

## Scrutiny Panel

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

**Monday 3 October 2022**

**7.00 pm**

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

The press and public are welcome to join this meeting remotely via this link:

<https://youtu.be/23J1Y6a1en4>

Back up live stream link:

<https://youtu.be/1BjDLj7tOYo>

If you wish to attend please give notice and note the guidance below.

Contact:

Tracey Anderson

☎ 0208 3563312

✉ [tracey.anderson@hackney.gov.uk](mailto:tracey.anderson@hackney.gov.uk)

**Mark Carroll**

**Chief Executive, London Borough of Hackney**

**Members:** Cllr Margaret Gordon (Chair), Cllr Soraya Adejare, Cllr Polly Billington, Cllr Sophie Conway, Cllr Ben Hayhurst, Cllr Clare Joseph, Cllr Sharon Patrick and Cllr Clare Potter

## Agenda

**ALL MEETINGS ARE OPEN TO THE PUBLIC**

- 1 Apologies for Absence**
- 2 Urgent Items / Order of Business**
- 3 Declarations of Interest**
- 4 Hackney Council Complaints and Enquiries Annual Report 2021-2022 (7:05pm)** (Pages 9 - 38)
- 5 Chief Executive Question Time (7:35pm)** (Pages 39 - 40)
- 6 Quarterly Finance Update (8:25pm)** (Pages 41 - 120)

- 7 Improving Engagement and involvement of Children and Young People in Scrutiny (9:05pm)** (Pages 121 - 130)
- 8 Minutes and Matters Arising (9:20pm)** (Pages 131 - 146)
- 9 Scrutiny Panel Work Programme 2022/2023 (9:25pm)** (Pages 147 - 152)
- 10 Any Other Business (9:30pm)**

# Access and Information

## Public Involvement and Recording

### Public Attendance at the Town Hall for Meetings

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 <https://hackney.gov.uk/council-business> or by contacting Governance Services (020 8356 3503)

Following the lifting of all Covid-19 restrictions by the Government and the Council updating its assessment of access to its buildings, the Town Hall is now open to the public and members of the public may attend meetings of the Council.

We recognise, however, that you may find it more convenient to observe the meeting via the live-stream facility, the link for which appears on the agenda front sheet.

We would ask that if you have either tested positive for Covid-19 or have any symptoms that you do not attend the meeting, but rather use the livestream facility. If this applies and you are attending the meeting to ask a question, make a deputation or present a petition then you may contact the Officer named at the beginning of the agenda and they will be able to make arrangements for the Chair of the meeting to ask the question, make the deputation or present the petition on your behalf.

The Council will continue to ensure that access to our meetings is in line with any Covid-19 restrictions that may be in force from time to time and also in line with public health advice. The latest general advice can be found here - <https://hackney.gov.uk/coronavirus-support>

### 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. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

## Advice to Members on Declaring Interests

### Advice to Members on Declaring Interests

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

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

- Director of Legal, Democratic and Electoral Services
- the Legal Adviser to the Committee; or
- Governance Services.

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

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

- i. relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- ii. relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- iii. affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

#### **If you have a disclosable pecuniary interest in an item on the agenda you must:**

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- ii. You must leave the meeting when the item in which you have an interest is being discussed. You cannot stay in the meeting whilst discussion of the item takes place, and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- iii. If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the meeting and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

#### **Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?**

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in

another capacity; or

ii. It relates to an organisation or individual which you have actively engaged in supporting.

**If you have other non-pecuniary interest in an item on the agenda you must:**

i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.

ii. You may remain in the meeting, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.

iii. If you have an interest in a contractual, financial, consent, permission, or licence matter under consideration, you must leave the meeting unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the meeting whilst discussion of the item takes place, and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the meeting. Once you have finished making your representation, you must leave the meeting whilst the matter is being discussed.

iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non-pecuniary interest.

**Further Information**

Advice can be obtained from Dawn Carter-McDonald, Director of Legal, Democratic and Electoral Services via email [dawn.carter-mcdonald@hackney.gov.uk](mailto:dawn.carter-mcdonald@hackney.gov.uk)

## 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')

[Scrutiny Panel](#)



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<b>Scrutiny Panel</b>  <b>3 October 2022</b>  <b>Item 4 – Hackney Council Complaints and Enquiries Annual Report 2021-2022</b>	Item No  <b>4</b>
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## **OUTLINE**

This report is in accordance with the Scrutiny Panel's remit to monitor the Council's Complaints and Enquiries process.

Attached is the annual report of the service for 2021/22. It provides an analysis of the volume of complaints received, the performance of the service, and progress being made with improvement work and quality assessment from the complaints and Members enquiries received in order to ensure that there is learning from the service and that the learning is being adequately shared.

### **Invited guest**

Bruce Devile, Head of Business Intelligence, Elections & Member Services

## **ACTION**

Members are asked to consider the report and ask questions.

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# Complaints & Enquiries Annual Report 2021-2022

## INTRODUCTION

1.1 This report provides an overview of complaints, Member/MP and Mayor & Cabinet Member enquiries made to the Council between 1 April 2021 and 31 March 2022.

## 2. RECOMMENDATION(S)

2.1 The Scrutiny Panel is recommended to: -

1. There are no formal recommendations arising from this report. This report is for information purposes and Scrutiny Panel can note the complaints and enquiries managed during 2021/22

## 3. BACKGROUND

3.1 This report is in accordance with the Scrutiny Panel's remit in monitoring the Complaints and Enquiries process.

## 4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

4.1 There are no additional financial implications arising from this report. The cost of staff dealing with complaints across the Council is met from within the relevant revenue budgets, as are any compensation payments made. The cost of complaints monitoring is met within the approved revenue budget of the Business Analysis and Complaints Team (BACT).

4.2 Such costs, however, can be minimised by ensuring that complaints are dealt with successfully at the first stage, thus reducing the numbers that proceed to later stages.

## 5. COMMENTS OF THE DIRECTOR OF LEGAL SERVICES

5.1 In line with Article 7.1.(iii) of the Council's constitution one of the functions of the Scrutiny Panel is to contribute to continuous improvement in service delivery through the consideration of service delivery performance. This report recommends the Scrutiny Panel note how complaints and enquiries were managed during 2021/22. The report is informative in nature and assists the panel in giving consideration to how the Council engages and supports its wider community.

5.2 There are no direct legal implications arising from the contents of this report.

## APPENDICES

- 1 - Complaints and Enquiries Annual Report 2021/22
- 2 - Stage 1 and 2 Complaints Data 2021/22

## BACKGROUND PAPERS

In accordance with Section 100D of the Local Government Act, 1972 - Access to Information a list of Background Papers used in the preparation of reports is required.

Description of document	Location	Date

<b>Report Author</b>	Simon Gray Tel: 020 8356 8218 Email: <a href="mailto:Simon.Gray@hackney.gov.uk">Simon.Gray@hackney.gov.uk</a>
<b>Comments of the Group Director of Finance and Corporate Resources</b>	Deirdre Worrell Director of Finance, Climate, Home and Economy Tel 020 8356 7350 Email: <a href="mailto:deirdre.worrell@hackney.gov.uk">deirdre.worrell@hackney.gov.uk</a>
<b>Comments of the Director of Legal Services</b>	Juliet Babb Tel: 020 8356 6183 Email: <a href="mailto:juliet.babb@hackney.gov.uk">juliet.babb@hackney.gov.uk</a>



## Appendix 1

### Complaints and Enquiries Annual Report 2021/22

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#### 1. Introduction

- 1.1 This report provides an overview of the Complaints & Enquiries received in 2021/22 covering volume and performance in managing and learning from them.

#### 2. Volumes and Performance

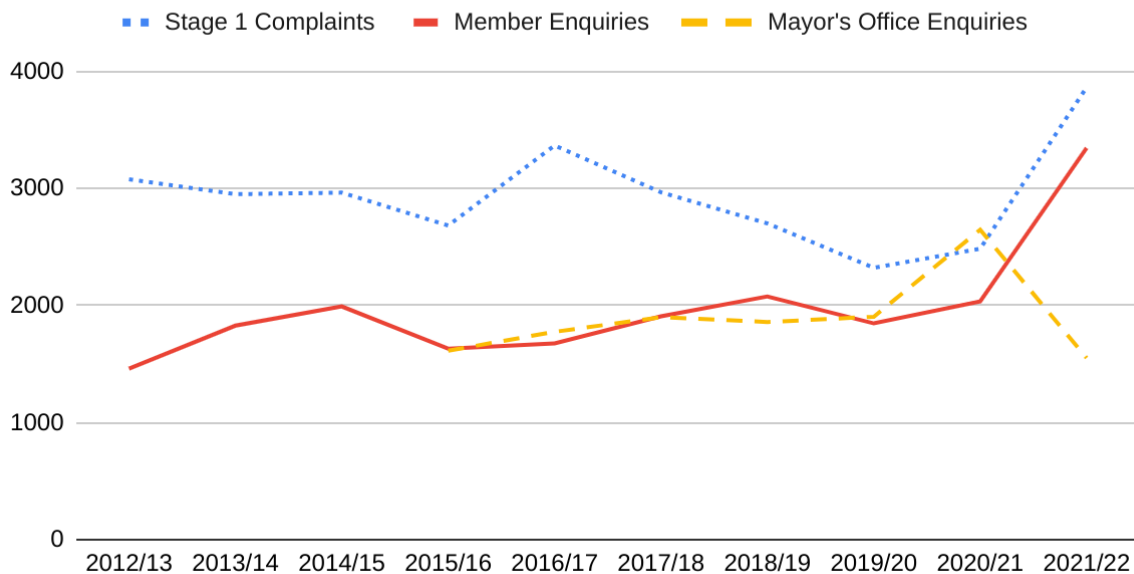
- 2.1 Further detail on volumes of complaints and enquiries received in 2021/22, the way they are managed and the intelligence they provide are set out in this report. In summary, 2021/22 saw the number of stage 1 complaints rise by 55% (2,485 to 3,863) compared to the previous year when volumes were depressed in number due to issues related to Covid 19.
- 2.2 Although the overall number of stage 1 complaints has risen, there are some variances within services that have seen some increases and some reductions - para 3.10 below sets out more detail. The volume of stage 2 complaints has seen a lower increase of 36% (253 compared to 186 2020/21). There has been a 92% increase (3,917 from 2,035) in the number of Members Enquiries compared to 2020/21 levels. In the two areas with statutory complaints procedures, volumes of stage 1 complaints fell in Adult Social Care to 68, from 73 in 2020/21 and rose to 17 from 15 in 2020/21 in Children's Social Care. There has however been a 41% decrease (1,552 from 2,647) in the number of Mayor & Cabinet Member Enquiries.
- 2.3 253 of 3,863 stage 1 complaints were escalated to stage 2 giving an escalation rate of 6.5%, down from 7.5% in 2020/21, the first percentage fall in the escalation rate in five years. This may be explained by the high rise in the number of stage 1 complaints this year. The number of stage 2 investigations escalating to become formal investigations by the Local Government & Social Care Ombudsman (LGSCO) and the Housing Ombudsman Service (HOS), at 53, is higher than the 41 in the previous year and equates to around 21% (22% in 2020/21) of cases exhausting the Council's complaints process. The support of services where stage 2 investigations agree with the conclusions of theirs at stage 1 and the challenge given where it does not, indicates, as well as the conclusion of those cases progressing to the Ombudsman, that the stage 2 process is working well.
- 2.4 Of the 53 formal investigations undertaken by both the LGSCO and HOS, 38 (72%) were upheld, up from 68% last year. It should be noted that at the conclusion of the Council's investigation of a complaint, there is either fault found or not. Regardless of whether fault is found or not, complainants can, and often do, still take their concerns on to the appropriate Ombudsman. As such, cases upheld by the Ombudsman are often cases where the Council also found fault but where they feel that the redress (actions/compensation) was insufficient and is

increased - this was the case in 14 of the 38 cases referenced above (see para 3.13 for more information).

### 3. Complaints and Enquiries Data Analysis (2021/2022)

3.1 As shown in the chart below, the number of stage 1 complaints received by the Council in 2021/22 rose by 55% compared to 2020/21 when numbers were suppressed by Covid 19 and is now at the highest level in the 10 years since recording began. The number of Members Enquiries, including MP Enquiries, increased by 92% in 2021/22 and is now at the highest level in 10 years. Mayor & Cabinet Enquiry volumes fell by 41%.

Number of Stage 1 Complaints, Member Enquiries and Mayor's Office Enquiries 2012/13 to 2021/22



3.2 This report covers the period from April 2021 until March 2022 whilst services were still trying to recover from the impact of and response to the Covid 19 Pandemic as well as the impact of the cyber attack which affected many services and the associated ability to investigate complaints and respond to enquiries. The pent up demand caused by these events along with other factors specific to the service concerned have seen volumes of complaints and Member enquiries rise to unprecedented levels in 2021/22. Across services receiving the highest numbers of complaints and Member Enquiries, total volumes have increased by over 2,400 cases compared to 2020/21 with for example the Benefits service receiving an additional 810 cases this year and Housing Repairs an additional 430.

3.3 Whilst any complaint received means the Council have, in the opinion of our residents or service users, failed to provide an acceptable service, the numbers of complaints and those which are escalated should be viewed in the context of the size of the borough, the number of transactions and the complexity/nature of those transactions. Hackney has a population of 259,000 living in c.115,000

households. Relevant to the areas with the highest volume of complaints we are the landlord for 22,733 homes and have an additional 10,317 leaseholders/freeholders and have a population with a significant reliance on the Benefits and Housing Needs system.

<b>Type</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Stage 1 complaints	2,967	2,701	2,322	2,485	3,863
Stage 2 complaints	153	161	160	186	253
Escalation rate	5%	6%	7%	7.5%	6.5%
Members/MP Enquiries	1,908	2,077	1,847	2,035	3,917
Mayor & Cabinet Enquiries					



<b>Average Response Times</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Stage 1 complaints	17.7 working days	20.9 working days	19.7 working days	23.7 working days	32.1 working days
Stage 2 complaints	18.9 working days	20.2 working days	20.2 working days	20.8 working days	23.5 working days

3.4 The number of stage 1 complaints (see para 3.9 for more detail) has increased for the second consecutive year but this year, by 55%. This has impacted on the speed of response with an increase of 8 days in the average time taken to respond compared to 2020/21. These delays can, in many areas, be attributed to the impact of the significant increase in volumes and the increasing difficulty accessing records or data needed in the aftermath of the cyber attack. We do not set a rigid response standard, but do aim to respond on average within 15 working days, recognising some cases are more complex and will take longer to resolve. The only exception to this is the change in the standard made in September 2020 for Housing complaints which is now 10 working days in line with Housing Ombudsman scheme requirements. Delays in responding to complaints caused by the impact of pandemic and cyber attack meant that Housing complaints took on average 27.4 days to conclude.

3.5 Learning from complaints provides an insight into what is not working as well as we want. They create an opportunity to put things right for the complainant and give the Council the opportunity to provide support and training, advice on how to improve practices and procedures and identify any recurring trends. Case study examples of learning from complaints or actions taken as a result of them from a selection of services are set out below;

### **Adult Social Care**

- Due to lack of communication between a social worker and client, further training in time management skills and customer care with a particular focus on the importance of communication feedback is to be implemented
- A complaint re failure to communicate with an individual who had concerns for their mother whose needs had taken a rapid deterioration in mental health and mobility. To reduce the risk of this happening again officers are working with ICT to develop ways to streamline referrals and requests which will mean quicker responses to such requests
- Following a complaint which highlighted a failing in staff cover, multiple services have put in place new ways of working to ensure that all work for an individual officer is identifiable and appropriately reallocated should they be absent either as part of planned leave or in an emergency situation

- The brokerage team has reviewed the content of their standard letters and correspondence following a complaint made about a number of errors made in a letter addressed to an individual
- A complaint was upheld that an assessment for a Blue Badge was based on a person's mobility and did not take into account their hidden disability. In response, the manager arranged staff training/guidance surrounding assessments. A training session for all service coordinators in the team that focused on screening for hidden disability, combined hidden disability/walking disability and walking disability. The manager also wrote to and met with the staff concerned and discussed the complaint, the learning and how to prevent complaints in the future. By doing this it will prevent OTs making assumptions and pre-judging the outcome of the assessment before they are completed.

### **Children's Social Care**

- A parent complained about the length of time her children were temporarily in foster care. During this time, the service were legally empowered to secure passports for both children and did so, as part of our standard practice. The parent did not want her children to have passports. The complaint was not upheld, as the Department had acted within its remit, but on reflection, the manager responding concluded that there was scope to revise system wide practice. Managers are now asked to secure parental consent before proceeding with passport applications (even when not legally required). Parent's objections should be noted. These will either be accommodated or managers will explain why the passport application will proceed on a given case.
- Following a complaint regarding the delay in offering therapeutic services for adoptive parents, information is now shared with key regional adoption agencies to ensure timely services are offered to adopters.
- Following a Stage 2 investigation regarding contact arrangements for a Looked After Child, the service organised an urgent meeting between the social worker and grandmother to obtain her wishes and feelings. This was followed by a professionals meeting to formulate a robust plan for renewing contact between the family members.
- Following a complaints investigation a written plan for contact arrangements for Looked After siblings was developed to improve their contact.

### **Streetscene**

- Following complaints regarding road safety, the service are now more routinely listening to and working with the resident groups campaigning to improve the safety and engaging with schools on the principles of safe routes to school
- Following roll out of further Low Traffic Neighbourhoods (LTNs) where road closures were required, the service have taken on feedback through complaints which led to a reassessment of measures, especially regarding the surrounding roads

- Following complaints regarding the Queensbridge Road scheme, the service amended plans and narrowed the road down, adding a cycle lane and trees in response. Similarly, the service worked with Transport for London (TfL) to change the timing of traffic lights and provide an additional crossing in Graham Road following complaints received
- Additional on-street 'parklets', for example in Wilton Way, have been installed following complaints from residents and enquiries from Councillors

## **Environmental Services**

- Cleaning of communal food waste bins on housing estates will be undertaken from September 2022 following complaints about the condition of facilities along with exploration of offering a chargeable bin washing service to residents and businesses for their food waste bins, wheelie bins and some Euro bins
- Residents had complained of poor quality bags (recycling and black sacks) - the issue was taken up with suppliers who confirmed a substandard batch was supplied which was resolved by the supplier reissuing a new supply of suitable bags
- Following complaints, a programme of deep cleaning (hot wash/steam cleaning) on estates, prioritising blocks with ingrained staining and/or subject to ASB and on street pavements with deep staining
- Following analysis of complaints about deliveries of recycling bins/bags ordered by residents not being received, data was used to assess the situation with additional resources now put in place to bring deliveries in line with the 10 day delivery timeframe
- As a result of analysis of complaints and other data/trends for fly tipping and dog fouling, there is now a closer working relationship with the Enforcement service with better signage to be installed and identification of perpetrators to prevent hot spots/ build up of dumps with the introduction of dedicated crews on both streets and estates.

## **Housing**

- The Central Housing Complaints team set up a Lessons Learnt log in late 2020 to monitor the types of complaints received, identifying common or arising themes and to address any operational or performance issues that may be generating such complaints. More recently, they have also set up a lessons learnt report on their Casework database that is automatically sent to the inboxes of all Tier 1-3 managers on a monthly basis so that they can see what issues are generating complaints and take the steps necessary to ensure that they don't reoccur.
- The majority of new complaints received in 2021/22 related to leaks, damp and mould in properties. Housing Services have established a number of proactive initiatives via the Building Maintenance division's Repairs Improvement Action Plan to try and reduce the number of these cases coming into the system. These include:

- Clearing the backlog of responsive repairs built up as a result of limiting the service to emergency / urgent repairs only for 12 months
- Increased operational capacity of the repairs team through recruitment of additional trade operatives and appointment of external contractors
- Moving to a new way of working whereby all reports of leaks will be given an Urgent 24 hour response priority
- Developing a damp and mould strategy
- Establishing a Property MOT programme whereby they target problem blocks for proactive inspections based on an agreed set of criteria
- Residents chasing the results of surveyor inspections has been a big driver of complaints in 2021/22. Following the loss of legacy systems following the cyber attack, establishing the status of these work orders (the majority of which are sent out to an external contractor) is a very difficult and long winded process. The re-establishment of an effective mobile working solution for surveyors, which would help reduce the amount of failure demand complaints received and provide a far more customer friendly repairs service, is in development as part of the Modern Tools For Housing programme. In the meantime, the Building Maintenance Customer Relationship team and the Housing Services Central Housing Complaints Team have been undertaking a series of initiatives with both the Surveying team and external contractors, Purdy, to establish better information flows regarding the status of survey inspections that have taken place. These have included:
  - The establishment with Purdy of a new Hackney Enquiries mailbox, with an agreement from Purdy that it will be monitored by two supervisors and that all queries would be responded to within 24 working hours (maximum 48 working hours)
  - An Urgent enquiries tracker for both Purdy and the Council's Surveying team to share information on job progress
  - Weekly face to face meetings with representatives from both Purdy and the Council's Surveying team
  - In addition, the Housing Transformation team are building an interim Business Intelligence (BI) tool for the Surveying team that will allow them to monitor work progress more effectively while the new mobile working solution is built. This should help to reduce failure demand.
- During the first half of 2021/22, Housing Service's failure to effectively respond to correspondence (e.g. leasehold service charge arrears letters) and also to supply documentation (e.g. rent statements, seller packs) generated significant numbers of complaints. This was a resultant issue from the cyber attack, where access to historic resident records, including email correspondence were lost. As a result of this, the Modern Tools For Housing programme prioritised the development of a new correspondence solution which now allows Housing Services to monitor replies to correspondence by officers across service areas. This has seen a significant reduction in the number of such complaints received.

