerships' investment decisions.

As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public (see 2014 guidance on '*Open and accountable local government*':

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf).

55. Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.

Shortlisting topics

Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:

- Do we understand the benefits scrutiny would bring to this issue?
- How could we best carry out work on this subject?
- What would be the best outcome of this work?
- How would this work engage with the activity of the executive and other decision-makers, including partners?

56. Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.

57. Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.

Carrying out work

58. Selected topics can be scrutinised in several ways, including:

- a) **As a single item on a committee agenda** – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;
- b) **At a single meeting** – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a

given subject, or to have a meeting at which evidence is taken from a number of witnesses;

- c) **At a task and finish review of two or three meetings** – short, sharp scrutiny reviews are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;
- d) **Via a longer-term task and finish review** – the ‘traditional’ task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and
- e) **By establishing a ‘standing panel’** – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used.

7. Evidence Sessions

59. Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal ‘task and finish’ groups or at standalone sessions.

Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.

How to plan

60. Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.

Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.

61. As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.
62. Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.
63. After an evidence session, the committee might wish to hold a short ‘wash-up’ meeting to review whether their objectives were met and lessons could be learned for future sessions.

Developing recommendations

64. The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.

65. The drafting of reports is usually, but not always, carried out by officers, directed by members.

66. Authorities draft reports and recommendations in a number of ways, but there are normally three stages:

- i. the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;
- ii. the development of those findings, which will set out some areas on which recommendations might be made; and
- iii. the drafting of the full report.

67. Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.

68. Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.

Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check.

Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers

This example demonstrates how one Council's executive and scrutiny committee worked together to scope a role and then appoint an independent adviser on transforming social care commissioning. Their considerations and process may be helpful and applicable in other similar scenarios.

Major care contracts were coming to an end and the Council took the opportunity to review whether to continue with its existing strategic commissioning framework, or take a different approach – potentially insourcing certain elements.

The relevant Director was concerned about the Council's reliance on a very small number of large providers. The Director therefore approached the Scrutiny and Governance Manager to talk through the potential role scrutiny could play as the Council considered these changes.

The Scrutiny Chair wanted to look at this issue in some depth, but recognised its complexity could make it difficult for her committee to engage – she was concerned it would not be able to do the issue justice. The Director offered support from his own officer team, but the Chair considered this approach to be beset by risks around the independence of the process.

She talked to the Director about securing independent advice. He was worried that an independent adviser could come with preconceived ideas and would not understand the Council's context and objectives. The Scrutiny Chair was concerned that independent advice could end up leading to scrutiny members being passive, relying on an adviser to do their thinking for them. They agreed that some form of independent assistance would be valuable, but that how it was provided and managed should be carefully thought out.

With the assistance of the Governance and Scrutiny Manager, the Scrutiny Chair approached local universities and Further Education institutions to identify an appropriate individual. The approach was clear – it set out the precise role expected of the adviser, and explained the scrutiny process itself. Because members wanted to focus on the risks of market failure, and felt more confident on substantive social care matters, the approach was directed at those with a specialism in economics and business administration. The Council's search was proactive – the assistance of the service department was drawn on to make direct approaches to particular individuals who could carry out this role.

It was agreed to make a small budget available to act as a 'per diem' to support an adviser; academics were approached in the first instance as the Council felt able to make a case that an educational institution would provide this support for free as part of its commitment to Corporate Social Responsibility.

Three individuals were identified from the Council's proactive search. The Chair and Vice-Chair of the committee had an informal discussion with each – not so much to establish their skills and expertise (which had already been assessed) but to give a sense about

their 'fit' with scrutiny's objectives and their political nous in understanding the environment in which they would operate, and to satisfy themselves that they will apply themselves even-handedly to the task. The Director sat in on this process but played no part in who was ultimately selected.

The independent advice provided by the selected individual gave the Scrutiny Committee a more comprehensive understanding of the issue and meant it was able to offer informed advice on the merits of putting in place a new strategic commissioning framework.

Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee

This example shows how one council ensured a productive scrutiny meeting, involving a private company and the public. Lessons may be drawn and apply to other similar scenarios.