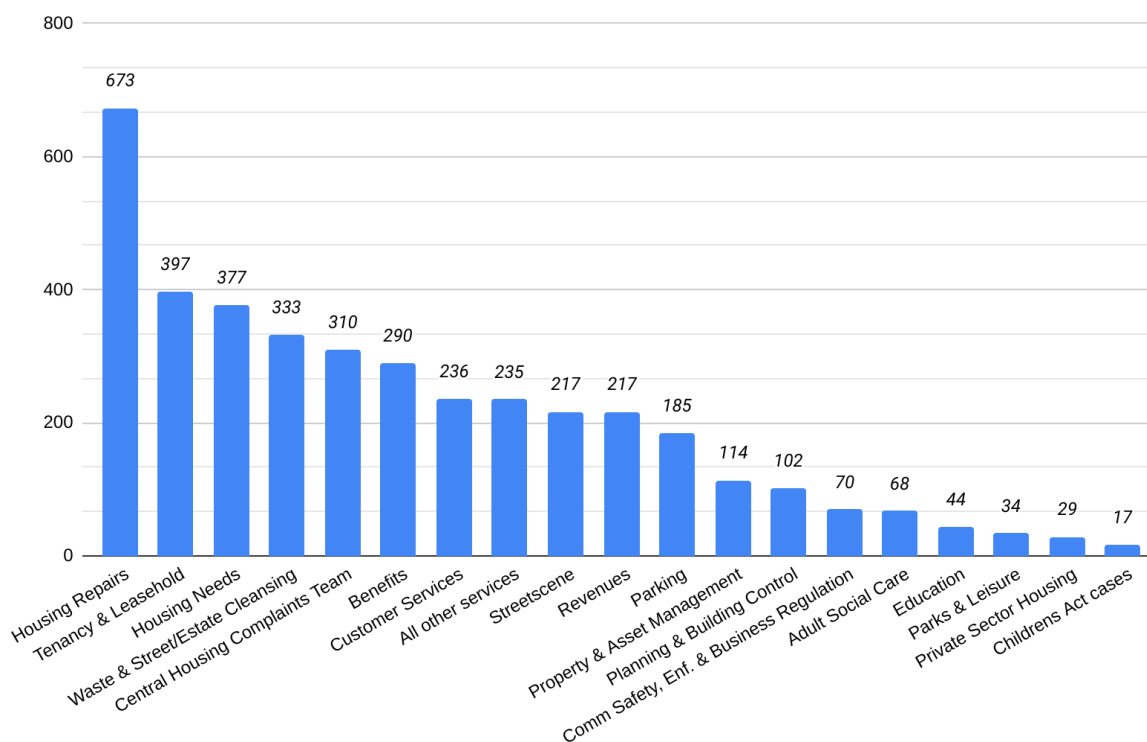
3.5 There were 253 stage 2 complaints in 2021/22, an increase of 67 cases compared to the year before. The Housing Service accounted for 132 (52%) of all stage 2 complaints in 2021/22. The majority were distributed across the following services – Housing Building Maintenance 59 (up from 47), Housing Tenancy & Leasehold 59 (up from 39), Benefits/Housing Needs 43 (up from 22), Parking 19 (down from 20) and Central Housing Complaints Team 14 (not reported last year).

3.6 More detail and data behind stage 1 and 2 complaints, including a focus on some of the higher casework generating services, can be found at appendix 2.

### 3.7 Stage 1 Complaints breakdown

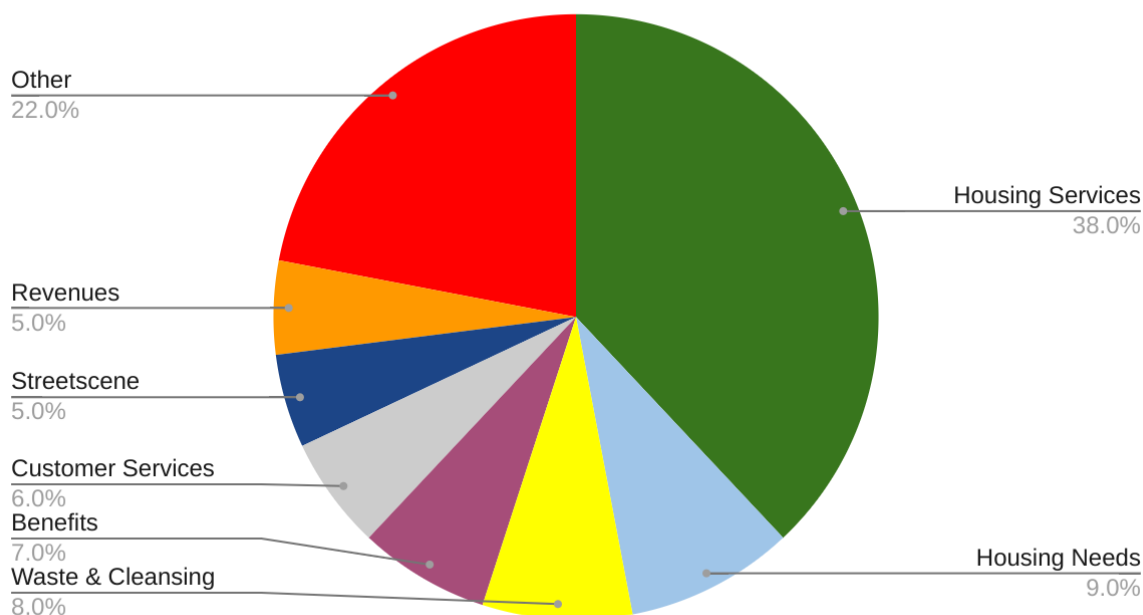
3.8 The chart below sets out the services in the Council that received the highest volumes of stage 1 complaints. It is based on 3,948 stage 1 complaints including those made under the statutory Adult Social Care and Children’s Act complaints processes.

Stage 1 complaints received 2021/22



3.10 The 55% total increase in complaints in 2021/22 is reflected by the services below receiving less or more complaints across all of the higher generating services. The chart below also shows a combined Housing Service share along with other high generating areas of complaints.

## Service share of stage 1 complaints 2021/22



The table below also shows a brief summary of the key 'drivers' of complaints.

Service	Key issues driving complaints
Housing Repairs – up 29% (521 to 673)	<ul style="list-style-type: none"> <li>● failure to deliver service/take action</li> <li>● delays doing something/communication/answering</li> <li>● availability of service/staff</li> <li>● Disagree with policy/procedure</li> </ul>
Housing Tenancy & Leasehold – up 46% (272 to 397)	<ul style="list-style-type: none"> <li>● Communal issues on estates</li> <li>● Noise/ASB</li> <li>● Neighbour disputes/nuisance</li> <li>● service charge disputes</li> <li>● TMO services</li> </ul>
Housing Needs – up 11% (341 to 377)	<ul style="list-style-type: none"> <li>● Housing Register</li> <li>● size/suitability of accommodation</li> <li>● Issues with TA i.e. ASB, infestations</li> <li>● Homelessness advice</li> </ul>
Waste & Street/Estate Cleansing – up 82% (183 to 333)	<ul style="list-style-type: none"> <li>● waste strategy inc recycling</li> <li>● missed collection (all types)</li> <li>● recycling product delivery</li> <li>● Street not swept</li> <li>● Bins - location, lids not put back, etc</li> <li>● Staff behaviour</li> </ul>

<p>Central Housing Complaints Team (CHCT) - up 313% (75 to 310)</p>	<p>The Housing CHCT Team deals with cases that cut across multiple Housing departments and due to the OneCase system only allowing one team to be identified, these cases cannot be attributed to a particular service. Main cause of complaint;</p> <ul style="list-style-type: none"> <li>● Delay in doing something/communications 96</li> <li>● Failure to do something/deliver service 72</li> <li>● Poor communication, info or advice 48</li> </ul>
<p>Benefits – up 663% (38 to 290)</p>	<ul style="list-style-type: none"> <li>● Main areas of complaint - payments 47, benefit decision/award 41, CTRS 28, DHP 28, suspension of claim 17, speed of processing 12</li> </ul>
<p>Customer Services – up 131% (102 to 236)</p>	<ul style="list-style-type: none"> <li>● Repairs Contact Centre -159 - issues being; <ul style="list-style-type: none"> <li>○ Customer service 59, housing specific issues 57, wait times 10</li> </ul> </li> <li>● Customer Service Operations - 70 - issues being; <ul style="list-style-type: none"> <li>○ Quality of communication 45, response times to calls/emails/letters 12</li> </ul> </li> </ul>
<p>All other services - up 87% (126 to 235)</p>	<p>Not applicable</p>
<p>Streetscene – up 40% (155 to 217)</p>	<ul style="list-style-type: none"> <li>● Main areas of complaint - low traffic neighbourhoods (LTN) 62, green/sustainable travel 30, highway repairs 23, road safety 16, trees 15</li> </ul>
<p>Revenues – up 99% (109 to 217)</p>	<ul style="list-style-type: none"> <li>● Main areas of complaint - Council Tax 115, refunds 48, Business Rates 13 - issues being; <ul style="list-style-type: none"> <li>○ Failure to do something/take action 112</li> <li>○ Delays in service/doing something 62</li> </ul> </li> </ul>
<p>Parking – down 24% (243 to 185)</p>	<ul style="list-style-type: none"> <li>● Main areas of complaint - CEO conduct 28, process issues 27, policy issues 22, lack of enforcement 19, paid/cancelled pcn 13 - issues being <ul style="list-style-type: none"> <li>○ Disagree with decision 29</li> <li>○ Staff behaviour 25</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Failure to provide service/take action 21</li> <li>○ Disagree with policy 19</li> <li>○ Quality of work/service 17</li> </ul>
Planned & Asset Management – down 22% (147 to 114)	<ul style="list-style-type: none"> <li>● Main areas of complaint - lifts 52, electrical 20, boilers 7, contractors 7 - issues being <ul style="list-style-type: none"> <li>○ Delay/failure in works 47</li> <li>○ Loss of lift service 21</li> <li>○ Inadequate service 10</li> </ul> </li> </ul>
Planning & Building Control – up 73% (59 to 102)	<ul style="list-style-type: none"> <li>● Main areas of complaint - chasing decision 41, enforcement 12, consultation 10, BC inspection quality 5 - issues being <ul style="list-style-type: none"> <li>○ Communication failures 91</li> </ul> </li> </ul>
Community Safety, Enforcement and Business Regulation – down 20% (87 to 70)	<ul style="list-style-type: none"> <li>● Main area of complaint - noise 23, ASB 7, FPNs 6 - issues being; <ul style="list-style-type: none"> <li>○ Failure to take action 23</li> <li>○ Staff behaviour 10</li> <li>○ Disagree with/wrong decision 6</li> </ul> </li> </ul>
Education 44 (not reported last year)	<ul style="list-style-type: none"> <li>● Main areas of complaint - EHCP Planning, admissions and SEND travel - Issues being <ul style="list-style-type: none"> <li>○ Delays 10</li> <li>○ Failure to do something/provide service 8</li> </ul> </li> </ul>
Parks & Leisure – up 26% (27 to 34)	<ul style="list-style-type: none"> <li>● Main areas of complaints - green spaces and leisure centres - Issues being; <ul style="list-style-type: none"> <li>○ Disagree with policy 11</li> <li>○ Staff behaviour (parks) 3</li> <li>○ Service not of standard expected 4</li> </ul> </li> </ul>
Private Sector Housing 29 (not reported last year)	<ul style="list-style-type: none"> <li>● Main areas of complaints - property licensing and grants - Issues being; <ul style="list-style-type: none"> <li>○ Delays in/poor info/comms/advice 13</li> <li>○ Delays in doing something/work 10</li> </ul> </li> </ul>
Adult Social Care (statutory complaints) - down 7% (73 to 68)	<ul style="list-style-type: none"> <li>● Main areas of complaints - communications 26, standard of service delivered (non care) 11,</li> </ul>



	standard of care delivered 10, outcome of assessment or care package implemented 7, delay in delivering service 7, other i.e. finance/direct payments 5, staff behaviour 2
Children's Act cases (stage 1 complaints) – up 13% (15 to 17)	<ul style="list-style-type: none"> <li>● communication</li> <li>● staff conduct</li> <li>● information included in assessments</li> </ul>

### ***Ombudsman Complaints***

3.11 Following conclusion of the Council's process, a complainant can approach one of two Ombudsman to ask for their case to be reviewed - the Local Government & Social Care Ombudsman (LG&SCO) or the Housing Ombudsman Service (HOS). In addition, those making a landlord related housing complaint can ask a Designated Person, primarily Cllr McKenzie, to decide whether he can help in reaching resolution of the issue without the need for the Housing Ombudsman to be involved.

3.12 There were 53 formal investigations undertaken by both the LGSCO and HOS, in 2021/22. 38 (72%) of these were upheld i.e. fault was found.

3.13 Of the 38 upheld Ombudsman investigations, 22 were LGSCO cases and 16 HOS.

- Of the 22 LGSCO cases;
  - 9 cases - they found fault where the Council found none
  - 6 cases - Council and LGSCO found fault but they offered more redress primarily by way of compensation
  - 2 cases had same outcome
  - 5 cases - n/a i.e. case taken on by LGSCO with no Council investigation
  - The LGSCO awarded compensation in 16 of the 22 cases
- Of the 16 HOS cases, only 14 correspond to our records, of these;
  - 5 cases - they found fault where the Council found none
  - 8 cases - Council and LGSCO found fault but they offered more redress primarily by way of compensation
  - 1 case had same outcome
  - The HOS awarded compensation in 13 of the 14 cases

3.14 The LG&SCO has published their Annual Report for 2021/22 and reports that they undertook 28 formal investigations in Hackney last year of which 22 (79%) were upheld. This compares to an average of 71% in similar organisations. The rate of upheld cases has fallen from 90% in 2020/21 although the number of upheld cases

has increased from 18. The LG&SCO have provided detail on the 22 upheld cases which are broken down as follows –

- 8 x Housing (up from 6 last year)
- 2 x Education & Children (up from 1 last year)
- 5 x Adult Social Care (down from 6 last year)
- 2 x Planning & Development (up from 1 last year)
- 2 x Highways & Transport (up from nil last year)
- 2 x Benefits & Tax (up from nil last year)
- 1 x Community Safety, Enforcement & Business Reg. (down from 3 last year)

Total compensation offered by the LGSCO was £8,950 - this is in addition to that offered at stage 1 and 2.

3.15 The table below sets out benchmarking data from neighbouring boroughs based on 2021/22 reports published by the Local Government & Social Care Ombudsman on all local authorities and shows how Hackney compares.

Council	Detailed Investigations	Upheld (rate)	Public Reports in last 8 years (LGO benchmark)
Hackney	28	22 (79%)	*4
Haringey	44	29 (66%)	8
Islington	15	11 (73%)	2
Newham	43	31 (72%)	0
Tower Hamlets	31	19 (61%)	3
Waltham Forest	22	14 (64%)	0

\*Last Public Report issued in April 2019

3.16 There were 14 housing related cases where the complainant formally asked for Designated Person (DP) assistance in resolving matters following the conclusion of the Council's formal complaints process. This is down on the 27 cases referred to the DP in 2020/21. In all 14 cases, the DP determined that there was no more to be added to the resolution already offered through the complaint process, allowing the complainant to approach the Housing Ombudsman if they wished to. The escalation rate of stage 2 Housing related complaints going to the Designated Person was 11% (14 of 132) in 2021/22 down from 26% (27 of 102) in 2020/21.

3.17 The Housing Ombudsman has this year started to publish an annual landlord performance data report. The Council had 25 formal investigations by the HOS in 2021/22 (up from 22 in 2020/21). Of the 25 cases determined, 9 found maladministration (10 in 2020/21), 7 found partial maladministration (none in 2020/21), 3 found no maladministration (7 in 2020/21), 1 found reasonable redress

had been made (2 in 2020/21), 1 went to mediation (none in 2020/21) and 4 were determined to be out of jurisdiction (2 in 2020/21).

The 16 cases finding some form of maladministration were subject to 21 separate determinations (findings). These determinations relate to property condition (9), complaint handling (8), anti-social behaviour (2), charges (1) and health & safety (1).

Total compensation ordered by the Housing Ombudsman in 2021/22 was £5,450 - this is in addition to that offered at stage 1 and 2.

### ***Members Enquiries***

3.18 Members Enquiries consist of requests for a service or information for residents, requests for action initiated by the Councillor and sometimes reports of service failure.

3.19 Average time taken to respond to Members Enquiries was 26.3 days in 2021/22, an increase of 8.5 days on the previous year with a 92% increase in volume compared to the year before as shown in the table below.

<b>MP and Members Enquiries</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Members/MP Enquiries Received	1,908	2,077	1,847	2,035	3,917
Average time taken to respond	15.5 working days	18 working days	24 working days	17.7 working days	26.3 working days

3.20 There have been 3,917 ME/MP Enquiries this year of which 572 were MP Enquiries and 246 were Member Enquiries made to external organisations i.e. TfL, NHS, Police.

A headline breakdown of these cases is as follows;

- Casework raised
  - 3,345 made by Councillors
    - Of which 246 were to external organisations
    - 40% of Member Enquiries made by just 10% of Councillors
  - 572 made by MPs
    - Diane Abbott, MP - 235
    - Meg Hillier, MP - 291
    - Other - 46
- Service breakdown of 3,671 Member/MP Enquiries
  - 651 (18%) Benefits - up from 93 last year
  - 496 (13%) Housing Tenancy & Leasehold - up from 268 last year
  - 417 (11%) Housing Building Maintenance up from 138 last year
  - 383 (10%) Streetscene - up from 366 last year
  - 345 (9%) Housing Needs - up from 191 last year
  - 218 (6%) Comm. Safety, Enf. & Business Reg. - up from 184 last year

- 160 (4%) Planning - up from 159 last year
- 148 (4%) Parking - down from 163 last year
- 132 (4%) Environmental Services - up from 104 last year
- 110 (3%) Property & Asset Management - up from 65 last year

### ***Mayor and Cabinet Member Enquiries***

3.21 Each Mayor and Cabinet Member's Enquiry represents a comprehensive, personal response sent from the Mayor or Cabinet member to what are often wide ranging and complex enquiries, involving multiple service areas.

<b>Mayor's &amp; Cabinet Members Enquiries</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Enquiries received (inc referrals)	1,900	1,859	1,904	2,647	1,552
Average time taken to respond	26.8 working days	27.9 working days	36.2 working days	31.5 working days	42.7 working days

\*It should be noted that these figures represent the mean average, and as such are disproportionately impacted by the closing of cases that have been, for example, with the relevant service area for an extended period. Were the median average employed, showing more accurately the typical resident's experience, the average time taken to respond in 2021/22 would be 26 days.

3.22 Responses from the Mayor and Cabinet are subject to extensive quality assurance by the Mayor & Cabinet Office and the Mayor or relevant Cabinet member before the response is sent, and drafts are returned to departments in cases where the resident's query has not been fully answered. Until a full response is obtained, the case will not be concluded, and therefore this process puts significant pressure on response times.

3.23 The priority for Mayor and Cabinet casework continues to be resolving issues before responses are sent and ensuring a comprehensive and personal reply, and whilst this has meant that the quality of responses sent by the Mayor and Cabinet remains consistently high, this has had an ongoing impact on response times; the increasing complexity of cases raised with the Mayor and Cabinet, and ongoing demands on the Mayor and Cabinet Members' availability to sign-off responses, also has an impact.

3.24 The total number of enquiries received fell significantly in 2021/22 compared with the previous year to a total of 1,552 but the average time taken to respond increased to 42.7 days (mean average), but 26 days (median average). While this is clearly disappointing, analysis shows that the oldest 100 cases (all over 50 days old, with 30 over 100 days old) are overwhelmingly awaiting service area responses from

the Housing Services and Benefits and Housing Needs services. As noted above, the closure of these older cases has a disproportionate impact on average response times.

## **Adults Social Care & Children’ Social Care Complaints**

3.25 Processes for dealing with complaints relating to the social care of both adults and children are set down in specific legislation meaning they are managed differently from complaints about all other Council services. Although they are held on the corporate complaints system and are managed in line with all other complaints if they escalate to the Ombudsman, the different stages, timeframes and the confidential nature of investigations means they are handled separately by officers in those services.

### **Adult Social Care Statutory Complaints**

3.26 The table below shows the figures related to complaints covered by the statutory Adult Social Care (ASC) process.

<b>Complaints</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Numbers Received	120	84	74	73	68
Average time taken to respond	28 working days	55 working days	35 working days	26 working days	25 working days

3.27 Whilst the number of complaints received has remained relatively stable over the past two years, the average time taken to respond to complaints has decreased by ten working days. Before 2018/19 our figures included simple complaints that could be dealt with very quickly. In 2018/19 we excluded these pre-stage complaints, resulting in a fall in cases alongside an apparent increase in response times. Since 2018/19 Adult Social Care have focused on improving processes to drive down response times.

The Local Government and Social Care Ombudsman states that up to 12 weeks is a reasonable time for a Council to respond to a complaint. It also takes into consideration that this may be longer for complaints about social care, which follow a statutory process. On that measure, Adult Social Care is performing well within the timeframe. However, Adult Social Care aims to resolve complaints within 20 working days where possible. Although we are not yet meeting that expectation, these figures do still demonstrate a progressive improvement in response times.

There are occasions, particularly where a complaint involves more than one team or has several strands to address, when cases take longer to investigate. Where more time is needed the complainant is made aware and kept updated throughout the process.

3.28 The complaints received in 2021/22 were raised in relation to:

- The standard of care delivered (14%)
- The outcome of an assessment or the care package implemented (11%)
- Communication i.e. delays/incorrect information given (37%)
- Delay in delivering service (11%)
- The standard of service delivered (non-care) (16%)
- Staff behaviour (3%)
- Other i.e. finance/direct payments (8%)

3.29 In 2021/22, the LG&SCO contacted Adult Social Care about seven complaints in total. Following initial enquiries four were closed with no further action. However, two were formally investigated of which two were upheld. One complaint is currently still under investigation.

### ***Children's Social Care Complaints***

3.30 The data below for 2021/22 excludes pre-stage complaints and includes those investigations at the different stages that were concluded in 2021/22 (so does not include those complaints that started in 2021/22 and carried over to 2022/23 or did not progress to formal investigation in 2021/212).

<b>Children's Social Care Complaints</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>Stage 1 Local Resolution</b>	32	32	25	15	17
<b>Stage 2 Investigation</b>	10	9	8	3	1
<b>Stage 3 Review Panel</b>	1	5	6	1	0

3.31 The complaints data for 2021/22 continues to be affected by the cyber attack the Council experienced in October 2020. In April 2021 Children and Families Services regained partial access to children's files and complaint investigations resumed in April 2021. There was a temporary recording system in children's services during 2021 but it was not until March 2022 that the formal Mosaic social care database was reinstated, though some functionalities in the system remained unavailable. Between March and May 2021 the former Safeguarding and Learning Team was restructured into the current Quality Assurance and Improvement Team (QAIT), introducing four specialist hubs and bespoke roles within these. In May 2021 stage 1 investigations moved from the responsibility of 'safeguarding and learning service' and became the responsibility of first line managers and Service Managers within the associated Children and Families Service. This is in keeping with National standards.

3.32 In terms of the nature of complaints, issues related to communication and staff conduct were the most prevalent reasons for complaints in 2021/22. The majority of complaints were in relation to the Family Intervention and Support Service, which is the largest service area as this correlates with previous years.

3.33 There were also 4 corporate Stage 1s in 2021/22.

## ***Casework Review***

3.34 A project to review and improve the handling of casework is about to begin. This review is one of the manifesto commitments. This will look at end to end processes particularly around Members Enquiries to ensure that there are a range of actions and processes available rather than the one size fits all approach as well as dealing with channels outside of current processes such as social media. Early work on this has seen implementation of a new casework software system and delivered new dashboard access to Members to both log and track their casework. Members will be engaged at the appropriate stages to ensure their views and ideas are actioned.

## Appendix 2

### Stage 1 and 2 Complaints Date 2021/22

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#### Stage 1

3.35 Based on the data we have from the OneCase system we have the following analysis against the 3,863 stage 1 investigations received in 2021/22 with details as follows;

- 3,362 were determined of which;
  - 1,393 (41%) found fault (resolved by way of - 852 apology, 412 remedial action, 129 financial redress)
  - 1,615 (48%) found no fault
  - 354 (11%) resolved upon receipt
- Total compensation awarded at stage 1 - £23,164
- Channel complaints were received through
  - 1,922 (50%) on-line self serve by complainant
  - 1,534 (40%) email
  - 271 (7%) phone
  - 13 (0%) letter/complaints form/in person
  - 123 (3%) unknown

3.36 The highest generating areas of complaint are Housing repairs (Building Maintenance), Housing Tenancy & Leasehold, Housing Needs, Environmental Services, Central Housing Complaints Team, Benefits and Customer Services. A breakdown of complaints covering these areas is set out below;

- **Housing Building Maintenance** - 673 stage 1 investigations
  - Main teams complained about (team)
    - DLO 282
    - Customer Relationship Team 211
    - Contractors 42
    - Surveyors 41
    - Communal works 17
  - Main function or service complained about (primary classification ID)
    - Communal works 304
    - DLO 61
    - Gas 44
    - Plumbing 50
    - Purdy 38
  - Main cause of complaint (primary cause)
    - failure to deliver service/take action 111
    - delays doing something/communication/answering 336
    - availability of service/staff 52
    - Disagree with policy/procedure 49



- Fault was found in 66% (443) of cases, no fault found in \*11% (75) cases and 15% (103) cases were resolved upon receipt, 8% (51) were not determined
- Where fault was found, it was resolved by
  - 50% (221) cases by remedial action i.e. putting it right
  - 29% (130) by way of apology
  - 21% (92) by financial redress i.e. compensation
- Compensation was paid in 166 cases totalling \*\*£13,933

\* Just 11% of stage 1 complaints determined as no fault found following investigation compared with 48% for the whole Council

\*\* £13,933 equates to 60% of the total stage 1 compensation figure of £23,164

- **Housing Tenancy & Leasehold - 397 stage 1 investigations**
  - Main teams complained about
    - Leasehold & RTB 74
    - Neighbourhood Offices 106
    - TMOs 86
    - Estate Safety & ASB 28
    - Income Services 33
  - Main function or service complained about
    - Communal issues on estates 54
    - Noise/ASB 21
    - Neighbour disputes/nuisance 41
    - service charge disputes 41
    - TMO services 58
  - Main cause of complaint
    - failure to deliver service/do something/take action 133
    - no/poor communication/info/advice 136
    - Delays in doing something/answering calls, etc 25
  - Fault was found in 24% (97) of cases, no fault found in 60% (240) cases, 11% (42) were not determined and 5% (20) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 85% (82) by way of apology
    - 14% (14) cases by remedial action i.e. putting it right
    - 1% (1) by financial redress i.e. compensation
  - Compensation was paid in 8 cases totalling £1,057
  
- **Housing Needs - 377 stage 1 investigations**
  - Main teams complained about
    - Temporary Accommodation 67
    - Housing Register Team 114
    - Housing Advice/Homelessness 45
    - Lettings 33
  - Main function or service complained about
    - Housing Register 74
    - size/suitability of accommodation 41
    - Issues with TA i.e. ASB, infestations 37

- Homelessness advice 26
  - Main cause of complaint
    - delays 79
    - poor communication/information/advice 109
    - poor customer service 51
    - disagree/unhappy with decision 46
  - Fault was found 6% (21) of cases, no fault found in 79% (296) cases, 7% (27) were not determined and 9% (33) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 19 by way of apology
    - 2 case by remedial action i.e. putting it right
  - Compensation in 3 cases totalling £775
- **Environmental Services 333 stage 1 investigations**
  - Main teams complained about
    - Refuse, recycling, bulky waste 121
    - Strategy team 40
    - Street cleaning 23
    - Estate cleaning 10
    - Hygiene services 7
    - Environmental Services (other services) 126
  - Main function or service complained about
    - waste strategy inc recycling 34
    - missed collection (all types) 71
    - recycling product delivery 23
    - Street not swept 29
    - Bins - location, lids not put back, etc 25
    - Staff behaviour 24
  - Main cause of complaint
    - failure to deliver service/do something/take action 117
    - staff behaviour/inappropriate behaviour 56
    - quality of work 29
    - service/staff availability 49
  - Fault was found in 57% (191) of cases, no fault found in 36% (121) of cases, 1% (4) were not determined and 3% (9) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 26% (50) cases by remedial action i.e. putting things right
    - 74% (141) by way of apology
  - Compensation was paid in 1 case totalling £15 (refund)
- **Central Housing Complaints Team (CHCT) 310 stage 1 investigations**
  - The Housing CHCT Team deal with cases that cut across multiple Housing departments and due to the OneCase system only allowing one team to be identified, these cases cannot be attributed to a particular service
  - Main cause of complaint
    - Delay in doing something/communications 96

- Failure to do something/deliver service 72
    - Poor communication, info or advice 48
  - Fault was found in 33% (101) of cases, no fault found in 21% (66) of cases, 23% (72) were not determined and 23% (72) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 34% (34) cases by remedial action i.e. putting things right
    - 42% (42) by way of apology
    - 25% (25) by financial redress i.e. compensation
  - Compensation was paid in 10 cases totalling £1,650
- **Benefits 290 stage 1 investigations**
  - Main teams complained about
    - Benefits 236
    - DHP Team 39
    - Processing 8
  - Main cause of complaint
    - payments 47
    - benefit decision/award 41
    - CTRS 28
    - DHP 28
    - suspension of claim 17
    - speed of processing 12
  - Fault was found in 9% (26) of cases, no fault found in \*82% (237) of cases, 7% (21) were not determined and 2% (6) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 8% (2) cases by remedial action i.e. putting things right
    - 92% (24) by way of apology
  - Compensation was paid in 4 cases totalling £5,000

\*82% of cases investigated by the service at stage 1 find no fault however, of the 7 cases escalating to stage 1 all 7 (100%) have fault found

- **Customer Services 236 stage 1 investigations**
  - Main teams complained about
    - Repairs Contact Centre 159
    - Customer Service Operations 70
  - Main cause of complaint
    - RCC customer service 59
    - RCC Housing specific issues 57
    - RCC wait times 10
    - CSO quality of communication 45
    - CSO responsiveness 12
  - Fault was found in 56% (132) of cases, no fault found in 12% (28) of cases, 20% (48) were not determined and 11% (27) were resolved upon receipt
  - Where fault was found, it was resolved by
    - 5% (6) cases by remedial action i.e. putting things right
    - 92% (122) by way of apology

- 2% (4) by way of financial redress i.e. compensation
- Compensation was paid in 6 cases totalling £734

## Stage 2

3.37 Of the 253 stage 2 investigations in 2021/22, details of 241 are held on the OneCase system.

- Of the 241 stage 2 investigations conducted and held on OneCase,
  - 128 (53%) found fault
  - 103 (43%) no fault found
  - 10 (4%) not determined/withdrawn
  - Total compensation offered at stage 2 £15,814 - this is in addition to that offered at stage 1
  - \*90 (37%) found additional fault at stage 2 compared to stage 1 findings

\* Fault is found in 128 (53%) of cases investigated at stage 2 but in 90 of those cases, the fault found is additional to that found at stage 1

The 4 highest generating areas of stage 2 complaints are Building Maintenance (54), Tenancy & Leasehold Service (55), Housing Needs (34) and Parking (18). A breakdown of detail covering these 4 areas is as follows;

- Housing Building Maintenance, 54 investigations
  - Main function or service complained about - Communal works 21, Trades (gas, electrical, plumbing, etc) 10, DLO 6, Purdys 3
  - Main cause of complaint - delays 15, failure to deliver service 14, work not to quality expected 5
  - Fault found 39, no fault found 10, undetermined 5
    - Fault addressed by financial redress 24, apology 8 and remedial action 7
  - Compensation awarded in 23 stage 2 cases totalling £5,301
  - 27 (50%) found additional fault at stage 2 compared to stage 1 findings
- Housing Tenancy & Leasehold Services, 55 investigations
  - Main function or service complained about - Service charges 14, neighbour dispute/ASB 14 re-housing/change of tenancy/succession 5
  - Main cause of complaint - failure to deliver service/do something 18, no/poor communication 14, staff behaviour 7, delays 6
  - No fault found 33, fault found 20, undetermined 2
    - Fault addressed by apology 8, financial redress 6 and remedial action 6
  - Compensation awarded in 5 stage 2 cases totalling £619
  - 16 (29%) found additional fault at stage 2 compared to stage 1 findings
- Housing Needs, 34 investigations
  - Main function or service complained about - housing register/homelessness advice 6, size/suitability of accommodation 5,

- housing needs other 14 (these 14 cases have not been categorised to a dedicated team by Housing Needs)
- Main cause of complaint - communication/info/advice 12, delay doing something 8
- Fault found 16, no fault found 15, undetermined 3
  - Fault addressed by apology 10, financial redress 3 and remedial action 3
- Compensation awarded in 3 cases totalling £775
- 16 (47%) found additional fault at stage 2 compared to stage 1 findings
- Parking, 18 investigations
  - Main function or service complained about - policy issues 4, lack of enforcement 3 and process issues 3
  - Main cause of complaint - failure to take action/do something 5, policy issues 3
  - No fault found 11, fault found 7
    - Fault addressed by apology 3, financial redress 2 and remedial action 2
  - Compensation awarded in no stage 2 cases
  - 6 (33%) found additional fault at stage 2 compared to stage 1 findings

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<b>Scrutiny Panel</b> <b>3 October 2022</b> <b>Item 5 – Chief Executive Question Time</b>	Item No <b>5</b>
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## **Outline**

In the municipal year the Scrutiny Panel will hold a question time sessions with the Chief Executive to ask questions about strategic direction of the Council, performance and decision-making within the Council.

The Chief Executive is given advance notice of the topic areas and questions for the focus of the session. The topic areas for discussion are:

1. How the Council is developing metrics and evaluating the outcomes for all council services / activities
2. How the Council is restoring public confidence in the organisation
3. The methodology and ownership for developing a whole system approach to anti racism for Hackney Borough.

## **Invited quest**

- **Mark Carroll**, Chief Executive

## **Action**

The Scrutiny Panel is asked to note the responses and ask the Chief Executive questions.

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<p><b>Scrutiny Panel</b></p> <p><b>3 October 2022</b></p> <p><b>Item 6 - Quarterly Finance Update</b></p>	<p>Item No</p> <p><b>6</b></p>
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## OUTLINE

Council Finance is a fixed item on the agenda of the Scrutiny Panel to allow members to retain oversight of the Council’s overall budget. Two reports are provided for members to review:

Finance Update Budget reports

- Overall Financial Position July 2022
- Capital Update and Property Disposals and Acquisitions Report September 2022

The finance update will also include information about the following:

1. Update on the impact of the cost-of-living crisis for Hackney residents.
2. Update on national announcements from Government.

## Invited Guests

- Ian Williams, Group Director Finance and Corporate Resources
- Jackie Moylan, Director of Financial Management

## ACTION

Scrutiny Panel is requested to consider the reports, verbal update and to ask questions.

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<b>Title of Report</b>	<b>2022/23 Overall Financial Position - July 2022</b>	
<b>Key Decision No</b>	FCR S086	
<b>For Consideration By</b>	Cabinet	
<b>Meeting Date</b>	12 September 2022	
<b>Cabinet Member</b>	Cllr Chapman, Cabinet Member for Finance	
<b>Classification</b>	Open	
<b>Ward(s) Affected</b>	All Wards	
<b>Key Decision &amp; Reason</b>	Yes	Result in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service / function
<b>Implementation Date if Not Called In</b>	20 September 2022	
<b>Group Director</b>	Ian Williams, Group Director of Finance and Corporate Services	

## 1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the second Overall Financial Position (OFP) report for 2022/23. It shows that as at July 2022, the Council is forecast to have an overspend of £7.756m on the General Fund - an increase of £334k from the previous month
- 1.2 As can be seen in Table 1 below, the overspend relates to various pressures including: - Adult Social Care (primarily Care Packages and Provided Services); Climate, Homes and Economy (primarily Planning income); Children and Education (Corporate Parenting and Access and Assessment); F&CR (Strategic Property Services and Housing Needs); and one off costs of the Cyberattack (backlog clearance, system investment and income pressures). The cyberattack costs were anticipated and provided for in the 2022/23 Budget and by reserves set aside.

- 1.3 The Council's Corporate Leadership Team is taking measures to reduce this overspend (see section 2.8), and its potential impact on future years, and will report back on progress in the OFP reports as these reductions are realised.
- 1.4 Both residents and the Council will continue to face significant financial pressures as the inflation surge is showing no sign of abating. In sections 2.15 to 2.21 below, a description is given of what the Council is doing to assist residents to manage the impact of the cost of living crisis. We will include this analysis in all the OFPs this year.
- 1.5 Inflation will impact on various components of many of the Council's services but in particular on those with significant energy, fuel and contract costs. Particular examples that have already emerged include increased energy costs of running Council buildings, fuel costs in Environmental Operations and SEN transport and inflationary pressures coming through from care providers. We are also forecasting considerable pressure as a result of 2022/23 pay negotiations.
- 1.6 Finally, whilst accepting that services face considerable pressure as a result of inflation and increasing demand etc, it is clear that we must continue to take all steps to mitigate the current forecast overspend. Last year we managed to bring the overspend down from £7.3m in August to £4.6m in March and whilst I look forward to seeing a similar outcome as management actions are implemented I recognise that it is not straightforward and we must not be complacent that the previous performance will be repeated.
- 1.7 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 an overspend of £13.256m after the application of reserves but before the application of the set asides and earmarked reserves as provided for in the budget. The application of these reduces the overspend to £7.756m - an increase of £334k from the May forecast.
- 2.2 It should be noted that we set the budget before we were fully hit by the cost of living crisis and the exceptionally high energy price increase. All councils are being affected by this and having engaged with several neighbouring boroughs, it is clear that the level of pressures we are experiencing are not unique. On 28th June, the cross-party Local Government Association (LGA) said local services that were seemingly secure just three months ago were now at risk of closure or cuts as councils scramble to manage an unforeseen £2.4bn rise in energy and pay costs. The LGA estimates that without adequate long-term funding – in effect a revisiting of the spending review settlement agreed last autumn – the collective increase in inflationary costs faced by English councils this year will be £2.4bn, growing to £3bn in 2023/24 and £3.6bn in 2024/25. It argues that these pressures, coming on

the back of more than a decade of austerity cuts to local authority funding, pose a “serious risk to the future financial viability of some services and councils.”

2.3 The effects of inflation on local government could be worse than the period of austerity after 2010, Paul Johnson, the Director of the Institute for Fiscal Studies has warned. He also stated that there was a risk of bringing back austerity “by the back door” if the Government did not increase public sector funding to compensate for rising costs. His comments came after analysis by the IFS found ministers would need to give councils an additional £1.2bn to protect the 3% increase in core spending power for this year that was promised in the 2021 spending review. Asked how bad the current financial pressures on councils were, he said: “The scale of the cuts – the actual cuts – in the early 2010s, I think will be much bigger than any real cuts that do happen over the next couple of years, but of course from a much tougher base. Bluntly, we know that the first few years of austerity were not very hard for local authorities, because they did have quite a lot of money. That’s not the case now.” He added: “I think the effects could be worse, because even small changes when you’re teetering are potentially bigger than big changes when you’re fine.”

2.4 Despite these warnings from the LGA and IFS, it doesn’t look like, at this stage, we will receive additional funding from central government to mitigate the impact of inflation. In an interview with LGC in the week beginning 28th June, Michael Gove told councils not to hold on to “false hope” of additional funding to help with inflationary pressures. Additionally, the chief secretary to the Treasury said that “Councils facing inflationary pressures will need to tighten their budgets ..... the reality is that it will be necessary to prioritise services.” Since this statement was made, inflationary pressures have worsened and there has been a Tory leadership election which may alter the Government’s outlook.

2.5 In addition to the costs of inflation which were not budgeted for when the budget was formulated in January but are now included in the July forecast; non-inflation costs and demands have increased in various services, while some income streams have not recovered in line with expectations.

2.6 The main areas of overspend are: -

**Childrens and Education** (£1.130m) in the areas of Corporate Parenting (£0.672m), Access and Assessment (£0.216m), Looked After Children (£0.127m) and the Disabled Children’s Service (£0.163m); partially offset by an underspend on clinical services (£199k).

**Adults, Health and Integration** (£5.122m) primarily in the areas of Care Support Commissioning (£2.774m), Provided Services (£1.776m) and Mental Health (£0.656m). This is partially offset by an underspend in Preventative Services (£0.258m).

**Climate, Homes and Economy** (£1.259m before) primarily in the area of Planning (£1.081m) and Community Safety, Enforcement & Business Regulation (£270k)

**F&CR** (£1.562m) in Strategic Property Services (£0.644m) which is driven by a forecast increase in bad debts due to Covid19 (as some businesses are still struggling) and more recently, the macro-economic environment affecting consumer demand on businesses (which may potentially affect their ability to pay rent). There is also a £500k overspend in Housing Needs resulting from an increase in the number of hostels, and the increase in the need for 24 hour security, and a £651k overspend in ICT relating to staffing costs associated with increased demands on the service

**Cyberattack** - One off cost of £4.464m, which has been fully provided for by set asides and reserves in the 2022-23 Budget and in the 2021-22 closing process. The expenditure is primarily on additional staffing to work on the backlog resulting from the Cyberattack, and there is also the cost of systems recovery work in ICT and foregone income in revenues.

**SEND** - The forecast is a £5.4m overspend. The overspend is a result of a significant increase in recent years of children and young people with Education Health and Care Plans (EHCPs). There remains uncertainty around the treatment of this deficit post 2022/23. The brought forward SEND deficit in 2022/23 is circa £13.9m, based on current forecasts this will increase to circa £18.4m by the end of this financial year. This remains a risk for Hackney in the event there is no further funding provided by the Department for Education to mitigate this balance. Hackney is included in Tranche 2 of the Delivering Better Value (in SEND) programme which aims to help local authorities maintain effective SEND services, however the programme aims to provide assistance on deficit recovery actions rather than provide direct funding to address the deficit, hence the potential risk to the Council.

- 2.7 The forecast impact of the cyberattack and the inflationary pressures included in the report are estimates and we expect some revisions as we update the forecast during the year.
- 2.8 In order to address the overspend we will continue to undertake the measures we introduced in the Summer of 2021, which as Members will recall were successful. These include:
- (a) Increased controls on non-essential spend (non-essential spend to be determined by Group Directors of their respective directorates) with many services placing emphasis on areas such as supplies, services, and professional fees.
  - (b) Increased controls on filling vacancies. In Education, for example, requests to recruit are submitted via a business case and require joint agreement by the Heads of HR and Finance before the initiation of any recruitment process. Within CFS, the high number of agency staff within

the division allows for continual review of the establishment. Budget review meetings for key areas experiencing financial pressures such as Children in Need, DCS and Corporate Parenting review staffing in detail on a regular basis with the Director, relevant Head of Service and finance

- (c) Reduction in agency staff. In ASC, plans have been set in place for rolling recruitment in critical areas where agency staff are most utilised, with the recent ADASS MoU on agency rates setting a helpful mitigation to the cost of staff going forward. In addition, the Principal Social Worker is creating relationships with universities, and seeking to set out a pathway for bringing in manageable levels of newly qualified social workers to complement existing numbers of experienced staff. This is expected to reduce agency numbers and/or vacancies by 5 posts per year.
- (d) Additional controls over remaining agency spend (i.e. ensuring long-term agency staff are required to take equivalent leave of permanent roles and work a maximum of 36 hours a week). Again, in ASCm working with HR colleagues, data is being provided on annual leave by agency staff, which is currently only determined from the absence of timesheets submitted. This information will be reviewed monthly by managers and more robust tracking of leave is expected from September 2022.

In F&CR, Management will hold posts vacant for a longer period in order to reduce the overspend. This is visible in the Property Services, Directorate Finance Teams and Audit reductions. It has also identified other non-essential spend savings in 7 services which total £145k

- 2.9 There is limited impact from these measures reported this month largely due to the fact that directorates had already carried over these measures from 2021/22 and had factored the impact into the May forecast. The Corporate Leadership Team will continue to consider further measures to reduce spend and report back in future OFPs. It is noted, for example, that specific measures have been identified in the high-spending areas of Adult's and Children's to bring down costs and the impacts will be factored into the forecast as and when then these materialise. Furthermore, additional one-off provisions were made as part of the budget setting process in relation to demand-led pressures and pressure on suppliers as a result of the NIC increase. At this stage these have not been applied in their entirety to the overspend position. Further consideration will be given to this as we get a better picture of the forecast as the year progresses.
- 2.10 The Council faces considerable challenges in implementing the nationally negotiated pay deal for 2022/23 which will impact our financial position, both in the current year and going forward. As has previously been advised in the 2022/23 Budget Report, the current year's budget factors is an assumption of a 2 per cent pay increase. Unsurprisingly given the cost of living pressures

and the recent history of NJC union pay claims of 10 per cent, pay claims for 2022/23 significantly exceed the budget assumption:

- 2.11 To illustrate the impact of pay claims, a one per cent increase on the pay bill for the Council represents a total cost of approximately £2.56m (GF £2.11m + HRA £450k). The impact is proportionately greater for Hackney than any other London borough who responded to a recent Society of London Treasurers survey (25 respondents), likely because of the high level of insourced services in the borough. Having said that, other boroughs are likely to experience proportionately greater cost pressures from their contracted spend.
- 2.12 We have modelled the impact of the Employers recent pay offer and estimate it will cost £9m which is £5m to £6m over budget, which will be funded from the budget contingency and one-off reserves. Obviously if the award is higher then the deficit will be higher
- 2.13 Looking beyond 2022/23 it is highly likely that pay claims will continue to exceed what is affordable for the sector with Government Funding unlikely to increase anywhere near enough to meet such increases or indeed other ongoing demand pressures.
- 2.14 The report is late because of the need to properly reflect various exceptional factors and the current and future wider economic situation, as well as new emerging external information including government announcements and the ongoing impact of the Cyberattack.
- 2.15 The financial position for services in July is shown in the table below

**Table 1: Overall Financial Position (General Fund) July 2022**

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£k	£k
92,359	Children and Education	1,130	286
125,275	Adults, Health and Integration	5,122	209
27,382	Climate, Homes & Economy	1,259	106
20,813	Finance & Corporate Resources	1,562	(201)
14,755	Chief Executive	(281)	(286)
52,653	General Finance Account	0	0
	<b>Sub Total</b>	<b>8,792</b>	<b>114</b>
	<b>One-Off Cyberattack Costs</b>	<b>4,464</b>	<b>220</b>
<b>333,237</b>	<b>GENERAL FUND TOTAL</b>	<b>13,256</b>	<b>334</b>



**Table 2: Funding**

	<b>Forecast Variance Before Reserves</b>
	<b>£000</b>
GENERAL FUND TOTAL	13,256
LESS CYBER SET ASIDE	-2,500
LESS CYBER RESERVE	-2,000
LESS NATIONAL INSURANCE SET ASIDE	-1,000
<b>NET OVERSPEND</b>	<b>7,756</b>

2.16 It should be noted that we are forecasting full achievement of the 2022/23 budget savings and the vacancy savings, although CHE is looking at mitigating actions to offset the possible non-achievement of £165k vacancy rate savings in Community Safety, Enforcement and Business Regulation.