Concerns had been expressed by user groups, and the public at large, about the reliability of the local bus service. The Scrutiny Chair wanted to question the bus company in a public evidence session but knew that she had no power to compel it to attend. Previous attempts to engage it had been unsuccessful; the company was not hostile, but said it had its own ways of engaging the public.

The Monitoring Officer approached the company's regional PR manager, but he expressed concern that the session would end in a 'bunfight'. He also explained the company had put their improvement plan in the public domain, and felt a big council meeting would exacerbate tensions.

Other councillors had strong views about the company – one thought the committee should tell the company it would be empty-chaired if it refused to attend. The Scrutiny Chair was sympathetic to this, but thought such an approach would not lead to any improvements.

The Scrutiny Chair was keen to make progress, but it was difficult to find the right person to speak to at the company, so she asked council officers and local transport advocacy groups for advice. Speaking to those people also gave her a better sense of what scrutiny's role might be.

When she finally spoke to the company's network manager, she explained the situation and suggested they work together to consider how the meeting could be productive for the Council, the company and local people. In particular, this provided her with an opportunity to explain scrutiny and its role. The network manager remained sceptical but was reassured that they could work together to ensure that the meeting would not be an 'ambush'. He agreed in principle to attend and also provide information to support the Committee's work beforehand.

Discussions continued in the four weeks leading up to the Committee meeting. The Scrutiny Chair was conscious that while she had to work with the company to ensure that the meeting was constructive – and secure their attendance – it could not be a whitewash, and other members and the public would demand a hard edge to the discussions.

The scrutiny committee agreed that the meeting would provide a space for the company to provide context to the problems local people are experiencing, but that this would be preceded by a space on the agenda for the Chair, Vice-chair, and representatives from two local transport advocacy groups to set out their concerns. The company were sent in

advance a summary of the general areas on which members were likely to ask questions, to ensure that those questions could be addressed at the meeting.

Finally, provision was made for public questions and debate. Those attending the meeting were invited to discuss with each other the principal issues they wanted the meeting to cover. A short, facilitated discussion in the room led by the Chair highlighted the key issues, and the Chair then put those points to the company representatives.

At the end of the meeting, the public asked questions of the bus company representative in a 20-minute plenary item.

The meeting was fractious, but the planning carried out to prepare for this – by channelling issues through discussion and using the Chair to mediate the questioning – made things easier. Some attendees were initially frustrated by this structure, but the company representative was more open and less defensive than might otherwise have been the case.

The meeting also motivated the company to revise its communications plan to become more responsive to this kind of challenge, part of which involved a commitment to feed back to the scrutiny committee on the recommendations it made on the night.

This page is intentionally left blank



Scrutiny Panel 18 th July 2019 Review of the Overview and Scrutiny Work Programmes for 2019/20	Item No 8
---	-------------------------

OUTLINE

Attached is the draft work programmes for the 4 thematic overview and scrutiny commissions in London Borough of Hackney. Please note these are working documents, regularly revised and updated.

- Health in Hackney Scrutiny Commission
- Children and Young People Scrutiny Commission
- Skills, Economy and Growth Scrutiny Commission
- Living in Hackney Scrutiny Commission

In addition to the draft work programmes the Chair from each Commission will provide a verbal update on the proposed review and work programme discussion items.

ACTION

The Scrutiny Panel is requested to review the work programme and discuss any suggestions for amendments or consideration.

This page is intentionally left blank

Overview & Scrutiny

Health in Hackney Scrutiny Commission

Rolling Work Programme June 2019 – April 2020 (as at 10 July 2019)

All meetings will take place in Hackney Town Hall, unless stated otherwise on the agenda. **This is a working document and subject to change.**

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
Thu 13 June 2019 Papers deadline: 3 June		Jarlath O'Connell	Election of Chair and Vice Chair for 2018/19	
	Legal & Democratic Services	Dawn Carter McDonald	Appointment of reps to INEL JHOSC	To appoint 3 reps for the year.
	St Joseph's Hospice	Tony Mclean Jane Naismith	Response to Quality Account for St Joseph's Hospice	To comment on the draft Quality Accounts for 2018/19 from the local NHS Services who request them.
	HUHFT	Catherine Pelley	Response to Quality Account for HUHFT	Discussion with Chief Exec of Homerton University Hospital on issues raised in the Commission's annual Quality Account letter to the Trust.
	HUHFT Hackney Migrant Centre	Catherine Pelley Rayah Feldman/ Mamie Joyce	Overseas Visitors Charging Regulations	To consider response received from Baroness Blackwood (Health Minister) to Commission's letter.
	NELCA CCG	Alison Glynn, NELCA Siobhan Harper, Workstream Director Planned Care Dr Nikhil Katyar (C&HCCG GB) David Maher, CCG	Consultation on 'Aligning Commissioning Policies' across NE London	NELCA is consulting on 'Aligning Commissioning Policies' across the NEL patch. It closes on 5 July. INEL will take this forward but the Chair has invited the CCG and NELCA to brief the Commission on these changes to eligibility for certain procedures which will no longer be

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
				routinely offered by NHS.
	All Members		Work Programme for 2019/20	To consider work programme suggestions received from stakeholders, Cabinet, Corporate Directors and others and to AGREE an outline work programme for the year to be sent to Scrutiny Panel's 18 July meeting for comment
Wed 10 July 2019 Papers deadline: 1 July	LBH/CoL/Prevention Workstream	Anne Canning SRO Jayne Taylor Workstream Director	Integrated commissioning – PREVENTION Workstream	Series of updates from each of the Integrated Commissioning Workstreams
	Unplanned Care Workstream GP Confederation	Nina Griffith Laura Sharpe	City & Hackney Neighbourhoods Development Programme	Update requested at July 2018 meeting.
	Healthwatch Hackney	Jon Williams Rupert Tyson	Healthwatch Hackney Annual Report	To consider the annual report of Healthwatch Hackney
		Jarlath O'Connell	REVIEW on 'Digital first primary care....'	Recommendations discussion
INEL JHOSC Wed 31 July 2019 at 19.00 hrs at Old Town Hall Stratford	<i>East London Health and Care Partnership and North East London Commissioning Alliance</i>	<i>Robert Brown (Newham Council)</i>	a) New INEL System Transformation Board b) Early Diagnostic Centre for Cancer at Mile End c) Aligning Commissioning Policies consultation	
Thu 12 Sept 2019 Papers deadline: 2 Sept		Jarlath O'Connell	REVIEW on Digital first primary care and	Agree final report.

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
			implications for GP Practices	
	Chair of CHSAB Adult Services	Dr Adi Cooper Simon Galczynski John Binding	Annual Report of City & Hackney Safeguarding Adults Board	Annual review of SAB work. Annual item.
	Adult Services Healthwatch Hackney	Anne Canning Jon Williams	Update on 'Housing with Care' service post CQC inspection revisit	Updates from both Adult Services and Healthwatch Hackney 6 months after the last item on the implementation of the Action Plan in response to the CQC inspection of the Housing with Care service
	CACH Planned Care Workstream?	Anne Canning Siobhan Harper	Update on provision of intermediate care	Follow up from suggestion at March 2019.
	Cabinet Member	Cllr Clark	Cabinet Working Group Update on Housing Related Support	The Mayor and Cabinet has initiated Member Working Groups to develop key policy areas and Cllr Clark will report on the one relevant to HiH.
INEL JHOSC Wed 18 Sept 2019 at 16.00 hrs <u>Please note early start</u> At Old Town Hall Stratford	JOINT WITH Outer North East London JHOSC	<i>Robert Brown</i> <i>(Newham Council)</i>	a) NHS Long Term Plan b) Relocation of Moorfields Eye Hospital c) TBC	<i>One meeting per year is joint with Outer East London JHOSC</i>
Mon 4 Nov 2019 Papers deadline: Thu 23 Oct	Public Health NHSEL LMC		Sexual Health Services - new commissioning arrangements	Request from LMC to examine the impact of this on primary care.
<i>Joint with Members</i>	LBH/CoL/CCG CYP&M	Amy Wilkinson Workstream Director	Update on Integrated	Series of updates from each of the Integrated