### **2.17 Cost of Living Crisis**

As the Council feels the pressure of rising inflation so do our residents particularly coming off the back of the pandemic. Whilst the Government has introduced a very limited phased cost of living support package, nationally, there is no coherent policy relating to poverty or the cost living crisis.

2.18 Unless the new Prime Minister intervenes, the energy price cap will rise to £3,549 on 1 October. This gives a monthly average bill of £296 (compared with £164 currently and £106 last winter), although as energy usage in winter is higher for most households the £400 or £66 per month rebate between October 2022 and April 2023 announced by the government earlier this year will not go very far. Further, the change to quarterly price caps from 2023 onwards means that households face a further rise in January, making the winter even more expensive given that research from Cornwall Insight suggests energy prices will continue to rise, to a likely cap of in the region of £5,390 on 1 January 2023 and potentially to as much as £6,620 on 1 April 2023, before falling to £5,900 on 1 July and £5,890 on 1 October 2023. In addition to the very sharp increases in energy prices, food prices in shops rose by 5.1% in August, a big increase from 4.4% in July. Fresh food prices rose by 10.5%, the highest rate since September 2008, when the global financial system was under great strain. The increase from a rate of 8% in July more than offset a slight decline in non-food inflation of 3% in August from 2.9% a month before. The rise in shop prices adds to pressure on households created by much higher household energy bills this autumn and winter as well as high petrol prices. Those on the lowest incomes are expected to be hit hardest by inflation because a larger proportion of their budget goes on essentials including food and energy.

2.19 In order to help residents with the cost of living crisis we have developed an approach and series of initiatives to assist residents utilising the Council's updated poverty framework which was adopted by the Council in March 2022 forms the basis of our response. It should be noted that the actions we

take are discretionary, although central government has awarded Councils funding through the Household Support Fund to distribute to residents, under strict conditions about spend.

2.20 The Poverty framework has three priorities:

1. Prevention, early years and early help
2. Tackling low wages and cost of living
3. Responding to the material needs of poverty

2.21 The Poverty Reduction Framework identifies three specific areas of action to respond to the material needs of poverty and the cost of living crisis, that are built on making the best use of existing resources and ensuring any additional resources are directed as effectively as possible - these are emergency support, community partnerships and income maximisation.

2.22 In terms of emergency support, we are simplifying existing financial support provided to our residents, and improving reach and take up. This work includes a project team which will be testing and trialling:

- **A single point of entry**, where residents would only have to apply once to be considered for a range of financial support schemes.
- Use of our systems and data to **prompt proactive offers** of financial support, rather than waiting for residents to come to us. For example, targeting residents when they begin a Hackney Homes tenancy and need support with furniture costs; homelessness presentations; change in circumstances or significant benefits shortfalls
- **Reduction in evidence threshold** for applications to funds, or switch to using data we already hold rather than asking residents to resubmit
- **Simple multi-agency models** to provide holistic wrap-around support to residents receiving financial support, recognising that the request for financial support is an indication of wider need.

2.23 In April 2022, the Government announced that Hackney would receive a further £2.8m Household Support Fund Grant which covers the period from April 2022 to September 2022. This grant is similar to what was the Covid Local Support Grant (previously Winter Grant), with similarly rigid restrictions on how the funding can be spent, which limits the potential. This time, the requirement is that the funding is spent 33% families with children (compared with 80%, then 50% previously), 33% pensioners (strictly those over the state pension age) and 33% is unrestricted. The Household Support Fund should primarily be used to support households in the most need with food, energy and water bills and the local response is:

- **Children and families 0-19:** Support primarily via vouchers for children on free school meals or those identified by local providers in the statutory and voluntary and community sector or Children's Centres (including the Orthodox Jewish community) and in local colleges - £65 will be awarded per child, £15 in May and £50 in summer.

- **Pensioners:** package of cash support for pensioners to help with food, fuel and essentials, designed with and working with a range of partners and also linked to the single point of entry outlined above.
- **Help with housing costs and bills for people at risk of homelessness or homeless:** in temporary accommodation, supported living or hotels - identified by Benefits and Housing Needs - support averages £244.

2.24 The Community Partnerships Network is a broad network of community organisations which was developed during the pandemic response as a way of building local systems of support which make the best use of available resources when responding to the needs of residents. By working together in partnership, the Community Partnership Network is better able to understand and respond to the needs of residents with material needs. We are now:

- Developing the Community Partnership Network to support community organisations to work in partnership to most effectively support residents
- Providing strategic and operational support to the local food response

From 2022/23, we are spending a greater share of the Community Grants budget, £1m out of a £2.5m budget in recognition of the impacts of the pandemic that have increased demand and we continue to work closely with advice providers to ensure that they are working preventatively to resolve issues for residents. We are also supporting residents who contact the Council to seek financial help (outlined above) to also maximise their income through benefits advice

2.25 We are also developing the support available for people to maximise their incomes through encouragement of wider benefits take up, as well as money management advice.

2.26 In terms of the financial support the Council is able to offer to residents through these processes, £150,000 is set aside per annum through the Hackney Discretionary Crisis Support Scheme (HDCSS). In addition, we also support residents having temporary difficulty meeting housing costs through the discretionary housing payments (DHPs) and of course we have also rolled out the Government's scheme to support residents with rising fuel costs. Spend this year in these areas is as follows:

- DHP - £616k as at the end of July 2022;
- HDCSS - £44k as at the end of July 2022; and
- Standard £150 Council Tax Rebate paid to 51,424 households £7,713,600 and discretionary top-up £30 Council Tax rebate paid to 7,737 households £232,260 as at 24th August 2022.
- Discretionary Energy Rebate £240k ((includes £232,260 top ups of £30 as above)

2.27 I propose to provide regular updates across these areas as part of the OFP report to Cabinet.

## 2.28 **Rent Cap Consultation**

A consultation was launched on Wednesday 31 August to invite views from social housing tenants and landlords on a proposed rent cap to understand how best to support households with the cost of living. Under the proposals, a cap on social housing rent increases would be put in place for the coming financial year, with options at 3%, 5% and 7% being considered.

2.29 The move would prevent rents for council (and housing association) houses from rising significantly. The government regulates how much social housing rents can increase each year. Currently this is set at up to the consumer price index (CPI) rate plus 1% – meaning potential increases next year of 11% in line with recent Bank of England forecasts. A 5% cap would save the tenants on average £300 a year compared to the above scenario, DLUHC said.

2.30 This consultation will last for six weeks from 31 August to 12 October.

2.31 The Council will of course, respond to the Consultation and we will also review the possible impact of the proposals on the Housing Revenue Account.

## 3. **RECOMMENDATIONS**

3.1 **There are no specific recommendations arising from this report. Members are asked to note the update on the overall financial position for July covering the General Fund, Capital and the HRA**

## 4. **REASONS FOR DECISION**

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

## 5.0 **DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

This budget monitoring report is primarily an update on the Council's financial position.

## 6.0 **BACKGROUND**

### 6.1 **Policy Context**

This report describes the Council's financial position as at the end of July 2022. Full Council agreed the 2022/23 budget on 2nd March 2022.

### 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 and Climate Change**

As above

### 6.4 **Consultations**

Relevant consultations have been carried out in respect of the forecasts contained within this report involving the Mayor, the Cabinet Member for Finance, Heads and Directors of Finance and Service Directors through liaison with Finance Heads, Directors and Teams.

### 6.5 **Risk Assessment**

The risks associated with the 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, DEMOCRATIC AND ELECTORAL SERVICES**

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 sets 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 and 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 Article 13.6 of the Constitution states that Key decisions can be taken by the Elected Mayor alone, the Executive collectively, individual Cabinet Members and officers. Therefore, this Report is being submitted to Cabinet for approval.
- 8.6 All other legal implications have been incorporated within the body of this report.

## 9. CHILDREN AND EDUCATION

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
92,359	Children and Education	1,130	286

- 9.1 **The Children and Families Services (CFS)** are forecasting a £1.1m overspend as at the end of July 2022 after the application of reserves totalling £4.6m and after the inclusion of the Social Care Grant allocation of £8.5m. The movement in the forecast this month was due increased costs for the young people's supported accommodation pathway contract. As has been the practice since the grant was announced in 2019/20, the Social Care Grant allocation for both children's and adult social care has been split equally across both services. This financial year the grant was increased by a further £636m nationally and this has meant the Council has received a total of £17m this year, which represents a £4.3m increase on the previous year. Children's Services and Adult Social Care have each been allocated £8.5m respectively, and this has been fully factored into the current forecast.
- 9.2 There is a gross budget pressure in staffing across Children and Families Services (CFS) of £1.6m. Following the Ofsted inspection in November 2019, £1.6m of non-recurrent funding was agreed for 2020/21 to increase staffing levels to manage demand alongside additional posts to respond to specific recommendations from the inspection. In 2021/22, this additional £1.6m of staffing resource was funded from the corresponding increase in the Social Care Grant allocation. This resource continues to be factored into the forecast, however this is not sustainable and a review has commenced by the Group Director and Director and will form part of the wider review of the service. The expectation is that this will be completed in the current financial year.

- 9.3 The main areas of pressure for CFS continue to be on looked-after children (LAC) and leaving care (LC) placements costs. Corporate Parenting is forecast to overspend by £0.67m after the use of £2m commissioning reserves, largely driven by a change in the profile of placements linked to the complexity of care for children and young people coming into the service. Similarly, Looked After Children & Leaving Care Services is expected to overspend by £0.13m after the use of £0.6m reserves, and this relates to an increase in commissioning costs and some staffing costs pressures linked to additional posts and agency staff usage. Recently, we have seen a reduction in residential placements down to 28 which is the lowest since December 2019. We are expecting a further reduction in young people stepping down from residential placements in the next six months.
- 9.4 The Disabled Children's Services are forecast to overspend by £0.16m after the use of £0.5m reserves, and this is largely due to an increase in demand for placements in direct payments (including short breaks) due to higher usage amongst families to prevent placement breakdown.
- 9.5 The Access and Assessment and Multi Agency Safeguarding Hub have an overspend of £0.2m primarily related to increased staffing costs for maternity cover and agency premiums due to a significant proportion of Social Workers leaving the Council towards the end of the last financial year. The Workforce Development Board has a rolling Social Worker recruitment process which should address the agency premium costs, providing successful permanent appointment of candidates.
- 9.6 Hackney Education (HE) is forecast to overspend by around £4.5m. The underlying overspend across the service is £5.9m, and this is partially offset by mitigating underspends of £1.4m. The main driver is a £5.4m pressure in SEND as a result of a significant increase in recent years of children and young people with Education Health and Care Plans (EHCPs), and this increase is expected to continue in 2022/23. SEND Transport has had corporate budget growth awarded to the service of £1.1m this year, however the service is still forecasting a £0.7m pressure. This is partly due to increased activity coupled with increased fuel prices. Given the volatility of fuel prices, this area will be monitored closely throughout the year. Other areas of overspend are within Education Operations for the Tomlinson Centre (£0.2m) and Children's Centre income collection (£0.3m), and both overspends are as a result of reduced usage for services post-pandemic.
- 9.7 **Savings for Children's Services** Savings for Children's Services include £200k for Clinical Services from increased contributions from NEL CCG towards health costs within the service; £100k from joint funding towards complex health and social care packages; and a review of early help services designed to reduce costs by £350k this year. All of these savings are on track to be delivered this financial year, and are factored into the forecast. Savings for Hackney Education are £117k to be delivered from merging the HE reception with the HSC, and a review of traded teams. This saving is on track to be delivered this financial year.

- 9.8 **Vacancy rate savings.** A vacancy rate savings target of £1.754m has been set for the directorate in 2022-23 (£0.9m for Children and Families and £0.854m for Education) and the forecast assumes that this will be achieved. Progress against the target is carefully monitored and tracked by the C&E Senior Management Team and this will continue to be monitored closely and reported through this monthly finance report.
- 9.9 Many of the **financial risks** to the service that were present in 2021-22 continue into 2022-23. One of the main risks for the directorate is the cost of living and fuel price crisis, and the potential impact that it will have on the cost of service delivery going forward. It is difficult to estimate the impact that the cost of living crisis will have across services, however we can expect care providers to seek greater inflationary uplifts to care placements than in previous years. In Education, the trend data does illustrate that taxi fares within SEND transport are experiencing increased rates for journeys.
- 9.10 **SEND** - there is also uncertainty around the DSG high needs deficit and the treatment of any deficit post 2022/23. The brought forward SEND deficit in 2022/23 is circa £13.9m, based on current forecasts this will increase to circa £18.4m by the end of this financial year. This remains a risk for Hackney in the event there is no further funding provided by the Department for Education to mitigate this balance. Hackney is included in Tranche 2 of the Delivering Better Value (in SEND) programme which aims to help local authorities maintain effective SEND services, however the programme aims to provide assistance on deficit recovery actions rather than provide direct funding to address the deficit, hence the potential risk to the Council.
- 9.11 **Management Actions to reduce the overspend**, in addition to budgeted savings further cost reduction measures have been developed for 2022/23. For CFS, management actions of £1.5m have been identified and these are factored into the forecast when delivered. These include reductions in the number of residential placements (£1m); forensic review of the top 20 high cost placements (£0.3m); placement management business support review (£0.1m); and review of agency spend through tighter controls with the Head of Service and greater challenge through WfDB (£0.1m). For Hackney Education, the focus of cost reduction measures this year will be through further development of in-borough SEND provision and reviewing SEND transport eligibility. The cost reduction proposals will be monitored on a monthly basis highlighting delivery against these indicative targets. Detailed plans continue to be developed for these proposals, and these will be part of monthly discussions at C&E SMT. It is essential that the service delivers against these plans.
- 9.12 **Non-Essential Spend.** To reduce non-essential spend, the service will continue with the previous measures to control spending introduced in the Summer of 2021 For Children's and Education, the measures in place and to be developed include:
- **Increased controls on non-essential spend (non-essential spend to be determined by Group Directors of their respective directorates).**



Opportunities to investigate and limit non-essential expenditure will continue this financial year. Monthly budget monitoring takes account of expenditure within areas such as supplies and services, indirect staff costs and professional fees with the aim of limiting the use of non-essential spend. The tracking of non-essential spend will be routinely shared with SLT's during the course of the year to review trends and ensure that all expenditure is necessary.

- **Increased controls on filling vacancies. Current processes to review the need for filling vacancies continue.** Requests to recruit within Education are submitted via a business case and require joint agreement by the Heads of HR and Finance before the initiation of any recruitment process. Within CFS, the high number of agency staff within the division allows for continual review of the establishment. Budget review meetings for key areas experiencing financial pressures such as Children in Need, DCS and Corporate Parenting review staffing in detail on a regular basis with the Director, relevant Head of Service and finance. In addition a wider review of CFS is expected to be completed this financial year.
- **Reduction in agency staff, for example, 20 per cent reduction on current level.** An overall target of £100k cost reductions within agency staff usage was achieved in 2021/22 and will continue this financial year. Options to incentivise agency workers moving to council employment with the potential for market supplements are being developed for consideration. The London Pledge, a shared agreement on agency workers within London, is also expected to have a favourable impact on the rates offered to workers and overall cost.
- **Additional controls over remaining agency spend (i.e. ensuring long-term agency staff are required to take equivalent leave of permanent roles and work a maximum of 36 hours a week).** Communications to managers who supervise agency staff will be reinforced and a tracking system put in place to ensure that agency staff are taking annual leave and are working a standard day. Working with HR colleagues, a system to monitor compliance with this requirement will be implemented during quarter 2 of this financial year.

## 10. ADULT, HEALTH AND INTEGRATION

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
125,275	Adults, Health and Integration (excl. Cyber)	5,122	209

- 10.1 Adult Social Care is forecasting an overspend of £5.122m before the cyberattack and £5.419m including the cyberattack costs. This is after the application of reserves of £2.2m and the inclusion of the Social Care Grant allocation of £8.5m. This compares to a 2021/22 outturn position of £4.1m

overspend. As has been the practice since the grant was announced in 2019/20, the Social Care Grant allocation for both children's and adult social care has been split equally across both services. This financial year the grant was increased by a further £636m nationally and this has meant the Council has received a total of £17m this year, which represents a £4.3m increase on the previous year. Children's Services and Adult Social Care have each been allocated £8.5m respectively, and this has been fully factored into the current forecast.

- 10.2 **Care Support Commissioning** is the service area with the most significant budget pressure in Adult Social Care, a £2.8m pressure. This service records the costs of long term care for service users, and the budget overspend reflects both the growth in client activity and increased complexity of care provision being commissioned. The forecast includes assumed NHS support of £1m towards ensuring efficient discharge of people from hospital and a total of £9.4m towards funding care costs for service users with learning disabilities.
- 10.3 **Provided services** forecast reflects an overspend of £1.8m which is made up primarily of an overspend within the Housing with Care (HwC) service of £2.3m offset by an underspend on day services of £0.5m. The HwC forecast overspend of £2.3m reflects both the impact of £1m of savings from 21-22 and 22-23 not yet forecast to be realised as well as high levels of staff sickness and the service engaging agency staff to cover these roles alongside additional capacity required to maintain the service. The day service underspend of £0.5m relates to the Oswald Street day centre which continues with a limited number of service users as a result of ongoing maintenance work needed at the premises in Oswald Street.
- 10.4 **Mental health** is forecast to overspend by £0.7m with a budget overspend on Long term care services for mental health service users of £0.8m being offset by an underspend against staffing budgets of £0.1m. Adult services continue to work in collaboration with East London Foundation Trust to reduce this budget overspend as part of the agreed cost reduction measures.
- 10.5 **Preventative Services** reflects an adverse movement of £170k this month, due to increased charges in relation to the London Councils Taxicard scheme. The overall position reflects a budget underspend of £0.2m, which is primarily attributable to the following: workforce budget pressures of £0.3m primarily within the Integrated Discharge service, Taxicard Scheme budget overspend of £0.2m, offset by budget underspends across the Interim bed facility at Leander Court (£0.3m) and Substance Misuse (£0.3m) linked to lower than expected demand for these services.
- 10.6 **Care Management and Adult Divisional Support** is forecasting a budget overspend of £0.2m, which is primarily due to workforce pressures linked to maintaining staff capacity due to staff absences (maternity cover and sickness).

- 10.7 The directorate is coordinating the council response to the Homes for Ukraine scheme enabling Hackney residents to offer a home to people fleeing Ukraine. There is government support for the costs being incurred under this scheme and so no cost pressure of the scheme is currently forecast. This will continue to be carefully monitored.
- 10.8 **Public Health** is forecasting a breakeven position.
- 10.9 Adult Social Care has **savings** of £1.45m to deliver in 2022/23. Savings related to efficiencies of housing related support contracts (£650k); the promotion of direct payments (£50k); and increased care charging (£250k). All of these savings are on track to be delivered this financial year, and are factored into the forecast.
- 10.10 Savings plans related to Housing with Care schemes (£500k) have not been developed sufficiently to deliver this amount in-year. The saving against the Housing with Care schemes is part of £1m of wider savings across 2021/22 and 2022/23. There will be part mitigation (£400k) by further efficiencies within housing related support contracts this year but this currently results in a real cost pressure this year of £600k. Contract negotiations are currently underway with commissioned providers, and the service is confident that further mitigations will be identified throughout the year.
- 10.11 Public Health has savings of £0.5m to deliver through a review of public health activities that deliver outcomes for the Council. This saving is on track to be delivered this financial year.
- 10.12 **A vacancy rate savings target** of £0.453m has been set for the directorate in 2022-23 and the forecast assumes that this will be achieved. Progress against the target is carefully monitored and tracked by the AH&I Senior Management Team and will continue to be monitored closely to ensure any risk to this target being achieved is reported through this monthly report including any mitigation measures.
- 10.13 **Risks.** Many of the financial risks to the service that were present in 2021-22 continue into 2022-23. The cyberattack continues to have a significant impact on a number of key systems across the local authority. There is a clear project plan to restore the social care system as well as an interim system that has been developed by ICT. £0.3m is reflected in the forecast as the cost of additional staff to mitigate the impacts of this risk. In Adult Social Care, this risk is in relation to monitoring and capturing the cost of any additional demand for care, as the social care system (Mosaic) which holds and records this information remains inaccessible.
- 10.14 Reforms related to the cost of care and care-market sustainability present a significant financial risk. The risk relates to the impact of changes to the cap on care costs changing (both an annual cap and a lifetime cap) and the ability of more people becoming eligible to seek support for care costs from the council. The financial size of this risk is being evaluated. The council has been allocated £948k of funding towards market sustainability in 2022/23 -

most of which will be passed onto providers of care and £116k to begin planning and preparations for charging reform.

- 10.15 One of the main risks for the directorate is the cost of living and fuel price crisis, and the potential impact that it will have on the cost of service delivery going forward. It is difficult to estimate the impact that the cost of living crisis will have across services, however we can expect care providers to seek greater inflationary uplifts to care placements than in previous years.
- 10.16 The current forecast includes only existing service users and does not include any potential costs arising from additional demand above estimated initial demographic growth assumptions. Year-on-year, the forecast increases by approximately 10% which represents an additional cost in the region of £5m and this is factored into the forecast as it materialises.
- 10.17 **Management Actions to reduce the overspend**, In addition to budgeted savings, further cost reduction measures have been developed for 2022/23. For Adult Social Care, management actions of £1m have been identified and these are factored into the forecast when delivered. These include continuation of the multi-disciplinary panel process (£0.25m); working with ELFT to manage the Mental Health overspend (£0.35m); double handed care package review (£0.2m); direct payment monitoring of accounts (£0.1m); and review of agency spend through tighter controls with Head of Service and greater challenge through the Workforce Development Board (£0.1m). The cost reduction proposals will be monitored on a monthly basis highlighting delivery against these indicative targets. Detailed plans continue to be developed for these proposals, and these will be part of monthly discussions at AH&I SMT. It is essential that the service delivers against these plans.
- 10.18 **Non-Essential Spend**. To reduce non-essential spend, the service will continue with the previous measures to control spending introduced in the Summer of 2021 For Adults, Health and Integration, the measures being explored at this stage include:
- **Increased controls on non-essential spend** (non-essential spend to be determined by Group Directors of their respective directorates). Controls were set in place during 2021/22 and remain. Monthly budget monitoring ensures that non-essential spend, primarily linked to training and office supplies, are monitored. Training budgets are planned to be brought into a single cost centre during 2022/23, which will ensure that there is no duplication of training across teams and a more equitable and consistent access to mandatory or essential training.
  - **Increased controls on filling vacancies**. Controls were set in place during 2021/22 and remain. In addition, work completed on the establishment list has provided clarity on roles and vacancies, which provide assurance that only established posts going forward can be filled, except in exceptional circumstances as agreed by the director. This

extends to those posts in ELFT, where a post number has to be provided prior to recruitment.

- **Reduction in agency staff**, for example, 20 per cent reduction on current level. Plans have been set in place for rolling recruitment in critical areas where agency staff are most utilised, with the recent ADASS MoU on agency rates setting a helpful mitigation to the cost of staff going forward. In addition, the Principal Social Worker is creating relationships with universities, and seeking to set out a pathway for bringing in manageable levels of newly qualified social workers to complement existing numbers of experienced staff. This is expected to reduce agency numbers and/or vacancies by 5 posts per year.
- **Additional controls over remaining agency spend** (i.e. ensuring long-term agency staff are required to take equivalent leave of permanent roles and work a maximum of 36 hours a week). Working with HR colleagues, data is being provided on annual leave by agency staff, which is currently only determined from the absence of timesheets submitted. This information will be reviewed monthly by managers and more robust tracking of leave is expected from September 2022.