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
<i>of CYP Scrutiny Commission</i>	Care Workstream		Commissioning – CYPM Workstream TBC	Commissioning Workstreams
	HCVS Connect Hackney Older People's Reference Group	Jake Ferguson Tony Wong	Connect Hackney - Reducing social isolation in older people	Briefing on the progress of Connect Hackney (a Big Lottery Funded project)
	Policy Team	Soraya Zahid	Development of Hackney's Ageing Well Strategy	Input to the development of this key new strategy being developed by the Council
INEL JHOSC Wed 27 Nov 2019 at 19.00 hrs at Old Town Hall Stratford	<i>East London Health and Care Partnership and North East London Commissioning Alliance</i>	<i>Robert Brown (Newham Council)</i>	a) NEL Estates Strategy b) Update on Barts Health's Non-Emergency Patient Transport Service review	
Wed 4 Dec 2019 Papers deadline: 22 Nov	Integrated Commissioning	Anne Canning David Maher Simon Galczynski	Redesigning Community Services	Suggestions from Cabinet Member and from CCG Outline briefing. Will require more detailed follow up items.
	Adult Services	Simon Galczynski	Assistive Technology in social care	Suggested by Adult Services To explore potential demand and hear about the small pilots taking place and the plans to recommission telecare service.
	Cabinet Member	Cllr Clark	Cabinet Member Question Time with Cllr Clark	Annual CQT Session with the relevant Cabinet Member.
Possible separate engagement event hosted by the	<i>LBH CCG HUHFT</i>	<i>Tim Shields/ Ian Williams/ Anne Canning</i>	NEL Estates Plan in particular plans for St Leonard's Site	<i>Scrutiny will host an engagement event with the senior officers from the relevant stakeholders and the Cabinet Members to discuss the emerging</i>

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
Commission in January/February 2019	ELFT Healthwatch	David Maher Tracey Fletcher Dr Navina Evans Jon Williams		<i>plans for the St Leonard's Site.</i>
Wed 29 Jan 2020 Papers deadline: 17 Jan	ELFT CCG Adult Services Public Health	Dean Henderson and colleagues Dan Burningham Dr Nicole Klynman David Maher	Mental Health Updates	Session with ELFT and CCG to cover: a) New Health Based Places of Safety at Homerton Hospital b) Redesign of C&H Diagnostic Memory Clinic and Dementia Service Pathway c) Tackling the increase in High Intensity users for A&E and LAS services d) Personal Health Budgets as part of ELFT discharge pathway e) Recovery Care Plans as a standardised part of ELFT discharge policy i.e. an ELFT CQIN f) Reshaping mental health provision as part of Neighbourhoods Model including redesign of mental health Enhanced Primary Care
	Public Health Adult Commissioning Network providers	Anne Canning Dr Nicole Klynman Gareth Wall	City & Hackney Wellbeing Network	To receive update on the revised model for the Wellbeing Network being put in place following an evaluation report.
	LBH/CoL/CCG Unplanned Care Workstream	Nina Griffith Workstream Director Tracey Fletcher, SRO	Integrated commissioning – UNPLANNED CARE Workstream	Series of updates from each of the Integrated Commissioning Workstreams
Wed 12 Feb 2020 Papers deadline: 31 Jan			Terms of Reference for Scrutiny in-a-day REVIEW on Air Quality	Review to be carried out on a date in Feb-Mar on the health impact of poor Air Quality

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
	Adult Services	Tessa Cole	Adult Services Local Account	Annual item on publication of the Local Account of Adult Services
	Public Realm Sport England Project	Aled Richards Lola Akindoyin	Sports development and health inc. Sport England project	Suggested by Public Realm. Briefing on the programme of the Sport England funded project inc.the New Age games, improvements to leisure and parks facilities.
Scrutiny in a Day on <u>Air Quality</u> Feb daytime date tbc	Public Health Transport TfL CoL	TBC	Air Quality – health impacts	Intensive day of evidence gathering following site visits for review on health impacts of poor Air Quality
INEL JHOSC Wed 26 Feb 2020 at 19.00 hrs at Old Town Hall Stratford	<i>East London Health and Care Partnership and North East London Commissioning Alliance</i>	<i>Robert Brown (Newham Council)</i>	TBC	
Mon 30 Mar 2020 Papers deadline: 18 Mar		Jarlath O'Connell	Scrutiny in-a-day REVIEW on Air Quality	To agree report
	LBH/CoL/CCG Planned Care Workstream	Siobhan Harper, Workstream Director Andrew Carter, SRO	Integrated Comm. PLANNED CARE Workstream	Series of updates from each of the Integrated Commissioning Workstreams
	Adult Services	Ann McGale Penny Heron Tessa Cole Anne Canning	Integrated Learning Disabilities Service	Update on development of the new model
	Planned Care Workstream	Siobhan Harper	Housing First pilot	Update on this health initiative in conjunction with Housing Needs to support those with multiple and complex needs.
			Discussion on Work Programme items for	

Meeting	Lead Organisation /Directorate	Officer Contact	Item	Description
			2020/21	

CCG Suggestions (received since last meeting)

1. **CAMHS Transformation** (N.B. this is being done by CYP SC)

2. **Mental Health** (this links to ELFT's suggestions for Jan meeting).

CCG Note: There are a number of significant 2019-20 mental health developments taking place which will inform the redesign of services: • High Intensity Users of A&E and LAS services – the piloting integrated pathway involving acute, mental health services and wellbeing services. • Personal Health Budgets are being piloted as part of the ELFT discharge pathway • Recovery Care Plans as a standardised part of the ELFT discharge pathway (ELFT CQUIN) • City and Hackney, alongside Newham and Tower Hamlets, have also bid for NHSE funding to re-shape mental health provision in Primary Care Neighbourhoods. As part of the bid process we have re-designed our mental health Enhanced Primary Care services to provide a more comprehensive neighbourhood offer.

3. **Immunisations** (follow up on previous item)

CCG Note: Building on the recent measles outbreak response, we are committed to increasing uptake of immunisations and vaccinations across all communities. Political support and championing of this agenda is key in supporting this, and giving weight to our ongoing dialogue with NHS England on effective commissioning arrangements.

4. **Using Neighbourhoods to address wider determinants.** (this follows on from July item on Neighbourhoods)

CCG Note: We know that health and care services only make a small (10%) contribution to people's health outcomes. The neighbourhoods provide a structure for effective engagement with wider community partners to take a place based approach to improving health and wellbeing. The NHS Long Term Plan puts further emphasis on delivering support for people at a 30-50000 neighbourhood population through Primary Care Networks and work is underway on redesigning community services including social care. Significant progress should be made by ELFT, Confed and Homerton working in partnership with wider CCG and London Borough of Hackney colleagues over the course of the year and the commission may wish to scrutinise progress and pace of change.

5. **Tackling increasing A&E attendances including CYP** (can be covered as part of January mental health item)

CCG Note: A&E attendances have increased outside of population growth in the last year. This is across a wide range of ages and conditions, including for children and young people. We are undertaking analysis and engaging with local residents to understand this, and developing plans to try to better support people through community services where possible.

6. **Estates** (being covered as part of proposed Jan/Feb scrutiny engagement event)

CCG Note: To review the emerging plans for the City and Hackney public estate and how these plans are supporting our delivery models for health and social care services.

Items held over from last year but not scheduled

	LMC CCG	Kirit Shah Rozalia Enti	Pharmacy First (Minor Ailments) Scheme and Medicines Optimisation Service	Follow-up on previous concerns about the withdrawal of these services. Awaiting NHSEL decision on commissioning.
tbc	Adult Services Oxford Brookes University researcher Camden Council rep	Gareth Wall and Simon Galczynski	Market Making in Adult Social Care	Report on Adult Services Market Position Statement and benchmarking on how to develop the local market for social care providers.
Tbc			Transport implications for residents of service change	Suggestion from Cllr Snell. Possible review/item to understand how much Transformation Programmes take transport impacts for patients and families into consideration and whether these can be improved.