## 11.0 Climate Homes and Economy (CHE)

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
27,386	Climate, Homes and Economy excl. Cyber	1,259	106

11.1 The directorate is forecasting an overspend of £1.26m (excluding the Cyberattack); this is an increase of £106K since the May forecast. Within this position, there is a significant increase in the cost of fuel in Environmental Operations (£600k) following the award of the contract for vehicle fuel in July and reflects the prevailing market conditions in the cost of vehicle fuel with the cost of biofuel being linked to the cost of diesel. This overspend is offset by the allocation of part of the Energy Price increase provision included in the 2022-23 Budget. The total provision is £2.5m. Other areas of overspend for the directorate are unchanged from the May position, being in Planning, Community Safety, Enforcement and Building Regulation, and Environmental Operations.

11.2 **Planning Services** are forecasting a £1.1m overspend mainly relating to a continued level of income below the budget. Planning Application fees and Building Control fee income has seen a steady decline over the past three years. There is also a shortfall of £185K in land charges income which is due to the continuing impact of cyberattack on the services. The shortfall in planning application fee income is linked to a decline in the number of very large major applications being received rather than a significant fall in overall planning application numbers for the past 3 - 4 years. This has further resulted in a reduction in the CIL and s106 income due to delays of schemes starting construction. Included in this income is an allowance for

administration of Section 106 agreements and due to the reduction in development activity the forecast income from this source has also been reduced by £100k. There has been an increase in Planning Performance Agreement income which is now meeting its budgeted income levels.

- 11.3 The income target for minor applications is also forecast not to be achieved, and the cost of determination of minor applications is more than the fee received as Local Authorities have not yet been afforded the option by the Government of setting their own fees. In practice, major applications help subsidise minor applications therefore the shortfall in new major applications will also detrimentally affect this cross-subsidy.
- 11.4 **Building control** has a shortfall of income of £140K which is due a slowing of development activity in the borough. The service is holding vacancies in response to the reduced activity and also to partially mitigate the forecast overspend.
- 11.5 **Community Safety, Enforcement and Business Regulation** is forecasting an overspend of £270K. This overspend is due to the ongoing requirement to deliver the vacancy factor savings in the service. There is an adverse movement of £105k from the May forecast due to staff on long term sickness. As vacancies arise, these need to be filled in order to maintain service standards. All the enforcement teams are fully staffed and there is maternity leave to cover. In addition, the service is retaining a post to cover ongoing COVID-19 related administration. The Head of Service is undertaking a budget review over the next month to identify opportunities to mitigate the overspend.
- 11.6 **Environmental Operations** is forecasting an overspend of £118k, an increase of £34k since the May forecast. The position on fuel costs within the service is noted above. There are two major cost risks within the service which may further adversely impact the forecast as the year progresses; these are the continuing delivery of the vacancy factor and the rising costs of fuels and utilities. The Corporate fixed priced bulk fuel contract which has been recently tendered has seen a steep increase in the unit price we pay for vehicle fuel. Environmental Operations is the biggest user in the council so will have the biggest impact, and as we have seen, at present this impact is estimated to be approximately £600k for the remainder of the year. With regards to the increasing service costs pressures the Head of Service is developing a number of proposals to improve the efficiency of service operations to deliver the vacancy factor saving without adversely impacting the service. There are also other potential pressures on budgets on the horizon with several supplier contracts for bag purchases, weed spraying, bins purchasing etc due for renewal and suppliers are currently trying to override existing prices due to their own costs increasing. Commercial waste income streams are nearly at the pre pandemic levels to mitigate the impact of these cost increases. A detailed review of the budget lines will be undertaken over the coming months to quantify the risks and identify mitigations to reduce the overspend.

- 11.7 While **Streetscene** is forecasting a £52k underspend in its budget, there is a significant risk that is emerging and may need to be addressed. Recharging the cost of transport engineers who work our highways and traffic schemes is reliant on TfL funding; funding has only been agreed up to the end of June 2022 and was much less than recent years. This results in a £685k pressure on staffing which may not be covered by recharges to capital projects. The Head of Streetscene is keeping a watching brief on the TfL funding availability to ensure that the service can respond quickly to funding announcements and maximise the amount of money to fund schemes across the borough.
- 11.8 The directorate is on target to achieve its **savings plans** of £2.9m. However, the staff saving in Community Safety, Enforcement & Business Regulation (CSEBR) has impacted the delivery of the ongoing vacancy factor savings by £165k. The Head of Service is reviewing budget lines to identify non essential spend savings to mitigate the overspend.

### 11.9 Risks

The table below sets out the budget risks for 2022/23

	Amount £000
Inflation on vehicle fuel - further impact	300
Decline in TfL funding impacting capitalised salaries in Streetscene	685
Delivery of vacancy factor savings in Environmental Operations	500
<b>Total Risk</b>	<b>1,485</b>

- 11.10 There is a further inflation risk which may impact the forecast outturn, which relates to the cost inflation on utilities in our Leisure Centre's. Through a partnership with GLL we operate 7 sport and leisure centres on a zero management fee basis and, despite the impacts of the pandemic still continuing, the Contract returned to a small surplus in 2021/22. GLL was anticipating that this positive trajectory would continue in 2022/23. However, the financial forecast for the Contract has changed markedly over recent months with the significant escalation in utility prices and growing uncertainty over the future of the energy market. GLL are now predicting that the Contract is likely to fall into deficit in 2022/23 due to forecast increased utility costs of £1.9m - in line with the Contract's terms, the Council is liable for the risk relating to utility price increases. The Head of Leisure, Parks and Green Spaces, in partnership with GLL, are exploring options to try and mitigate utility price increases.
- 11.11 **Management Actions to reduce the overspend include** Heads of Services are currently reviewing their overspends and working to identify strategies to mitigate the level of overspend. Strategic Directors will review all service areas to hold non essential spend to mitigate the overspending areas. These will be reflected in future forecasts.

## 12.0 F&CR

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
20,813	Finance & Corporate Resources (Excl. Cyber)	1,562	-201

12.1 F&CR are currently forecasting an overspend of £1,562m, excluding cyberattack costs.

12.2 Energy Forecast The increase in energy prices has had a significant impact on the council. The table below shows the effect on 3 services that have significant usage of electricity and gas. The £1.8m increase on last month will be funded from the £2.5m provision included in the 2022-23 budget.

Service Area	Gas		Electricity		Total
	Forecast	Change from Last Month	Forecast	Change from Last Month	Total Change
Strategic Property	270,507	184,329	617,563	390,237	574,566
Soft Facilities Management	273,065	167,065	1,162,471	614,371	781,436
Housing Needs	290,592	240,592	260,775	230,775	471,367
<b>Total F&amp;R</b>	<b>834,164</b>	<b>591,986</b>	<b>2,040,808</b>	<b>1,235,383</b>	<b>1,827,369</b>

12.3 Financial Management and Control are currently reporting an overspend of £464k. This is an adverse movement of £60k on the May forecast, and is a result of recruitment to two trainee posts. The remaining £404k relates primarily to Cyber. £100k is the cost of a Project Accountant to assist with tracking and monitoring the Cyber spend as well as reviewing all business cases for additional spend on recovery. The remaining £250k relates to the delay in the debt team realignment as a result of Cyber.

12.4 Strategic Property. Property Services are currently forecasting an overall overspend of £644k, an improvement of £415k compared to last month. The service has decided to hold various posts vacant until January 2023 in order to reduce the overspend. The rise in energy prices had an impact of £575k but this has been offset by reserve usage.

- (a) Commercial Property are forecasting an overspend of £735k which mainly relates to the under recovery of income. The Head of Service has highlighted a high risk of tenants negotiating more rent free periods and deferred rent as the market is still very fragile and believes the pressure here could increase further.



- (b) Corporate Property and Asset Management (CPAM) & Education Property. CPAM is forecasting an underspend of (£30k) and Education (£62k) mainly due to holding posts vacant until early next year.

12.5 Housing Benefits. Housing Benefits are currently forecasting an overspend of £1m as a result of the additional agency staff required to work on the backlog of work as part of Cyber recovery (initially 7,700 cases of under/overpayment of benefits, reduced to 5,000). The agency forecast is currently £1.75m, of which £750k can be absorbed by the underspend on permanent staff due to vacancies.

There is a risk that there will be a deficit on the Net Cost of Benefits (NCOB) for 2022/23 resulting from the Cyberattack and Covid19 which produced a backlog of cases and delayed the recovery of overpayments. NCOB is the difference between what we pay out in Housing Benefits and what we receive back from the Government through subsidy. Because of the backlog there is a risk that we may lose housing benefit subsidy as we are likely to breach the subsidy error threshold (over a certain error level - the threshold - subsidy is reduced). This pressure is subject to ongoing review and could change significantly (up or down) as we get more up to date information throughout the year. There is also lower than usual cash recovery - the backlog has prevented us from taking recovery action to recover overpayments, which has added to the NCOB deficit. The risk is currently estimated to be £4m and if this materialises, it will be funded from historic grant balances.

12.6 **Revenues** are currently forecasting an overspend of £1.8m. The overspend relates to the following:

- £1m off-site resources required to access and process the backlog of outstanding work across Council Tax and Non Domestic Rates using the Council's existing software systems Comino (document imaging) and Academy (revenues system) due to Cyber.
- £0.3m relates to the ongoing need for additional staff in the Customer Services Contact Centre who are working on the increase in the level of customer calls relating to council tax as a result of Cyber.
- The remaining £0.5m relates to lost income in court costs as a result of Cyber, which has significantly reduced legal action across the service. The expectation remains that legal action will not re-commence until, at earliest, the second half of the 2022/23 financial year.

12.7 Housing Needs are currently forecasting an overspend of £0.5m relating to security costs as a result of an increase in the number of hostels, and the increase in the need for 24 hour security. There is also an overspend on energy costs of £471k at LBH owned hostels, which is funded by the £2.5m budget provision.

- 12.8 There are pressures within temporary accommodation *net* rental expenditure, however, at this point it is expected that this can be absorbed within the additional £1.6m Homelessness Prevention Grant funding received for 2022/23. However, there are risks that it will become increasingly difficult to place residents in Inner London accommodation, resulting in out of London placements, which have a higher *net* expenditure which could impact this forecast. Additionally, it is expected that nightly paid accommodation costs will increase due to the current increase in the costs of living.
- 12.9 ICT are currently forecasting to overspend by £1.392m after a reserve drawdown of £185k. This is an adverse movement of £482k compared to last month due to changes in recruitment requirements. Some posts that were previously held vacant were recruited earlier than anticipated due to increased demands on the service. Some posts are being filled by agency/consultants which are costing more than budgeted.
- 12.10 ICT Corporate are currently reporting an overspend of £1.404m after a drawdown from reserves. The overspend is mainly due to £741k for Cyber projects and the ongoing Amazon Web Service (AWS) costs. Discussions are ongoing on how to reduce AWS costs, there are plans to decommission existing infrastructure to help with the cost.
- 12.11 Financial Management ICT Systems are currently reporting an underspend of £39k for 2022/23.
- 12.12 Hackney Education ICT are currently forecasting an overspend of £27k which is significantly less than 21/22 due to the service being wound down.
- 12.13 Directorate Finance Team are currently reporting an overspend of £17k. £80k of this relates to costs due to the delay in the restructure as a result of Cyber, however the majority of the overspend has been offset by vacant posts across the service.
- 12.14 The Directorate is budgeting to make £2.17m **Savings** in 2022-23. All of these are either achieved or are in progress. Full achievement is currently forecast.
- 12.15 **Risks.** Potential financial risks within F&R, where the forecast may see increases in the coming months are :
- Cyber Work - ICT and Customer Services Recovery of Systems
  - Net Cost of Benefits - Loss of subsidy from Local Authority (LA) error & increase in the Bad Debt Provision (BDP)
  - Repairs and Maintenance Costs exceeding the budget
  - Energy cost
- 12.16 Management Actions. Management will hold posts vacant for a longer period in order to reduce the overspend. This is visible in the Property Services,

Directorate Finance Teams and Audit reductions. **Non-Essential spend** has been reviewed as part of the monitoring and the following areas have been reduced as follows:

Service Area	Decrease (£)
Financial Management & Control	2,760
Soft Facilities Management	14,770
Registration Services	11,319
HR	400
ICT	101,592
Directorate Finance Support	2,000
Procurement	12,506
<b>Total Non Essential Spend Reduction</b>	<b>145,347</b>

### 13.0 Chief Executive

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
14,755	Chief Executive	-281	-286

- 13.1 The Chief Executive's Directorate is forecasting an underspend of £281K following the use of £1.6m of reserves - a reduction of £286k from net spending in May. This variance results from primarily, vacancies in Legal Governance and Election Services.
- 13.2 Libraries & Heritage are forecasting a £39k overspend which is caused by three main drivers- non delivery of income target (room bookings etc); NNDR which has increased over the years without any increase in budget to cover these additional costs; and security costs. The budgets are reviewed with the service on a monthly basis to try and mitigate areas that are overspending.
- 13.3 Legal, Governance and Election Services are forecasting an underspend of £268K which reflects a number of vacancies across the service. The service is achieving its vacancy factor and will be recruiting to vacant posts over the coming months. The forecast assumes that posts will be filled over the autumn and winter.
- 13.4 The directorate is on target to deliver the approved **Savings** including the vacancy factor.
- 13.5 A summary of **risks** to the service going forward are:

- Not achieving budgeted income from our venues operations due to the impact of the cost of living crisis. Our income target is £538K
- Not achieving the external income target of £500K in legal services. Due to the slowdown in the development activity across the borough the income generated from capital recharges, property and S106 agreements fell in 2021/22 - this may continue through 2022/23. The service is holding vacancies at the moment to mitigate this risk,

13.6 **Management Actions.** Whilst the directorate is not forecasting an overspending position, the Directors will undertake a detailed budget review over the summer to identify opportunities to reduce reserved use and mitigate any potential income shortfalls that may arise as the year progresses.

## 14.0 HRA

14.1 The HRA is forecast to come in at budget despite a forecast overspend in net operating expenditure of £9.583m. The forecast overspend is being met by a reduction in Revenue Contributions to Capital Outlay (RCCO). We are able to use £9.583m of the £10.712m RCCO budget to mitigate the overspend because we are not delivering a full capital programme in 2022/23 due to the delay in the procurement of the Housing Maintenance main contracts. Without a full capital programme in 2022/23 the RCCO is not required and therefore can be released. However, the backlog of maintenance work will be required in future years and management action is needed to reduce the level of operating expenditure to enable investment in existing housing stock.

14.2 The major variances are:

### Income

- Under recovery of other charges for Services and Facilities of £177k, due to the cyberattack the invoicing of major works to leaseholders has been delayed and therefore the income expected from the major works admin fee has been reduced.

### Expenditure

- Housing Repairs has a projected overspend of £2.8m, which is due to an increase in reactive repairs, material costs and an increase in legal disrepair cases.
- The Forecast overspend for Special Services, £4.9m, is mainly due to increasing energy prices. The cost of Gas and Electricity have been rising globally over the past year. Current forecasts estimate a 90% increase in cost arising from the new contract prices resulting in a significant overspend. There are also overspends in estate cleaning and lift servicing and repairs.

- The Supervision and Management of £891k overspend is due to 24hr security costs at a high rise building and the use of Temporary Accommodation by Housing Management.
- Rents, Rates Taxes and Other charges variances due to an increase in Council tax and Business rates.
- Provision for Bad and doubtful Debts is forecast to overspend by £500k, due to increased commercial property and Housing rent arrears following a slow recovery from the pandemic.
- RCCO has been reduced to offset the variances within the revenue account due to a reduced capital programme.

## 15. CAPITAL

15.1 This is the first OFP Capital Programme monitoring report for the financial year 2022/23. The actual year to date capital expenditure for the four months April 2022 to July 2022 is £7.5m and the forecast is currently £179.7m, £81.3m below the revised budget of £261m. This represents a forecast of 74% of the approved budget of £244.3m, approved by Cabinet in February 2022 (Council's Budget Report) and is relative to the previous year's outturn of £154.2m. Each financial year, two re-profiling exercises within the capital programme are carried out in order that the budgets and monitoring reflect the anticipated progress of schemes. The September Cabinet will be asked to approve a total of £83.2m into future years together with details of the requested transfer of carry forward budget (slippage) from 2021/22 into the 2022/23 capital programme. A summary of the forecast and phase 1 re-profiling by directorate is shown in the table below along with brief details of the reasons for the major variances.

**Table 1 Summary of the Capital**

Capital Programme 2022/23	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance (Under/Over)	New Bids	Capital Adjustments	To Re-Profile 2022/23	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	4,035	4,218	56	1,008	(3,210)	0	0	(3,210)	1,008
Adults, Health & Integration	30	30	0	0	(30)	0	0	0	30
Children & Education	14,862	17,520	241	17,695	175	(384)	0	1,929	19,065
Finance & Corporate Resources	28,668	31,326	953	20,279	(11,047)	65	(10)	(11,037)	20,344
Mixed Use Development	32,382	32,539	(1,137)	11,893	(20,646)	0	0	(20,645)	11,894
Climate, Homes & Economy	40,318	45,031	2,271	33,820	(11,211)	70	(21)	(11,076)	34,004
<b>Total Non-Housing</b>	<b>120,297</b>	<b>130,663</b>	<b>2,384</b>	<b>84,695</b>	<b>(45,968)</b>	<b>(249)</b>	<b>(31)</b>	<b>(44,039)</b>	<b>86,344</b>
AMP Housing Schemes HRA	43,886	46,122	4,162	41,409	(4,713)	0	0	(4,713)	41,409
Council Schemes GF	6,999	3,448	196	4,426	978	0	0	978	4,426
Private Sector Housing	2,164	2,164	200	1,210	(954)	0	(87)	(867)	1,210
Estate Regeneration	30,003	32,970	(279)	12,203	(20,767)	0	(56)	(20,711)	12,203
Housing Supply Programme	33,406	35,812	388	23,353	(12,459)	0	0	(12,459)	23,353

Woodberry Down Regeneration	7,595	9,816	467	12,382	2,566	0	0	(1,434)	8,382
<b>Total Housing</b>	<b>124,052</b>	<b>130,333</b>	<b>5,135</b>	<b>94,982</b>	<b>(35,351)</b>	<b>0</b>	<b>(143)</b>	<b>(39,208)</b>	<b>90,982</b>
<b>Total Capital Budget</b>	<b>244,349</b>	<b>260,997</b>	<b>7,520</b>	<b>179,677</b>	<b>(81,320)</b>	<b>(249)</b>	<b>(175)</b>	<b>(83,247)</b>	<b>177,326</b>

## CHIEF EXECUTIVE

The current forecast for the overall Chief Executive's is £1m, £3.2m below the revised budget of £4.2m. More detailed commentary is outlined below.

CX Directorate Capital Forecast	Budget Set at Feb Cab 2021	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Libraries and Archives	4,035	4,218	56	1,008	(3,210)
<b>Total Non-Housing</b>	<b>4,035</b>	<b>4,218</b>	<b>56</b>	<b>1,008</b>	<b>(3,210)</b>

### Libraries and Archives

The overall forecast for the overall Libraries and Archives is £1m, £3.2m below the respective in-year budget of £4.2m. The main project which is causing the variance relates to the budget set aside for the refurbishments to Stoke Newington Library. The spend for this year will be for the initial surveys and development plans with further decisions made later on in the year. Therefore the budget will be re-profiled to reflect the likely timeframe of the project.

## ADULTS, HEALTH AND INTEGRATION

The overall forecast for Adults, Health and Integration in this Quarter is no spend against the respective in-year budget of £30k. The variance relates to the resource set aside for Median Road which has been put on hold with plans to review in future years. The remaining budget will be reviewed at the next quarter, once the project manager is back from planned leave, and if not required will be offered up as savings.

AHI Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Adults, Health and Integration	30	30	0	0	(30)
<b>TOTAL</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>(30)</b>

## CHILDREN, ADULTS AND COMMUNITY HEALTH

The current forecast is £17.7m, £1.1m above the revised budget of £16.6m. More detailed commentary is outlined below.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Children & Family Services	0	477	33	477	0
Education Asset Management Plan	4,095	3,395	211	3,076	(318)
Building Schools for the Future	38	91	23	83	(7)
Other Education & Children's Services	1,328	1,993	(150)	1,180	(813)
Primary School Programmes	6,368	6,661	803	9,767	3,105
Secondary School Programmes	3,033	3,933	(680)	3,112	(821)
<b>TOTAL</b>	<b>14,862</b>	<b>16,550</b>	<b>241</b>	<b>17,695</b>	<b>1,145</b>

### Children & Family Services

The forecast for the overall Children and Family Services is in-line with the in-year respective budget of £477k. Below is a brief update on these projects:

Carer Loft Conversion - The forecast is in line with the in-year respective budget of £132k. This project is for three loft conversions to our in-house foster carer homes with the aim to enable foster carers to offer increased capacity for ongoing placements to young people. One of the three loft conversions has been completed, the second one is progressing well and third not going ahead but these funds will be used to cover additional costs on existing projects.

Shoreditch Play Adventure - The forecast is in line with the in-year respective budget of £345k. The project is in the initial stages. The design of the play hut has been finalised and paperwork is now complete for the Planning Application to be submitted as part of the Shoreditch Park planning application. Once we have planning approval we will be able to proceed with the procurement process for construction works.

### Education Asset Management Plan

The forecast for the overall Education Asset Management Plan is largely in line with the in-year respective budget of £3.4m with a minor underspend. This is the Borough's cyclical and periodic yearly maintenance programme to the education asset which includes works such as upgrades to lighting,

heating, boiler, fire safety and refurbishments to toilets and playgrounds. Below is a brief update on a few of the schemes:

Queensbridge Primary School - The forecast is £127k, £83k above the in-year respective budget of £44k. The project is progressing according to the programme with no issues with work commencing in the first quarter. The variance will be covered by identified underspends across the overall programme.

Oldhill Primary School - The forecast is £48k, £282k below the in-year respective budget of £330k. A review of the scheme by the project team has led to the decision to vire the majority of the budget to contingency as the cost was significantly less than originally thought. The contingency budget will be allocated to support the overall programme and will support the capitalisation of project manager direct costs, emergency and health and safety schemes across the programme in the year.

Randal Cremer Primary School - The forecast is £35k, £5k below the in-year respective budget of £40k and the work will take place in the summer of 2022. The reason for the forecasted underspend is because the contract was awarded to the contractor who returned lower than the value of the bid approved. The variance will be used to cover identified overspends in the overall programme.

Fernbank and Betty Layward Primary School - The forecast is nil spend against the in-year respective budget of £330k. The works to Fernbank were cancelled due to a further review which showed that only minor repair works were required. The underspend in both schemes will be used to fund a new project in the programme.