Overview & Scrutiny

Children and Young People Scrutiny Commission

Rolling Work Programme June 2019 – April 2020 (as at 10 July 2019)

All meetings will take place in Hackney Town Hall, unless stated otherwise on the agenda. **This is a working document and subject to change.**

Date	Item title and scrutiny objective	Directorate – Division – Officer Responsibility	Preparatory work to support item
Meeting 1 24th June 2019 Deadline for reports: 12 th June 2019 Publication Date: 14 th June 2019	Election of Chair and Vice Chair	Martin Bradford, Scrutiny Team/ Chair CYP	
	Children’s Social Care – Action Plan in response to Ofsted focused visit.	<ul style="list-style-type: none"> Anne Canning, Group Director, Adults, Children and Community Health, Sarah Wright, Director of Children & Families 	Circulation of outcome of Ofsted focused visit.
	School Admissions	<ul style="list-style-type: none"> Marian Lavelle, Head of Admissions and Pupil Benefits, HLT Annie Gammon, Director of Education and Head of HLT 	
	Childcare Sufficiency	<ul style="list-style-type: none"> Donna Thomas, Head of Early Years, HLT Annie Gammon, Director of Education and Head of HLT 	

	Developing new CYP Work Programme for 2019/20	Commission/ Scrutiny officer	<ul style="list-style-type: none"> - To consult local stakeholders - Meet with service Directors - Collate topic suggestions
Meeting 2 Monday 9th September 2019	New arrangements for City & Hackney Safeguarding Children Board	<ul style="list-style-type: none"> • Anne Canning, Group Director Adults, Children and Community Health • Rory McCallum, Senior Professional Adviser, CHSCB 	
Papers deadline: 12.00pm Thursday 29th August	Off-rolling	<ul style="list-style-type: none"> • Annie Gammon, Director of Education, HLT • Anton Francic, Senior Secondary Adviser, HLT 	
Agenda dispatch: Friday 30th August	CYP Work Programme 2019/20	<ul style="list-style-type: none"> • Scrutiny Officer / Commission 	
	School Exclusions - Update	Scrutiny Officer / Commission	
Meeting 3 Tuesday 29th October			
Papers deadline: 12.00 Friday 18th October			
Agenda			

dispatch Monday 21st October			
Meeting 4 Monday 25th November 2019			
Papers deadline: Midday Thursday 14th November			
Agenda dispatch: Friday 15th November 2019			

Meeting 5			
Tuesday 10th December 2019			
Papers deadline:			
Midday Friday 29th November 2019			
Agenda dispatch:			
Monday 2nd December 2019			

Meeting 6 Monday 27th January 2020 Papers deadline: Thursday 16th January 2020 Agenda dispatch: Friday 17th January 2020			
Meeting 7 Monday 24th February			

2020			
Papers deadline: Thursday 13th February			
Agenda dispatch: Friday 14th February			
Meeting 8			
Thursday 23rd April 2020			
Papers deadline: Tuesday 14th April 2020			
Agenda dispatch: Wednesday 15th April			

Standing Items		
Election of Chair	<ul style="list-style-type: none"> • Commission 	Scheduled 24/6
School Admissions and Childcare Sufficiency	<ul style="list-style-type: none"> • Annie Gammon • Marian Lavelle • Donna Thomas 	Scheduled 24/6
Children and Families Service Bi-Annual Report to Members	<ul style="list-style-type: none"> • Sarah Wright, Director of Children & Family Services • Lisa Aldridge, Head of Service, Safeguarding and Learning • Deborah Ennis, Service Manager - Safeguarding and Learning 	
Annual Report City and Hackney Safeguarding Board	<ul style="list-style-type: none"> • Jim Gamble, Chair of the City and Hackney Safeguarding Children Board – TBC • Rory McCallum, Senior Processional Adviser 	
Annual Question Time with Cabinet Member for Cabinet Member for Families, Early Years and Play	<ul style="list-style-type: none"> • Cllr Christopher Kennedy 	
Annual Question Time with Deputy Mayor and Cabinet Member for Education, Young People and Children’s Social Care.	<ul style="list-style-type: none"> • Cllr Anntoinette Bramble 	

Annual Update on Achievement of Students at Early Years Foundation Stage, Key Stage 2 and Key Stage 4.	<ul style="list-style-type: none">• Sara Morgan, Principal Adviser Primary, Hackney learning Trust;• Anton Francic, Principal Secondary Adviser, Hackney Learning Trust – TBC• Tim Wooldridge, Early Years,	
--	---	--

Review Items		
Outcomes of Exclusions – Final report (TBC)	<ul style="list-style-type: none"> • Martin Bradford, Scrutiny Officer 	
Recruitment & Retention of Foster Carers - Update 2	<ul style="list-style-type: none"> • Sarah Wright, Director of Children and Families Service 	
Unregistered Educational Settings - Update 2	<ul style="list-style-type: none"> • Anne Canning, Group Director, Children, Adults and Community Health, LBH • Andrew Lee, Assistant Director Education Services, Hackney Learning Trust • Paul Kelly, Head of Wellbeing and Education Safeguarding, Education Services, Hackney Learning Trust • Rory McCallum, Senior Professional Adviser, CHSCB 	

One off Items agreed from 2018/19		
Action Plan arising from Ofsted Focused Visit	<ul style="list-style-type: none"> • Anne Canning, Group Director, Children, Adults and Community Health, LBH • Sarah Wright, Director of Children & Family Services 	Scheduled 24/6
Off-rolling	<ul style="list-style-type: none"> • Annie Gammon, Director of Education and Head of HLT • Anton Francic 	Scheduled 9/9
Support to LGBT students in Schools in Hackney – update from letter	HLT/ Public Health/ Integrated Commissioning/	Response and follow to recommendations of the Commission.
Well-being and Mental Health Services (WAMHS): early intervention and support to schools	<p>WAMHS</p> <ul style="list-style-type: none"> • Sophie McElroy, CAMHS Alliance Project Manager • Helena Burke, HLT • Waveney Patel, Consultant Clinical Psychologist, Homerton Hospital (CAMHS) • Greg Condon, Mental Health Programme Manager, NHS City and Hackney Clinical Commissioning Group • Laura Smith, Clinical Lead, Children's Social Care, Hackney Learning Trust 	

New arrangements for Local safeguarding children boards	Anne Canning	Scheduled 9/9
New safeguarding children requirements	Anne Canning / Rory McAllum	
Hackney Youth Parliament - Report Back	HYP representatives	Report back on work undertaken at HYP - function and nature of work of HYP - Issues arising - Views on engagement and involvement
Young Futures Commission	Rohney Saggar Malik	Update on work of the YFC. Emerging issues.

This page is intentionally left blank

Overview & Scrutiny

Skills, Economy and Growth Scrutiny Commission

Rolling Work Programme June 2019 – April 2020

All meetings will take place in Hackney Town Hall, unless stated otherwise on the agenda. **This is a working document and subject to change.**

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
Mon 17th June 2019 Papers deadline: Wed 5 th June	Work Programme Discussion	Chief Executive Directorate Overview and Scrutiny - Tracey Anderson	To agree a review topic and discussion items for the work programme.
	Update on Inclusive Economy Strategy	Chief Executive Directorate Director - Stephen Haynes	update on the development of the Council's Inclusive Economy Strategy, proposed timescales for implementation
Mon 8 July 2019 Papers deadline: Thurs 27 th June	Inclusive Economy Strategy Consultation Workshop	Chief Executive Directorate Head of Policy and Partnerships - Sonia Khan	Review of the strategy out for consultation and the development of metrics.