### **Other Education & Children's Services**

The forecast for the overall Other Education and Children's Services is £1.2m, £0.8m below the in-year respective budget of £2m. The schemes relate to the expansion of Hackney's specialist resource provision (SRP) for pupils with Social, Emotional and Mental Health (SEMH) and Autistic Spectrum Disorder (ASD) needs funded by the SEN Special Provision capital grant fund. Below is a brief update on the schemes:

Education SEND Strategy - The forecast is £141k, £259k below the in-year respective budget of £400k. The tenders came back a lot cheaper than the approved budget, hence the underspend. The plan would be to use the balance for further surveys where appropriate. The RIBA Stage 1 is back for Simon Marks and Nightingale Schools and a meeting is scheduled with Sebright in the summer. Simon Marks School and Nightingale School have approval from Cabinet to go forward. Stage 2 feasibility report has indicated that work is likely to start in March 2023. As a result, the budget has been re-profiled to 2023/24 in line with the programme.



Petchey Academy School - The forecast is £12k, £112k below the in-year respective budget of £124k. This project is currently on hold. The decision to suspend the scheme was made by the Education senior management team. This decision was based on School management issues and capacity. The budget has been re-profiled to 2023/24.

### **Primary School Programmes**

The forecast for the overall Primary School Programme is £9.8m, £3.1m above the in-year respective budget of £6.7m. The main programme relates to the rolling health and safety remedial works to Facades of 23 London School Board (LSB) schools that began in 2017. Below is a brief update on the schemes:

Woodberry Down Children Centre - Relocation - The forecast is £4.9m, £4m above the in-year respective budget of £0.9m. The team are expecting 'extension of time' from the contractor and a 'start on site' by the summer of 2022. There is price inflation due to the delay caused by initial blockage of the access road by Berkeley Homes. The budget from 2023/24 and 2024/25 has been re-profiled back to current year to cover this overspend.

Colvestone (Facades Work) - The forecast is £384k, £316k below the in-year respective budget of £700k. The school hall is still out of bounds. Two senior school staff members will be departing by the summer so this may affect the start of the scheme. The financial impact will be reviewed by the team.

De Beauvoir (Facades Work) - The forecast is £184k, £324k below the in-year respective budget of £509k. The project is approaching completion. The underspend is due to contract value being less than the approved budget.

Gayhurst (Facades Work) - The forecast is £278k, £128k above the in-year respective budget of £150k. The overspend is due to the emergency works to the roofing. The overspend will be funded by identified underspends across the programme.

Hoxton Gardens (Facade Work) - The forecast is £78k, £321k below the in-year respective budget of £400k. The project is approaching completion. The underspend is due to contract value being less than the approved budget. This underspend will fund identified overspends across the programme.

Mandeville (Facades Work) - The forecast is £742k, £404k above the in-year respective budget of £338k. The contracts are signed. There is an issue with the structural failure of the stonework, hence the overspend. The budget from 2023/24 has been re-profiled back to current year to cover this overspend.

Millfields (Facades Work) - The forecast is £45k, above the nil in-year budget. The contractors are on site. This overspend will be funded by other identified underspends across the programme.

Orchard, Queensbridge, Randal Cremer, Sebright, Southwold, Oldhill, William Pattern Façade - The forecast is to spend the in-year respective budget of £1.8m. The contracts are signed. There is an issue with the structural failure of stonework therefore a variation will be requested with the Procurement Team's input.

Woodberry Down (Facades Work) - The forecast is nil spend against the in-year respective budget of £549k. The scheme will not go ahead after a review by the current Project Manager showed that it was not required. This underspend will fund other identified overspends across the programme.

### **Secondary School Programmes**

The forecast for the overall Secondary School Programmes is £3.1m, £0.8m below the in-year respective budget of £3.9m. This is the upgrade and improvement to the lifecycle of the Education Estate based on statutory surveys which includes works such as upgrades to roofing, emergency lighting, heating, boiler, fire safety and CCTV upgrades. Below is a brief update on a few of the schemes:

Clapton Girls, Cardinal Pole, Our Lady's, Ickburgh School, The Garden, Stormont House and Thomas Fairchild School (Lifecycle works) - The forecast is £0.2m, £0.7m below the in-year respective budget of £0.9m. The contract award has been signed off. The Contractor has been appointed. The work will take place over the summer. After the review, it was decided that the lighting upgrade and redecorations will be part of reactive works, hence the underspend. The variance will be used to fund the works at Stoke Newington School.

Stoke Newington School Lifecycle - The forecast is £0.9m, £0.6m above the in-year respective budget of £0.4m. The roof replacement costs have increased due to the impact of increase in material costs. This overspend will be funded by the identified underspends across the overall programme.

The Urswick School (Expansion Work) - The forecast is £23k, £430k below the in-year respective budget of £453k. The annual cost of the modular building hire is less than the overall forecasted cost of the extension. The decision to go ahead with the hire has led to an underspend. Work will continue at this site in 2023/24 therefore the underspend has been reprofiled to future years.

### **FINANCE AND CORPORATE RESOURCES**

The forecast for the overall Finance and Corporate Resources is £32.2m, £31.7m below the in-year respective budget of £63.9m. More detailed commentary is outlined below.

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Property Services	23,772	25,505	444	14,499	(11,007)
ICT	4,243	4,143	435	4,143	0
Other Schemes	654	1,678	74	1,638	(40)
<b>Total</b>	<b>28,668</b>	<b>31,326</b>	<b>953</b>	<b>20,279</b>	<b>(11,047)</b>
Mixed Use Development	32,382	32,539	(1,137)	11,893	(20,646)
<b>TOTAL</b>	<b>61,051</b>	<b>63,865</b>	<b>(184)</b>	<b>32,172</b>	<b>(31,693)</b>

### Strategic Properties Services - Strategy & Projects

The forecast for the overall Strategic Properties Services is £15m, £11m below the in-year respective budget of £26m. Below is a brief update on the schemes:

Annex (Staff Moves) and Decant to Maurice Bishop House and Christopher Addison House - The forecast is in-line with the in-year respective budget of £493k. This budget will be used to assist in the clearance of the items that were moved to Robert House from the Annex. It will also cover the potential costs for digital archiving as well as furniture and office adaptations.

Hackney Education and Hackney Service Centre (Infrastructure, Restack, Flooring & Lighting Upgrade) - The forecast is £334k, £98k below the in-year respective budget of £432k. The Project Manager is currently reviewing the programme and prioritising existing projects. The ultimate goal is to vacate Maurice Bishop House, Christopher Addison House and finish off the clearance from the Annex. The aim is to have the three main campus buildings: Town Hall, Hackney Service Centre and 1 Reading Lane.

Hackney Town Hall Essential Works - The forecast is £0.6m, £2m below the in-year respective budget of £2.6m. The programme of works and anticipated spend include CCTV, replacement of air conditioning, electrical works, dividing doors, surveyors and other consultant fees. The remaining budget has been reprofiled to 2023/24 to reflect the actual spend for the works identified.

40-43 St Andrews Road (The Council's SEND Transport Depot) - The forecast is to spend the in-year respective budget of £133k. Another £50k has been earmarked for the final package of works.

14 Andrews Rd (The Council's Vehicles Maintenance Workshop) - The forecast is £357k, £357k below the in-year respective budget of £714k. The design stage will be completed within the next two months and then the tender process will start. The spend this year will be mainly fees. The actual work will commence in January 2023 therefore the remaining budget has been re-profiled to 2023/24.

Stoke Newington Assembly Hall - The forecast is £1.7m, £0.9m below the in-year respective budget of £2.6m. The phase 1 of the project is replacing the ceiling of the Assembly Hall which will take place this financial year. The tender documents will be sent out within the next couple of weeks. The remaining works are due in 2023/24 therefore the budget has been re-profiled.

Corporate Property Annual Surveys, Core Campus Life Cycle Costing, CAFM System and CPAM Database - The forecast is in-line with the in-year respective budget of £434k. A number of surveys have been ordered through CIPFA as part of the Capital Planning exercise currently being undertaken. The long term plans for Christopher Addison House are being worked on by the Council's Property Commercial Team. Due to staff resources the project on the database is delayed. The team plans to review all the different asset databases in the market. There is also the possibility of integrating Hackney's systems with the Belrock Asset database by buying a couple of modules to recognise the affected programme of works.

The City & Hackney Clinical Commissioning Group (CCG) Primary Care Project - The forecast is £6m, £7m below the in-year respective budget of £13m. A CPRP bid is currently being prepared for the rest of the funds needed for the completion of this project. All the costs for this financial year are for 'Design and Build' at both sites. The variance has, therefore, been re-profiled to 2023/24 in line with the actual programme.

Remedial Fabric Works at Millfields Disinfecting Station - The forecast is to spend the in-year respective budget of £176k. Phase 1 work is complete and the payments for the final account made. Phase 2 is awaiting the senior management decision.

Landlord Works to 80-80a East Way (The Old Baths) - The forecast is £110k, above a nil in-year respective budget. The project is completed but the team are expecting about £20k spend mainly on fees. A CPRP bid will be submitted to fund the overspend.

Landlord Works 12 -14 Englefield Road (East and South-East Asian Community Centre) - The forecast is to spend the full in-year respective budget of £896k. The tender documents are due back. The site work is expected to start in the autumn of 2022.

Landlord Works 329 Queensbridge Road (Marie Lloyd Day Centre) - The forecast is £708k, £305k above the in-year respective budget of £403k. The Contract has been awarded and the work is due to commence in the autumn

of 2022. But the cost for the works is expected to increase therefore a CPRP will be submitted.

Landlord Works at Homerton Rd, London E9 5QB (The Wally Foster Community Centre) - The forecast is £207k, £68k below the in-year respective budget of £276k. The whole site is currently being appraised. The interim project manager is awaiting quotations for some asbestos works removal (estimated at £100k) to the main hall. There is also a disabled toilet to be built as well as other on Landlord works. The variance has been re-profiled to 2023/24 to reflect the works identified.

Landlord Works at 61 Leswin Road (The Old Fire Station) - The forecast is to spend the in-year respective budget of £768k. The contractor is appointed with work due to commence in the summer of 2022.

### **ICT Capital**

The forecast for the overall ICT is largely in-line with the in-year respective budget of £4.1m. Below is a brief update on a few of the schemes:

Cyber Recovery - The most significant spend in ICT relates to the cyber recovery and the acceleration of new systems due to the loss of data. The current forecast is in-line with the full in-year respective budget of £2.6m.

End-user IT Equipment, Mobile Phone Refresh and Members Device Refresh - The other main spend relates to the roll out programme of this equipment. The current forecast is in-line with the full in-year respective budget of £1.3m.

### **Mixed Use Developments**

The forecast for the overall Mixed Use Developments is £11.9m, £20.6m below the in-year respective budget of £32.5m. This forecast largely relates to the Britannia site as Tiger Way and Nile Street are now complete with only retention and final payments due.

Tiger Way - The two year defect period for Tiger Way Project has lapsed, but outstanding defects works are still being monitored by the team. M+E presented some challenges, the outstanding drainage modification is now being resolved on site and is due for completion by the summer of 2022. A payment to the contractor based upon an interim valuation for the release of the previously withheld milestone payment has been agreed by all parties.

Nile Street - The Nightingale Primary school is completed and occupied. The final Design and Build account has been agreed with McLaren and the final sub-contract account has been agreed in principle with HSF2L and McLaren. As with Tiger Way the balance between the final account and paid to date is to be retained by the Council in-line with contractual expectations of all parties and contract terms. Release of retention to 'flow' as per contract terms, upon presentation of agreed final details. Currently there is no dispute

between any party(s) and therefore we anticipate release of these payments in quarter 3 of 2022. As at July 2022 there are currently 110 units sold out of the 175 units.

Britannia Site - Phase 1a (new Leisure centre) and Phase 1b (CoLASP) are now in the defects period. The agreed defects are being worked on and expected to be completed in the summer of 2022. Phase 2b (Residential) Stage 4 design has now been completed and is being packaged up to issue to the contractors as part of the Employer's Requirements. Whilst we have come to the end of the pre-construction design which has been carried out prior to a contractor being on board, there are some pre-commencement aspects which will need a skeleton team to feed into for example procurement support, Mawson Court boundary design and planning and surveys. The variance has been re-profiled to 2023/24 to reflect the anticipated spend. The underspend is due to a delay to the start of the construction programme from quarter 4 2022/23 to quarter 1 2023/24, in addition to expected contractor fees being pushed back as well as the CIL payments due on commencement being delayed to quarter 1 2023/24.

## NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is £33.8m, £11.2m under the revised budget of £45m. More detailed commentary is outlined below.

N&H – Non Housing Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Leisure, Parks & Green Spaces	22,934	24,967	1,356	19,751	(5,216)
Streetscene	12,765	16,067	262	11,171	(4,896)
Environmental Operations & Other	734	1,018	0	488	(530)
Public Realms TfL Funded Schemes	0	0	580	0	0
Parking & Market Schemes	308	289	0	0	(289)
Community Safety, Enforcement & Business Regulations	493	512	2	512	0
Area Regeneration	3,084	2,179	71	1,899	(280)
<b>Total</b>	<b>40,318</b>	<b>45,031</b>	<b>2,271</b>	<b>33,820</b>	<b>(11,211)</b>

### Leisure, Parks and Green Spaces

The forecast for the overall Leisure, Parks and Green Spaces is £19.8m, £3.3m below the in-year respective budget of £23m. Below is the brief update on a few of the schemes.

Kings Hall Leisure Centre: The project is forecast to spend £3.1m, £1m below the in-year budget of £4.1m. The feasibility and design for the

refurbishment of Kings Hall commenced in April 2022. The next phase of the programme will commence in 2023/24, therefore, the variance has been re-profiled to reflect the programme.

London Fields Learner Pool: The project is forecast to spend £0.5m, £4m below the in-year budget of £4.5m. The project is in the initial stages and the appointment of a design team is imminent. The majority of the spend will take place once the contractor is appointed therefore the variance has been re-profiled to 2023/24 to reflect the next phase of the programme.

Abney Park Refurbishment - The project is forecast to spend the in-year budget of £3.9m. The main contractor is on site with completion due winter of 2022. The work to the roof structures to the lodges is completed. The completed work to the chapel are as follows: the steel structure for the mezzanine floor, the stained glass installed, the masonry works and the trenching for the utility supplies into the chapel.

Shoreditch Park Refurbishment - The project is forecast to spend the in-year budget of £1.7m. The main contractor started on site in February 2022 with handover due October 2022. Phase 1 (Northern section of the Park including wildflower, new planting and furniture) - The wildflower meadow has been seeded. The wildflower area is completed and may remain fenced until September 2022. Nine benches have been installed. Phase 1A - (Volleyball Court and MUGA) - Lighting has been installed. Work to the MUGA has progressed well and is currently ready for tarmac surfacing. The fencing has been completed. The surface is prepared ready for painting. The artwork is finalised. The beach volleyball court is complete to formation level, kerbs completed, timber edging ordered to be installed, geotextile is in place. The fences are complete. Phase 2 (Sports Pitch and Rain Gardens) - Bridport Place and the Sports Pitch will be fenced off for the rain gardens and sports pitch improvement work. Phase 3 - (Playground Refurbishment) - The playground refurbishment is in progress. Phase 4 (Dorothy Thurtle Gardens, Adventure Playground Boundary Fence, Tree Plaza, Outdoor Gym) - The outdoor gym surface complete and equipment has been delivered to site to be installed.

Parks Depot - The project is forecast to spend the in-year budget of £0.9m. The works will start on Millfields Depot by the summer of 2022.

West Reservoir Improvements - The project is forecast to spend the in-year budget of £1.8m. The team is in the process of appointing a Design Team to move the project forward and anticipate a Planning Application being submitted in Spring 2023 and a start-on-site date in autumn 2023.

## **Streetscene**

The forecast for the overall Streetscene is £11.7m, £4.9m below the in-year respective budget of £16.1m. The most significant underspend of £4.4m relates to the S106-funded programmes for Highway works. With these schemes, the service does not have control over when work may begin

because they must wait for the developers to finish their work. A total of £4.9m will be re-profiled to the 2023/24 budget.

## HOUSING

The overall forecast in Housing is £95m, £35.4m below the revised budget of £130.3m. More detailed commentary is outlined below.

Housing Capital Forecast	Budget Set at Feb Cab 2022	Budget Position at July 2022	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
AMP Housing Schemes HRA	43,886	46,122	4,162	41,409	(4,713)
Council Schemes GF	6,999	3,448	196	4,426	978
Private Sector Housing	2,164	2,164	200	1,210	(954)
Estate Regeneration	30,003	32,970	(279)	12,203	(20,767)
Housing Supply Programme	33,406	35,812	388	23,353	(12,459)
Woodberry Down Regeneration	7,595	9,816	467	12,382	2,566
<b>Total Housing</b>	<b>124,052</b>	<b>130,333</b>	<b>5,135</b>	<b>94,982</b>	<b>(35,351)</b>

### AMP Housing Schemes HRA

The overall scheme forecast is £41.4m, £4.7m below the in-year respective budget of £46.1m, this variance has been reprofiled into next year. The latest projected spend reflects a correction in the programme of works at Lincoln Court and the procurement to appoint a new electrical supplier. Bannister House is complete and subject to final accounting.

### Council Schemes GF

The overall scheme forecast is £4.4m, £1m above the in-year respective budget of £3.4m. The budget from 2023/24 has been re-profiled back to current year to cover this overspend. The majority of this overspend relates to void works on Regeneration properties that are to be used as Temporary Accommodation until demolition. Before works proceed on each unit, the costs are checked to ensure it is financially viable to proceed, taking account of cost savings, rental income and the amount of time before demolition. 111 units are expected to receive works during the year.

There also continues to be a programme of HRA Buybacks on existing estates. These are partly funded by either ring-fenced Right-to-Buy receipts or GLA Buyback Grant and will result in savings for Housing Needs.

### Private Sector Housing Schemes

The overall scheme forecast is £1.2m, £1m below the in-year respective budget of £2.2m. This is based on the grant activity levels expected during the year. On that basis a total of £0.8m has been re-profiled to 2022/23. The



Council's Disabled Facilities Grant award for 2022/23 is £1.7m. Any underspend of the grant in this financial year will be utilised by the Council's Adult Social Care.

### **Estate Regeneration Programme (ERP)**

The overall scheme forecast is £12.2m, £20.8m below the in-year respective budget of £33m. Below is a brief update on the projects:

Marian Court, Kings Crescent Phase 3&4 and Nightingale Block E - The forecast is £2.9m, £12.5m below the in-year respective budget of £20.8m. A preferred bidder has been identified although current works costs are significantly higher than estimated. This is a reflection of the current construction market and the high level of risk developers are currently allowing for in their bids. The Council will enter into a contract, initially via a Pre-Construction Services Agreement (PCSA) to develop the designs and look for significant cost savings before proceeding with the main works contract. The variance has been re-profiled to 2022/23 to be utilised once the PCSA periods have ended.

Colville Phase 2C - The forecast is £1.5m, £1m above the in-year respective budget of £0.5m. A preferred bidder has been identified as part of the 2 stage procurement process and a PCSA period is to be entered into imminently. This will last until March 2023, during which time cost savings will be identified with the contractor. The budget from 2023/24 has been re-profiled back to current year to cover this overspend.

Colville Phase 4 and 5 - The forecast is £1.2m, £2.6m below the in-year respective budget of £3.8m. The forecast relates to the estimated buyback of 3 units this financial year. The variance has been re-profiled to 2023/24 to reflect the anticipated spend.

Tower Court - The forecast is £1.8m, £0.8m above the in-year respective budget of £1m. The final handover is expected to take place in October 2022. Discussions are still ongoing about how to best utilise the commercial workspace moving forwards, but this will likely have cost and time implications. The overspend will be funded by identified underspends in the overall programme.

Garage Conversion Affordable Workspace - The forecast is £0.06m, £0.47m below the in-year respective budget of £0.53m. The design work is currently on hold whilst operator engagement takes place. This may commence in quarter 4 depending on the outcome of the engagement. The variance has been re-profiled to 2022/23 to reflect the anticipated spend.

Mayor of Hackney's Housing Challenge - £2.01m is expected to be paid out to Housing Associations this year to help increase the supply of Affordable Housing in the borough. This will all be funded from Right-to-Buy receipts.

Frampton Arms and Lyttelton House - The forecast is in-line with the in-year respective budget of £0.10m with a minor underspend. These projects are

complete and final accounts have now been agreed with the contractor. The 2023/24 budget for Frampton Arms has been re-profiled back to cover this overspend and the 2022/23 budget for Lyttelton House has been offered up for savings.

## **Housing Supply Programme**

The overall scheme forecast is £23.4m, £12.5m below the in-year respective budget of £33m. The programme has been impacted significantly by the increasing level of inflation in the construction market where the costs of supplies and materials are impacted by rising costs, including for utilities, and shortage in the labour market are adding to the inflationary pressures in what is a very challenging market. Tenders are being returned significantly higher than pre tender cost estimates which impacts the viability of schemes which requires mitigating actions and an assessment of the impact on the overall programme. Below is a brief update on the projects:

Gooch House - The forecast is £0.49m, £0.02m below the in-year respective budget of £0.70m. The work is nearing completion. Final accounts to be agreed with the contractor including the allocation of any Liquidated Ascertained Damages (LAD's). The variance has been re-profiled to 2022/23 to reflect the anticipated spend.

Wimbourne Street and Buckland Street - The forecast is £18.2m, £3.3m below the in-year respective budget of £21.5m. The contract with Higgins has now gone unconditional and works have started on site. The works are currently forecast to take 24 months. Negotiations are ongoing with the GLA to try and increase the grant per Social Rent unit by £20k. The variance has been re-profiled to 2022/23 to reflect the actual spend of the works.

Murray Grove - The forecast is £0.2m, £4.3m below the in-year respective budget of £4.5m. Options are currently being considered due to bids received in 2021/22 being significantly higher than expectations. The 'start on site' is unlikely to be this financial year. The variance has been re-profiled to 2022/23 to recognise this change.

Tradescant House and Woolridge Way - The forecast is £0.25m, £0.18m above the in-year respective budget of £0.07m. Consideration is currently being given as to when it is best to issue the Invitation To Tender (ITT) taking account of the current challenging market conditions being experienced. The budget from 2023/24 has been re-profiled back to current year to cover this overspend.

De Beauvoir Phase 1 (Downham Road East, Downham Road West, Balmes Road, 81 Downham Road and Hertford Road) - The forecast is £0.2m, £1.2m below the in-year respective budget of £1.4m. Planning expected to be approved this financial year. The procurement of a main contractor to follow with an ITT issue date of January 2023. The 'start on site' is currently estimated for March 2024. The variance has been re-profiled to 2022/23 to reflect programme construction start date.

Pedro Street - The forecast is £0.97m, £2.38m below the in-year respective budget of £2.48m. Rectification works relating to ground contamination currently being undertaken. Various options for how the site progresses are being considered but all will have an adverse impact on cost and delivery timescales. The variance has been reprofiled to 2022/23 to recognise the change which has affected the programme of works.

Rose Lipman Project - The forecast is £0.23m, £0.95m below the in-year respective budget of £1.18m. The design and value engineering works are still ongoing. The planning application is due to be submitted in January 2023, with procurement of a contractor starting later in the calendar year. The variance has been reprofiled to 2022/23 in line with the actual programme.

Daubeney Road - The forecast is £1.16m, £0.86m above the in-year respective budget of £0.30m. All of the Private Sale units have now been handed over and sold, however the remaining Social Rent units have been delayed until September 2022. There have been continued cost pressures on this project, owing to Covid-19, party wall issues and design updates. The increased sales values will offset some of this uplift. The overspend will be funded by identified underspends in the overall programme.

Lincoln Court - The forecast is £0.14m, £0.25m below the in-year respective budget of £0.39m. The design work is still ongoing. The site is proving difficult from a financial viability perspective and options are being considered. The variance has been reprofiled to 2022/23 to recognise the change which has affected the programme of works.

### **Woodberry Down Regeneration**

The overall scheme forecast is £12.4m, £2.6m below the in-year respective budget of £9.8m. Around 16 Buybacks are expected during the year. The majority will relate to Phase 4, where 41 Buybacks are required to complete before October 2024. Most of these will be used as Temporary Accommodation until demolition. There is also a £4m payment required to be made to Berkeley Homes, relating to a previous overage payment made to the Council in 2017 which is now required for Phase 3. Therefore the budget has been re-profiled to reflect the likely timeframe of the spend.

### **Appendices**

None

### **Background documents**

None.

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<b>Title of Report</b>	Capital Update and Property Disposals and Acquisitions Report		
<b>Key Decision No</b>	FCR S086		
<b>For Consideration By</b>	Cabinet		
<b>Meeting Date</b>	12 September 2022		
<b>Cabinet Member</b>	Philip Glanville, Mayor of Hackney		
<b>Classification</b>	Open		
<b>Ward(s) Affected</b>	All		
<b>Key Decision &amp; Reason</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Yes</td> <td>Spending or Savings</td> </tr> </table>	Yes	Spending or Savings
Yes	Spending or Savings		
<b>Implementation Date if Not Called In</b>	20 September 2022		
<b>Group Director</b>	Ian Williams, Finance and Corporate Resources		

## 1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2022/23 budget.
- 1.2 Through the proposals in this report we demonstrate our commitment to meeting our manifesto pledges as well as continuing to deliver against the Council's revised Corporate Plan to Rebuild a Better Hackney.
- 1.3 This report requests Cabinet approval of £15,000 S106 funding for undertaking a feasibility study to scope the potential for locating and clarifying the strategic fit of a new library in Woodberry Down - whereby we continue to seek to invest in facilities for the local community and support residents to access services locally.
- 1.4 Approval is also sought for the disposal of 149 Stamford Hill, London N16 5LG, known as the Clockhouse. Given the poor condition of the building and that the building is surplus to requirements as well as being expensive to secure, this is deemed as the most economic way forward and will generate a capital receipt for the Council for investment in our priorities. The Council is committed to liaison with existing leaseholders and the wider community during the course of the process for disposal.
- 1.5 A request received by the London Legacy Corporation ( "LLDC") requires consent by the Council for the LLDC to enter into a lease with Here East (Studios) Limited and an extension of a lease between the LLDC and Innovation City (London). The consent will enable the delivery of additional workspace within the Queen Elizabeth Olympic Park.
- 1.6 The report also contains a proposal to dispose of the Silvertrees Property in Oxfordshire acquired to deliver the Family Learning Intervention Programme (FLIP).
- 1.7 I commend this report to Cabinet.

## 2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report updates Members on the current position of the Capital Programme and seeks approval as required to enable officers to proceed with the delivery of those schemes as set out in Section 3.1 of this report and the property proposal as set out in Section 3.5.
- 2.2 The Council owns the freehold of **149 Stamford Hill, London N16 5LG, known as the Clockhouse.**
- 2.3 The property comprises two floors of office accommodation with twenty flats in five storeys above, with ten one and ten two bedroom properties. These are owned by a mix of owner occupiers and investors and they have never

been part of the Council's housing stock. There is a small courtyard for parking to the front and an area to the rear consisting of eighteen parking spaces and five garages.

- 2.4 The building was privately developed with the offices first occupied by the Council on a lease until it purchased the freehold in July 1983, presumably to secure the premises for the occupation of the offices and possibly as it was felt at the time that converting the rent liability into a capital asset was desirable. The office space was used by the housing service as the Stamford Hill Neighbourhood Housing Office.
- 2.5 The garages are all held on long leaseholds by individuals and there are rights of way across the property benefiting Medcar House to the west.
- 2.6 The building is held within the Council's General Fund.

### **Current Position**

- 2.7 The Neighbourhood office was shut in March 2020 in response to the Covid pandemic and in retrospect the reaction to Covid supercharged trends that were already evident in how many people wished to access services. The old model of a central office where residents came with requests and problems has been largely replaced with online access, supplemented by in-person meetings either in the home or at smaller drop in centres. The housing service is still refining these changes to service provision and these are the subject of resident consultation; however the decision to close the Neighbourhood offices has been approved by the Cabinet in last year's HRA budget setting exercise.
- 2.8 The Council was, pre-pandemic, already closing outlying offices and concentrating staff at the Hackney Town Hall campus. Save for the basement, Stoke Newington Town Hall is now devoid of Council staff and both Keltan House and 280 Mare Street have been closed as Council offices in recent years. Covid has accelerated this trend with two key campus buildings, Christopher Addison House (CAH) and 2 Hillman Street now partially or fully empty of Council services and whilst a final decision has not been taken on the future of CAH, 2 Hillman Street has been let to the Department of Work and Pensions. There are very good reasons for retaining the freeholds of buildings on the campus largely centred around estate management and future operational flexibility, but no such imperative exists for retaining Clockhouse, which was first let and then bought for a specific operational purpose that is now fulfilled in a very different manner.
- 2.9 The office property is in a poor condition and a condition survey dating from 2016 specified works necessary in the five years from that date totalling £385,000. Of these works only a repair to a flat roof has been undertaken, leaving £360,000 worth of works outstanding. With inflation, probable deterioration in condition and a tightening of environmental requirements for lettings on the horizon, the cost of works to bring the building into tenable condition is likely to exceed £500,000.

- 2.10 The rateable value of the premises is £178,000 so the Council has a rates liability of £91,136 whilst the property stands empty.
- 2.11 The Council will also be liable for any unrecoverable costs for repairs to the residential common parts and building services.
- 2.12 As the building is redundant given the likely costs involved in making it tenable this report recommends that it is disposed of. The Council will write to all the leaseholders prior to placing the premises on the market and will keep them informed as the sale progresses. The Council will also seek to engage with business and the wider community during the course of this process.
- 2.13 A plan of the area subject to this proposal is attached (Appendix 1) for identification purposes.
- 2.14 There is a further property disposal relating to the **Silvertrees Property in Oxfordshire**. The Family Learning Intervention Programme (FLIP) was designed in 2014, with support from the Department for Education's Innovation Fund, with the objective of supporting children to live safely at home with their families, wherever possible. The programme included tailored interventions in a residential setting. A capital investment in a house in Oxfordshire - Silvertrees - was made in 2016. Whilst a number of children and families have benefited over time, there have also been significant operational challenges, which have been exacerbated by the pandemic. Challenges have included under occupancy due to the availability and suitability of families for residential interventions; the restrictive nature of planning restrictions on the property; and staffing challenges related to the distance the property is from Hackney.
- 2.15 The property was closed to interventions in March 2020 due to the national lockdown. In the context of ongoing uncertainty about future pandemic restrictions, in July 2020 a decision was made to keep the property closed and temporarily reinvest the operating resources in a Hackney-based edge of care service. This decision was made in recognition of our high number of adolescents coming into care and in light of learning about what works well in other local authorities. The service brought clinical and FLIP staff together to offer specialist, intensive, wrap-around support to adolescents and their families on the edge of family breakdown.
- 2.16 Whilst the property has been closed to interventions, it continues to accrue maintenance expenses. Given the history of operational challenges with Silvertrees, we are not recommending reopening the property for residential interventions with families and instead believe high quality Hackney-based interventions offer a better service to families and value for money for the Council. As a result, we are now proposing to dispose of the property.



### 3. RECOMMENDATION(S)

3.1 That the S106 schemes as set out in para 11 and summarised below be approved as follows:

S106	2022/23 £'000
Revenue	15
<b>Total s106 Revenue for Approval</b>	<b>15</b>

3.2 That the expenditure plans and associated resources to be carried from 2021/22 to 2022/23 as set out in Section 12 and summarised below be approved:

Current Directorate	Carry Forward Budget To 22/23
	<b>£'000</b>
Non housing	9,236
Housing	6,281
<b>Total</b>	<b>15,518</b>

3.3 That the re-profiling of the budgets as set out in Section 13 and summarised below be approved:

Current Directorate	Re-Profiling 22/23	Re-Profiling 23/24	Re-Profiling 24/25
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Non housing	(44,039)	44,205	(166)
Housing	(39,208)	39,661	(453)
<b>Total</b>	<b>(83,247)</b>	<b>83,866</b>	<b>(619)</b>

3.4 That the capital programme adjustments as set out in Section 14 and summarised below be approved:

<b>Current Directorate</b>	<b>Capital Adjustments 22/23</b>
	<b>£'000</b>
Non housing	(31)
Housing	(143)
<b>Total</b>	<b>(175)</b>

- 3.5 To authorise the sale of the freehold of 149 Stamford Hill London N16 5LG, known as the Clockhouse (as described for information purposes only in the attached plan at Appendix 1).
- 3.6 To delegate authority to the Corporate Director of Finance and Corporate Resources to agree all commercial terms of the transaction.
- 3.7 To authorise consent to the LLDC to enter into a lease with Here East (Studios) Limited and an extension of a lease between the LLDC and Innovation City (London) Ltd.
- 3.8 To delegate authority to the Director of Legal, Democratic and Electoral Services to settle, agree and enter into all documentation necessary for this transaction.
- 3.9 To delegate authority to the Corporate Director of Finance and Corporate Resources to agree all commercial terms relating to the sale of the Silvertrees Property in Oxfordshire.
- 3.10 To delegate authority to the Director of Legal, Democratic and Electoral Services to agree, settle and enter into all necessary legal documentation relating to this transaction including any legal agreement required by the local planning authority for the change of use of the premises to residential.

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

## 5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 **Proposed Disposal of 149 Stamford Hill London N16 5LG known as the Clockhouse:** There are three possible alternatives, to either re-occupy the building, to let it, or to redevelop it.
- 5.2 The Council, not just the housing service, is contracting the amount of office space it occupies and there is no realistic prospect of this office being needed for operational purposes in the foreseeable future.
- 5.3 The second alternative is that the Council offers the office space to let. The office market in Stamford Hill is weak and any likely tenants would probably seek a change of use to educational or community uses. The likelihood is that these sorts of occupiers would be quite poor investment covenants and may struggle to find rent on an annual basis, but may be more capable of finding money for a purchase. The Council would also need to invest significant sums into the building to make it tenantable and the cost of this in both money and officer time is difficult to justify.
- 5.4 The final alternative is redevelopment. The site is not allocated in the local plan however the site immediately adjacent to the north is and together they would make a substantial mixed-use commercial residential redevelopment site. This would be a very complicated scheme to bring forward given the multiplicity of interests just on the Clockhouse site and it would require patience to bring forward, buying up individual leases as they came available with the use of compulsory purchase powers (CPO). There does not seem however to be any particular pressing need to redevelop the site and the use of CPO powers when the site was unallocated in a recently adopted local plan would seem to be very difficult to justify. Whilst combining it with the adjoining site will undoubtedly cross minds, it is not something that the Council is ever likely to be in a position to achieve, certainly not in the foreseeable future.
- 5.5 With regards to the **authorisation of consent to the LLDC to grant leases to Here East (Studios) Limited and Innovation City (London) Ltd**, the alternative option is for the Council not to give the consent requested. This option is not recommended as it would mean that the currently underused multi storey car park adjacent to Here East may not be brought back into use to create additional workspace, job opportunities and economic growth in the borough.
- 5.6 With regards to the **proposed sale of Silvertrees in Oxfordshire**, the alternative course of action to selling the property is to re-open Silvertrees to residential interventions with children and families. However, this would not resolve the previous operational challenges and would not allow for the continuation of a more specialist, intensive support service delivered to families with children on the edge of care in Hackney.

## **6. BACKGROUND**

### **Policy Context**

- 6.1 The report to recommend the Council Budget and Council Tax for 2022/23 considered by Council on 28 February 2022 sets out the original Capital Plan for 2022/23. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

### **Equality Impact Assessment**

- 6.2 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.

### **Sustainability and Climate Change**

- 6.3 As above.

### **Consultations**

- 6.4 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.

### **Risk Assessment**

- 6.5 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 2022/23 currently totals **£245.230m (£121.178m non-housing and £124.052m housing)**. This is funded by discretionary resources, borrowing, 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 2022/23 will total **£177.326m (£86.344m non-housing and £90.982m housing)**.

Current Directorate	Revised Budget Position	Sept 2022 Cabinet	Carry Forward Budget To 22/23	Capital Adjustments	Re-Profiling 22/23	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	4,035	0	183	0	(3,210)	1,008
Adults, Health & Integration	30	0	0	0	0	30
Children & Education	15,286	0	1,849	(0)	1,929	19,065
Finance & Corporate Resources	61,769	0	2,161	(10)	(31,682)	32,238
Climate, Homes & Economy	40,058	0	5,044	(21)	(11,076)	34,004
<b>Total Non-Housing</b>	<b>121,178</b>	<b>0</b>	<b>9,236</b>	<b>(31)</b>	<b>(44,039)</b>	<b>86,344</b>
Housing	124,052	0	6,281	(143)	(39,208)	90,982
<b>Total</b>	<b>245,230</b>	<b>0</b>	<b>15,518</b>	<b>(175)</b>	<b>(83,247)</b>	<b>177,326</b>

- 7.4 **Proposed Disposal of 149 Stamford Hill London N16 5LG known as the Clockhouse:** This report investigates the next steps for Clockhouse; a property of which the council owns the freehold and consists of a commercial unit on the ground floor and residential flats above (leaseholders). As part of the council's plans to close outlying offices, the neighbourhood office is currently vacant and therefore subject to void costs of £91,136 per annum. Plans of renting the office out have been explored but this would require capital works that will potentially exceed £500,000 to bring the space into a reasonable condition.
- 7.5 Other costs include the maintenance of the common parts in the building and there have been service charge shortfalls that the Council has had to fund, causing a financial burden on the service.
- 7.6 The disposal of the property would generate an estimated capital receipt, which the Council can use to re-invest into the community.
- 7.7 Clockhouse is a redundant former neighbourhood office with short and medium term repair and maintenance liabilities and no real potential for redevelopment by the Council. Selling the building is probably the surest way of bringing it back into some form of economic use and gives the opportunity for someone with long term development plans to acquire it as part of a site assembly programme. Disposal will free up management resources within the Council's Strategic Property Services and provide a capital receipt to the Council's General Fund.

- 7.8 This report also seeks approval for consent by the Council to the **LLDC to enter into a lease with Here East (Studios)** and to extend the LLDC lease with Innovation City (London) Limited. There are no financial implications of these approvals.
- 7.9 With regards to the proposed disposal of **Silvertrees Property in Oxfordshire**, the revenue costs associated with the Family Intervention Learning Programme (FLIP) are circa £600k per annum and will be repurposed to continue the investment in staffing resources to support the Edge of Care service. The decision to invest in the service was made in recognition of our high number of adolescents coming into care and in light of learning about what works well in other local authorities. There will be costs associated with the cessation of the programme which will be met from existing resources in the current financial year. The sale of the property is expected to produce a capital receipt of circa £2m for the council.

## **8. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS**

- 8.1 **Proposed Disposal of 149 Stamford Hill London N16 5LG known as the Clockhouse:** The Council has not elected to waive the exemption to VAT on this property.
- 8.2 **To authorise consent to the LLDC to enter into a lease with Here (Studios) Limited and an extension of a lease between the LLDC and Innovation City (London) Ltd:** There are no VAT implications resulting from authorising the consent.
- 8.3 **Property Disposal of Silvertrees, Oxfordshire.** On the basis that the Council has not opted to tax the site, in principle the sale will be exempt from VAT. As the Council was using the property as a respite centre the use would be regarded as non-business care and an option to tax would not be necessary as any VAT incurred would be recoverable in full. On the basis the sale is exempt, only costs associated with the sale would need to be included in the Council's partial exemption calculation. This would be the legal costs associated with the sale and any VAT on incidental works that may be undertaken to facilitate the sale. If the property is converted back into residential use and sold as a dwelling any option to tax would not apply as the sale would be exempt from VAT.

## **9. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES**

- 9.1 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.
- 9.2 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.
- 9.3 Under the Council's Constitution, although full Council set the overall Budget it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.
- 9.4 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 arrangement
- 9.5 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.
- 9.6 **S106:** With regard to 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, S106 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.
- 9.7 **Proposed Disposal of 149 Stamford Hill London N16 5LG known as the Clockhouse:** The approval of the disposal is pursuant to the Hackney Mayoral Scheme of Delegation of January 2022 and is reserved to the Mayor and Cabinet. Section 123(1) of the Local Government Act 1972 provides the Council with the power to dispose of land and property, provided such disposal is made for the best consideration reasonably

obtainable. However, the General Disposal Consent 2003 removes the requirement for local authorities to seek specific consent from the Secretary of State for any disposal of land where: the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of: (i) the promotion or improvement of economic well-being; (ii) the promotion or improvement of social well-being; (iii) the promotion or improvement of environmental well-being; and the “undervalue” (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2 million or less. Where the case does not fall within the terms of this General Consent then an application to the Secretary of State for Communities and Local Government for a specific consent is required. Furthermore, the General Consent Order 2003 specifies that it is the responsibility of the Council to satisfy itself that the land is held under powers which permit it to be disposed of under the terms of the 1972 Act.

- 9.8 **Proposed consent to the London Legacy Development Corporation -** Proposed Consent to the LLDC for a restriction on title in favour of the Council. The approval of a consent in relation to a restriction in favour of the Council has no standing delegation, therefore the consent is required to be approved by Cabinet. Furthermore, Under Section 1 of the Localism Act 2011, the general power of competence, the Council has power to do anything that individuals with full capacity generally may do.
- 9.9 **Proposed disposal of Silvertrees Property in Oxfordshire:** The approval of the disposal is pursuant to the Hackney Mayoral Scheme of Delegation of January 2022 and is reserved to the Mayor and Cabinet. Section 123(1) of the Local Government Act 1972 provides the Council with the power to dispose of land and property, provided such disposal is made for the best consideration reasonably obtainable. However, the General Disposal Consent 2003 removes the requirement for local authorities to seek specific consent from the Secretary of State for any disposal of land where: the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of: (i) the promotion or improvement of economic well-being; (ii) the promotion or improvement of social well-being; (iii) the promotion or improvement of environmental well-being; and the “undervalue” (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2 million or less. Where the case does not fall within the terms of this General Consent then an application to the Secretary of State for Communities and Local Government for a specific consent is required. Furthermore, the General Consent Order 2003 specifies that it is the responsibility of the Council to satisfy itself that the land is held under powers which permit it to be disposed of under the terms of the 1972 Act.



## **10. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES**

### **10.1 Proposed Disposal of 149 Stamford Hill London N16 5LG known as the Clockhouse**

This property will be the subject of a marketing campaign appropriate to the scale of the opportunity and the Council will appoint a firm of Chartered Surveyors knowledgeable in the local market to assist in the goal of disposing of the property for the best consideration that it can reasonably expect.

10.2 I am satisfied that a sale conducted in this report meets the best consideration requirements of S123 of the Local Government Act 1972.

### **10.3 Proposed consent to the London Legacy Development Corporation**

The restriction was placed on the title after an agreement between the LDA and LBH in 2006. LBH had transferred land in Hackney Wick required for the Olympic Park and in return for this the LDA agreed to transfer back c. 10 hectares of land as replacement open space, at that point unidentified. The restriction on the title was put in place to help ensure that the transfer of the replacement open space did in fact happen, as it prevents long-term valuable uses without LBH consent.

10.4 The leases proposed are 999 years and as such allowing the letting is the same in practical terms as removing the restriction on title, leaving LBH with no leverage in ensuring that the LLDC (as successor to the LDA) makes the transfer. However, the process to consider the future management and ownership arrangements of relevant land holdings in the Queen Elizabeth Olympic Park is underway as part of the Infrastructure and Assets workstream established as part of the LLDC transition work programme which is reported to the LLDC Board and the Borough Transition Group (also known as the Joint Committee of the Six Growth Boroughs). It is expected that this process will conclude in advance of the LLDC transition into a reset Mayor Development Corporation, scheduled for the end of 2024/2025.

### **10.5 Proposed Sale of Silvertrees, Oxfordshire**

The property will be exposed to the market in a manner commensurate with its nature. In this case it is likely that a residential agent with good knowledge of the rural Oxfordshire property market will be most suitable. Marketing of this nature is the best way to ensure that the Council's obligations under s.123 of the Local Government Act will be met.

## 11. S106 REVENUE FOR APPROVAL

- 11.1 Resource and Spend approval is requested for **£15k in 2022/23** of S106 Revenue funding to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreements.

Agreement No.	Project Description	Site Address	2022/23 £'000
2013/3223	New Library Provision in Woodberry Down	Woodberry Down Future Phases	15
<b>Total Revenue S106 for Approval</b>			<b>15</b>

A feasibility study is needed, to be commissioned by both Woodberry Down Regeneration and Library Services, to further scope the potential for locating a new library, and clarify the strategic fit in Woodberry Down given the anticipated growth for community infrastructure. The Woodberry Down estate is in Phase 3 of an 8-phase regeneration being delivered under a development agreement between the Council, Berkeley Homes and Notting Hill Genesis. The regeneration is currently undertaking a full review of the masterplan, and developing detailed designs for the next Phase of the development. As part of the masterplan the partnership is developing a cultural strategy for Woodberry Down. This, as well as earlier consultation, has identified a gap in the provision of cultural services and opportunities in Woodberry Down. In addition, in terms of new buildings there is the potential for a library to form part of the 'central square' in Phase 4 with the timeframe that construction is currently scheduled to start in 2025. The Regeneration and Libraries Teams are working in collaboration to commission a suitable supplier for the delivery of the feasibility study by the end of December 2022 which will focus on the financial and operational viability of the scheme. A report will then be taken to the Mayor and Cabinet on the outcome. If the scheme is found to be feasible then a full public consultation would take place to help the Council plan the detailed design work.

## 12. CARRY FORWARD OF SCHEMES FROM 2021/22 TO 2022/23

Further to the outturn position reported in the March OFP report, the table below summaries the proposed carry forward to **2022/23 of £15,518k** in respect of overall slippage against the 2022/23 capital programme with a detailed scheme provided in Appendix 2 be approved.