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
Mon 16 Sept 2019 Papers deadline: Wed 4 th Sept	Cost of living and public sector recruitment strategies	Various	<i>Recognising how the growing disparity between cost of living and public sector salaries are going to pose a real tension for recruitment strategies and talent management.</i> Looking at the cost of living and the ability to fill key public sector roles.
Wed 16 Oct 2019 Papers deadline: Fri 4 th Oct	Night Time Economy Summit	Chief Executive Directorate Overview and Scrutiny Tracey Anderson	Review of new policy, jobs, sustainability of sector, implications for residents and growth.
Mon 11 Nov 2019 Papers deadline: Wed 30 th Oct	Crossrail 2 Update from Transport for London	Transport For London – Crossrail 2	<i>Update on the progress of Crossrail 2 In response to the government's call to make Crossrail 2 more affordable, TfL are reviewing the scheme, design and delivery in order to ensure</i>

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
			<i>best value for money. TfL is currently awaiting a decision from the Government about next steps for the scheme. Update to Commission about the progress of Crossrail2 will be provided at a later date.</i>
Mon 6 Jan 2020 Papers deadline: Wed 18 st Dec	Cabinet Member Question Time sessions -	Mayor's Office – Head of Mayors Office and Support Officer Cllr Williams	
	Cabinet Member Question Time sessions	Mayor's Office – Head of Mayors Office and Support Officer Cllr Nicholson	
Thur 12 Mar 2020 Papers deadline: Mon 2 nd Mar	TBC		

Dates	Proposed Item	Directorate and officer contact	Description, Comment and Action
Mon 20 Apr 2020 Papers deadline: Wed 8 th Apr	Work Programme 2018/19 and Work Programme Planning for 2019/20	Chief Executive Directorate Overview and Scrutiny Tracey Anderson	

Update for Living in Hackney Work Programme 2019-20

The Living in Hackney Commission's work programme will be discussing and agreeing its work programme at the first meeting of the new cycle, on the 15th July 2019.

Possible Review

One possibility for the Commission's substantive review for the year is an exploration and identification of best practice in a range of areas relating to Housing Services, by both Councils and Registered Providers. This review could cover resident engagement and involvement, wider community development / social regeneration, aiding tenancy take-up and sustainment for vulnerable residents, repairs and maintenance, and approaches to ensuring effective nominations arrangements between the Council and Registered Providers.

Other Possible Work Programme Items

Other potential areas for consideration include the

- Commission's involvement in the development of a cross-Council strategy to support hoarding residents, an item exploring the impact and policy response to the increase in short term lets (via providers such as Airbnb), keeping the Council's development of a new Lettings Policy for its homes under review, and monitoring progress on the completion of steps set out in the Council's Reduction and Recycling Plan to meet a local 32% household recycling rate target for 2022/23.
- Community safety - The Commission performs the statutory crime and disorder committee function through the review and scrutiny of decisions taken by the Community Safety Partnership (CSP). The CSP is about to release a new Community Safety Plan setting out priority themes of focus for the next three years, and actions the partnership will take to support these. The initial suggestions for areas of focus are the response to street based drug markets and associated antisocial behaviour, and to domestic abuse / violence against women and girls (VAWG). The Commission will also seek updates on the police's use of stop and search and on its work around trust and confidence.

This page is intentionally left blank



Scrutiny Panel 18 th July 2019 Scrutiny Panel Work Programme for 2019/20	Item No 9
---	-------------------------

Outline

New Work Programme 2019/20

The Scrutiny Panel is asked to consider and make suggestions for the SP work programme for 2019/20.

Proposals for the SP work programme are:

Discussion items

- Procurement Strategy
- Poverty Strategy
- Update on Advice Services.

Standing Items

- Quarterly Finance Update – each SP meeting
- Cabinet Question Time with Mayor of Hackney – dates to be agreed.
- Executive Question Time with Chief Executive of Hackney – dates to be agreed.

Action

The Scrutiny Panel is asked to agree its work programme for 2019/20.

This page is intentionally left blank