<b>Current Directorate</b>	<b>Carry Forward Budget To 22/23</b>
	<b>£'000</b>
Chief Executive's	183
Adults, Health & Integration	0
Children & Education	1,849
Finance & Corporate Resources	2,161
Climate, Homes & Economy	5,044
<b>Total Non-Housing</b>	<b>9,236</b>
Housing	6,281
<b>Total</b>	<b>15,518</b>

### 13. RE-PROFILING OF THE CAPITAL BUDGETS

The capital programme is re-profiled twice each year to ensure that the budgets reflect changes in the anticipated development and progress of schemes within the approved programme. This helps to enhance capital budget monitoring and associated financing decisions. The table below summarises the re-profiling of the capital programme between years with a scheme in Appendix 2.

<b>Current Directorate</b>	<b>Re-Profiling 22/23</b>	<b>Re-Profiling 23/24</b>	<b>Re-Profiling 24/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive's	(3,210)	3,210	0
Adults, Health & Integration	0	0	0
Children & Education	1,929	(195)	(1,734)
Finance & Corporate Resources	(31,682)	30,114	1,568
Climate, Homes & Economy	(11,076)	11,076	0
<b>Total Non-Housing</b>	<b>(44,039)</b>	<b>44,205</b>	<b>(166)</b>
Housing	(39,208)	39,661	(453)
<b>Total</b>	<b>(83,247)</b>	<b>83,866</b>	<b>(619)</b>

## 14. CAPITAL ADJUSTMENTS FROM 2022/23

Capital Programme adjustments are requested in order to adjust and reappropriation the 2022/23 approved budgets to better reflect project delivery of the anticipated programme set out below with a detailed scheme provided in Appendix 2.

<b>Current Directorate</b>	<b>Capital Adjustments 22/23</b>
	<b>£'000</b>
Non housing	(31)
Housing	(143)
<b>Total</b>	<b>(175)</b>

## APPENDICES

Appendix 1 - Site Plan for 149 Stamford Hill London N16 5LG known as the Clockhouse

Appendix 2 - Re-Profiling, Carry Forward Budgets and Capital Adjustments

## BACKGROUND DOCUMENTS

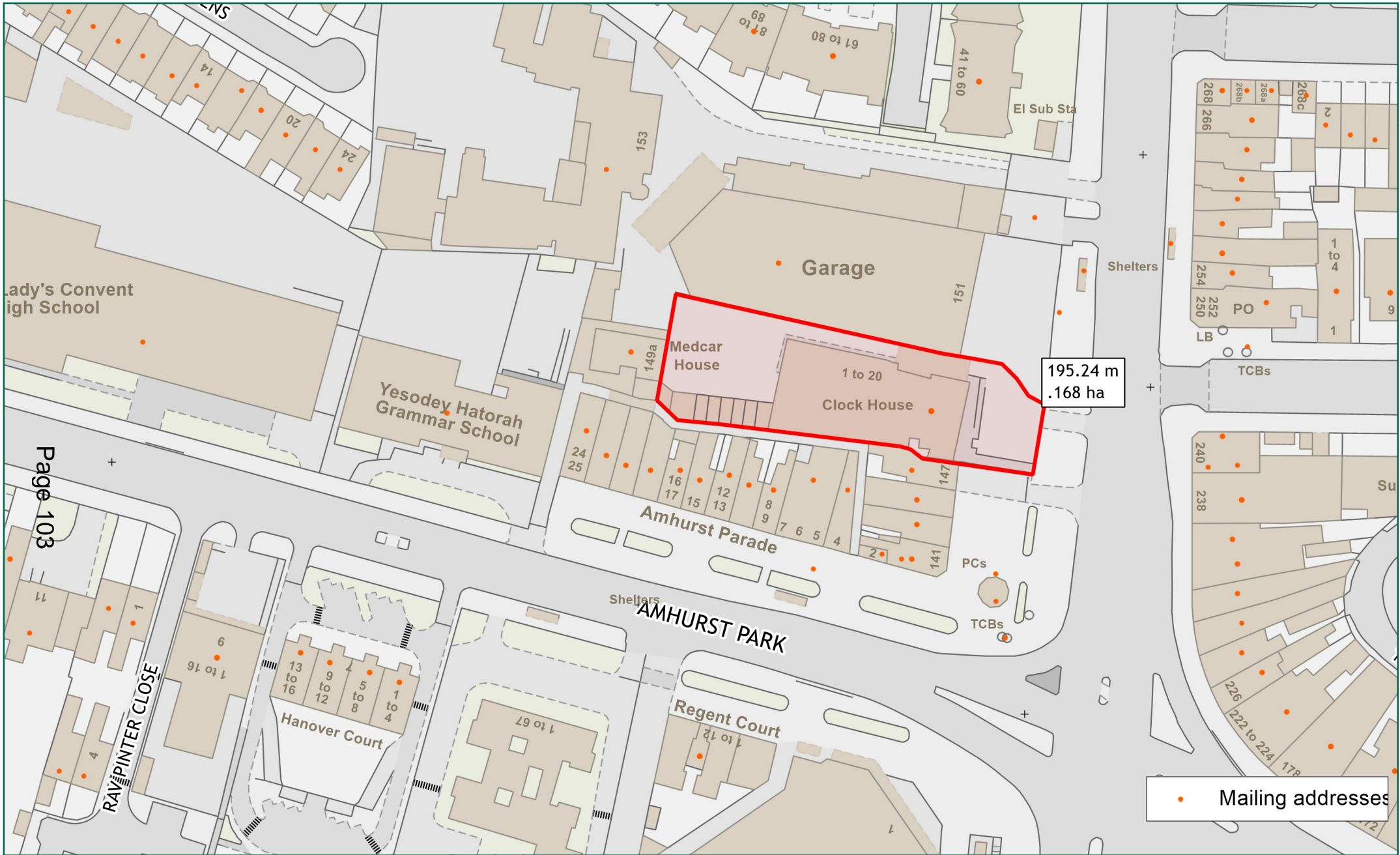
In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.

None.

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**Re-Profiling Phase 1, Capital Adjustments  
& Carry Forward 2021/22 Budgets**

**Table 1 - Carry Forward Budgets 2021/22**

Summary of Carry Forward Budgets	Revised Budget	Change	Updated Revised Budget
	£	£	£
<b>Chief Executive's</b>			
Library Capital Works	661,573	96,285	757,859
Library Refurb Programme	19,076	19,076	38,151
Stoke Newington Library Refurb	67,355	67,355	134,710
<b>Children &amp; Education</b>			
Carer Loft Conversion	131,869	131,869	263,738
Shoreditch Play Adventure	345,000	345,000	690,000
Jubilee Primary	66,135	36,135	102,269
Randal Cremer AMP	40,000	40,000	80,000
Berger School Works	340,419	29,419	369,838
AMP Contingency	582,985	99,649	682,635
Shoreditch Park AMP	121,251	(21,749)	99,503
Sir Thomas Abney AMP	495,000	(4,000)	491,000
Fernbank CC AMP	99,780	(220)	99,560
Daubeney School & CC AMP	188,776	(1,724)	187,051
Development AMP	242,000	(8,000)	234,000
Ickburgh BSF Ph3	31,150	1,330	32,480
Ickburgh Expansion SEN	59,645	51,030	110,675
DFC Holding Code	43,731	43,731	87,463
The Garden School SEN	714,030	(107,611)	606,419
Gainsborough SEND	28,021	21,736	49,757
Education SEND Strategy	399,577	(423)	399,154
Woodberry Down CC Relocation	962,617	62,617	1,025,235
Contingency Façade Repairs	333,508	(64,547)	268,961
De Beauvoir Façade	508,517	125,085	633,602
Gayhurst Façade	149,549	10,220	159,769
Grasmere Façade	273,377	225,201	498,578
Hoxton Gardens Façade	399,471	7,054	406,525
Mandeville Façade	338,371	(15,014)	323,357
Millfields Façade	26,600	(26,600)	0

<b>Summary of Carry Forward Budgets</b>	<b>Revised Budget</b>	<b>Change</b>	<b>Updated Revised Budget</b>
Randal Cremer Façade	23,930	(31,224)	(7,293)
BSF Whole Life Costing	140,763	29,413	170,177
Stoke Newington BSF Life Cycle	278,682	2,901	281,583
BSF LC Early Failure Contingency	901,901	123,231	1,025,132
The Urswick School Expansion	453,175	106,754	559,928
Cardinal Pole Lifecycle	123,787	2,500	126,287
Our Ladys School Lifecycle	123,786	2,500	126,286
Urswick School Lifecycle	123,381	2,500	125,881
Ickburgh School Lifecycle	123,786	2,500	126,286
Haggerston School Lifecycle	969,791	622,886	1,592,677
The Garden Lifecycle	123,786	2,500	126,286
Stormont House Lifecycle	123,786	2,500	126,286
<b>Finance &amp; Corporate Resources</b>			
Annex (Staff Moves)	38,912	(17,290)	21,622
Decant to MBH & Moves to CAH	454,337	158,014	612,350
HLT Restack	12,527	2,678	15,204
HSC Flooring Replacement Works	119,765	4,020	123,785
HSC Restack	94,900	59,682	154,582
HSC Life Exprd Infrastructure	7,458	7,458	14,916
HTH Essential Works	2,600,658	600,658	3,201,316
HSC Lighting Upgrade	197,718	(5,000)	192,718
The Annexe	8,944	8,944	17,888
39-43 Andrews Road Works	22,725	22,725	45,450
40-43 St Andrews Road	133,115	77,664	210,779
14 Andrews Rd Roof Renewal	714,266	(2,500)	711,766
SFA - Stoke Newington Assembly	2,642,080	129,744	2,771,824
Reactive Maintenance	71,237	(821)	70,416
Asbestos Surveys	537,358	24,870	562,229
Corporate Property Annual Survey	222,107	133,107	355,214
CPAM Database	58,000	29,000	87,000
CCG Primary Care Capital Project	13,114,571	279,471	13,394,042
Millfields Disinfecting Station	175,989	896	176,885
Dalston Lane Terrace	47,629	47,629	95,259
Chats Palace R&M	15,506	15,506	31,012
Acquisition Ground Floor Retail DWC	814	814	1,627

<b>Summary of Carry Forward Budgets</b>	<b>Revised Budget</b>	<b>Change</b>	<b>Updated Revised Budget</b>
LandlordWks12-14 Englefield Rd	896,072	26,288	922,360
VCS 186 Homerton High Street	14,428	(5,000)	9,428
Wally Foster Centre	275,769	7,000	282,769
Landlord Wks 329 Queensbridge	402,509	125,699	528,208
61 Leswin Road	768,000	(32,000)	736,000
Vehicle Maintenance Workshop	430,550	34,550	465,100
Cyber Recovery Capital	2,645,000	(522,886)	2,122,114
End-user IT Equipment	1,071,874	103,849	1,175,723
Members Device Refresh	27,383	27,383	54,765
Devices for Hackney Residents	45,182	45,182	90,364
ICT Health Check	59,923	59,923	119,845
Mobile Phone Refresh	218,265	43,265	261,531
E-Tendering System	20,458	10,458	30,916
Shoreditch Hoxton Heat Cluster	35,000	35,000	70,000
Green Homes Fund	365,216	148,216	513,432
Solar Pilot (Leisure Centres)	50,497	50,497	100,994
Solar Project (Commercial)	597,099	269,872	866,971
Tiger Way Development	1,772,297	(227,703)	1,544,595
PRU Nile Street	2,629,191	(1,254,460)	1,374,731
Britannia Site	28,137,290	1,638,457	29,775,746
<b>Climate, Homes &amp; Economy</b>			
Essential Main to Leisure	1,285,896	(108,403)	1,177,493
Clissold Park Paddling Pool	639,820	639,820	1,279,640
London Fields Learner Pool	500,000	50,000	550,000
Parks Strategy - Infrastructure	1,294,267	143,670	1,437,937
Parks Public Conveniences & Cafes	111,479	111,479	222,958
Play Area Refurbishments	1,525,407	163,011	1,688,418
Daubeney Fields Play Area	748,906	148,926	897,832
Millfields Estate Play Area	1,463	1,463	2,927
Fairchild's Gardens	494,117	(8,697)	485,420
Parks Equipment and Machinery	85,566	34,660	120,226
3 Queen Elizabeth Wk Tennis B	74,584	74,584	149,168
Abney Park	3,890,071	344,445	4,234,517
Shoreditch Park	1,700,616	388,938	2,089,554
Clissold Park Mansion Works	13,465	13,465	26,929

<b>Summary of Carry Forward Budgets</b>	<b>Revised Budget</b>	<b>Change</b>	<b>Updated Revised Budget</b>
Litter Bin Replacement	103,540	3,540	107,080
Parks Depot	954,110	(9,710)	944,400
Drinking Water Fountains	97,366	519	97,885
West Reservoir Improvements	1,791,841	(60,433)	1,731,407
Biodiversity Improvements	46,077	15,000	61,077
Wick Road	77,123	77,123	154,246
Park Trees H&S Works	153,361	153,361	306,722
Tree Planting	329,554	329,554	659,108
Greens Screens	598,537	(1,463)	597,074
Highways Planned Water Drainage	23,526	23,526	47,052
Bridge Maintenance Schemes	21,871	21,871	43,742
Borough Wide 20mph	83,174	83,174	166,348
Highways Planned Maintenance	99,864	99,864	199,729
Street Lighting	5,000	5,000	10,000
SS Road Safety	380,608	80,608	461,216
Develop Borough Infrastructure	273,182	73,182	346,365
LED Lights on Highways	259,771	18,873	278,644
Schools Streets	70,000	70,000	140,000
Air Quality & Active Travel	290,801	290,801	581,601
Dockless Bikes	180,975	180,975	361,950
EV Buildout Go Ultra Low City	156,200	156,200	312,400
1-14 Spurstowe Works	20,840	20,840	41,679
Legible London Wayfinding	4,255	4,255	8,510
East Rd Car Club Bays	14,400	14,400	28,800
Traffic Calming Measure	190,000	90,000	280,000
City Road 151-157	17,000	17,000	34,000
25a Wilberforce Road	3,496	3,496	6,992
Highway Wks 8-10 Paul Street	26,041	26,041	52,082
Hackney Car Club - Various	18,072	18,072	36,144
Shoreditch Village	15,459	15,459	30,919
Clifton Street	17,966	17,966	35,932
218 Green Lanes	22,187	(22,187)	0
Gascoyne Road	15,364	15,364	30,728
Wenlock Rd/Sturt St/Shepherd	14,988	14,988	29,976
Clapton Common Pedestrian Improvements	5,717	5,717	11,434

<b>Summary of Carry Forward Budgets</b>	<b>Revised Budget</b>	<b>Change</b>	<b>Updated Revised Budget</b>
Hackney Car Club - Furr & Hom	7,650	7,650	15,300
Highway wks 17-19 Shacklewell	6,450	6,450	12,900
Highway wks adj 47 Lea Bridge	7,893	7,893	15,786
The Shoreditch Public Realm	228,389	(71,611)	156,778
Highway Wks 11-15 Tudor Road	17,737	17,737	35,475
HighwayWk Kingsland Fire Station	2,224	2,224	4,449
Highway Wks at The Stage	98,237	98,237	196,473
Public Realm at The Stage	608,152	108,152	716,304
Highway Wks at 293-295 Old St	10,944	10,944	21,888
Highway Wks Land 83 Upper Clapton	26,100	26,100	52,201
Highway Wks 97-137 Hackney Rd	31,563	31,563	63,126
Highway Wks 1-8 & Regen Way	22,829	22,829	45,658
Highway Wks at Mare St Studios	78,165	78,165	156,330
Highway Wks Cranwood & Napier House	27,199	7,199	34,398
Highway Wks Great Eastern St	55,803	15,803	71,606
Highway Wks Lyttleton House	20,785	10,785	31,570
Highway Wks Former Frampton Arms	1,290	1,290	2,580
Highway Wk Bridge House & Marian Court	46,942	36,942	83,884
Highway Wks 211-227 Hackney Road	100,014	20,014	120,028
Highway Wks 35 Shore Road	10,789	10,789	21,578
Highway Wk 420-424 Seven Sister	22,547	12,547	35,094
Highway Wk Sheep Lane Ion House	47,315	7,315	54,630
Public Realm New Inn Broadway	39,359	9,359	48,718
Highway Wks Thirlmere House	25,929	25,929	51,857
Highway Wks King Edwards Road	31,069	31,069	62,137
Highway Wk 183-187 Shoreditch	335,707	35,707	371,414
St Thomas's Rec Shelter	4,213	4,213	8,426
Highway Wks One Crown Place	71,217	(28,783)	42,434
Highway Wks The Lawns	30,359	10,359	40,717
Highway Wks Mandeville Street	3,262	3,262	6,524
Highway Wks 8-10 Long Street	26,407	6,407	32,814
Highway Wks 164-170 Mare St	51,213	1,213	52,427
Highway Wks at Tower Court	181,573	151,573	333,147
Highways Wks - Tariro House	8,087	8,087	16,174
Highway Wks 55 Dalston Lane	54,940	27,470	82,411

Summary of Carry Forward Budgets	Revised Budget	Change	Updated Revised Budget
Highway Wk 9-15 Helmsley Place	9,457	9,457	18,914
Highway Wks 17 Corsham Street	42,236	42,236	84,473
Highway Wks 99 Farleigh Road	6,331	6,331	12,663
Highway Wks 102 Milton Grove	2,317	(1,098)	1,219
Highway Wk 1 Wilberforce Road	2,773	(10,543)	(7,770)
Highway Wks Hoxton Sq & Hoxton Street	4,385	4,385	8,770
Legible London Signing	117,903	57,368	175,270
Highway Wks 30-36 Stamford Road	15,969	3,992	19,961
Highway Wks 25 Downham Road	3,266	3,266	6,531
Highway Wks 14-44 Spurstowe	26,282	26,282	52,564
Highway Wks 13A Derby Road	5,413	5,413	10,826
New North Rd Public Realm	29,731	(10,770)	18,961
Waste & Fleet Replacement	487,600	250,000	737,600
Comm Vehicles Winter Maintenance	262,754	12,241	274,995
Waste Wheeled Bins	21,355	21,355	42,710
Hackney Street Markets Strategy	289,408	(18,631)	270,777
Enforcement Database	37,238	9,940	47,178
Comm Vehicles CCTV	3,973	(10,880)	(6,906)
Shoreditch CCTV Cameras	130,714	(449)	130,265
Dalston CCTV Cameras	19,623	19,623	39,245
Dalston & Hackney Town Centre	616,852	16,852	633,704
Hackney Central TC Management Project	34,019	(60)	33,959
Hackney Wick Regeneration	155,380	28,807	184,187
80-80a Eastwy (GLA)	6,502	(43,899)	(37,396)
Ridley Road Improvements	301,189	(147,861)	153,328
Plough Yard Fit Out	166,441	165,000	331,441
<b>Housing</b>			
Decent Homes	50,000	10,000	60,000
HiPs South West	3,541,563	541,563	4,083,125
PAM - Delay Costs COVID19	200,000	(200,000)	0
Ventilation Systems	350,000	50,000	400,000
CCTV upgrade	1,700,000	200,000	1,900,000
Street Lighting SLA	1,300,000	153,777	1,453,777
Door Entry System (Replacements)	683,967	183,967	867,934
Lifts Major Components	1,000,000	600,000	1,600,000

Summary of Carry Forward Budgets	Revised Budget	Change	Updated Revised Budget
Dom Boiler Replace/Central Heating	2,000,000	283,299	2,283,299
Replace Play Equipment	200,000	100,000	300,000
Road & Footpath Renewals	318,421	218,422	536,843
Water Mains/Boosters	170,000	(1)	169,999
H & S and Major Replacement	200,000	(100,000)	100,000
Integrated Housing Management System	2,280,019	(839,157)	1,440,862
Boiler House Major Works	400,000	31,637	431,637
Fire Risk Works	1,500,000	(500,000)	1,000,000
Planned & Reactive Water Mains	100,000	0	100,000
High Value Repairs/Imp & Wk	593,313	(0)	593,313
Lightning Conductors	500,000	(13,825)	486,175
Garage Review	100,000	120	100,120
Capitalised Salaries	4,000,000	(316,998)	3,683,002
Green initiatives	1,000,000	700,000	1,700,000
Cycle Facilities	21,000	21,000	42,000
Hardware Smoke Alarms	317,811	17,811	335,622
Recycling Scheme	1,401,206	73,928	1,475,135
Bridport	4,314,017	1,020,960	5,334,977
Hostels - Major Repairs	655,232	5,732	660,965
Purchase Leasehold Properties	2,143,358	(3,556,642)	(1,413,284)
Estate Renewal Implementation	5,990,411	990,411	6,980,822
ER1 Colville phase 4	1,991,870	991,870	2,983,741
ER1 Colville phase 5	1,831,675	831,675	2,663,350
Garage Conversion Affordable Workspace	526,639	147,369	674,008
Sheep Lane s106	6,382	6,382	12,763
Housing Supply Programme	3,172,600	376,310	3,548,910
Gooch House	702,709	419,421	1,122,130
Wimbourne Street	10,369,694	549,067	10,918,760
Buckland Street	11,132,799	721,650	11,854,449
Mandeville Street	36,422	36,422	72,843
Daubeney Road	303,901	303,901	607,803
Phase 2 & Other Heads	8,621,153	2,221,153	10,842,305
<b>Total</b>	<b>172,521,503</b>	<b>15,517,524</b>	<b>188,039,028</b>

**Table 2 - Re-Profiling Phase 1 2022/23**

<b>Summary of Re-Profiling Phase 1</b>	<b>To Re-Profile 2022/23</b>	<b>To Re-Profile 2023/24</b>	<b>To Re-Profile 2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Chief Executive's</b>			
Library Security	(200)	200	0
Library Capital Works	(460)	460	0
Stoke Newington Library Refurb	(2,050)	2,050	0
Hackney Museum Refurbishment	(350)	350	0
Stamford Hill Library	(150)	150	0
<b>Children &amp; Education</b>			
Primary School AMP Needs	(341)	341	0
Asbestos works	(45)	45	0
The Garden School SEN	(274)	274	0
Education SEND Strategy	(259)	259	0
Simon Marks SEND	(124)	124	0
Nightingale SEND	(45)	45	0
Petchey Academy SEND	(112)	112	0
Woodberry Down CC Relocation	3,405	(1,671)	(1,734)
Mandeville Façade	211	(211)	0
BSF Whole Life Costing	(252)	252	0
Clapton Portico	0	(0)	0
The Urswick School Expansion	(234)	234	0
<b>Finance &amp; Corporate Resources</b>			
HTH Essential Works	(2,001)	2,001	0
HSC Lighting Upgrade	(98)	98	0
14 Andrews Rd Roof Renewal	(357)	357	0
SFA - Stoke Newington Assembly	(951)	951	0
DDA	(346)	346	0
CCG Primary Care Capital Project	(7,094)	7,094	0
Commercial Properties	110	(100)	(10)
Wally Foster Centre	(68)	68	0
Voluntary Sector	305	(305)	0
Property Overall	(497)	497	0
Installation of AMR's	(40)	40	0
Britannia Site	(20,645)	19,067	1,578



Summary of Re-Profiling Phase 1	To Re-Profile 2022/23	To Re-Profile 2023/24	To Re-Profile 2024/25
<b>Climate, Homes &amp; Economy</b>			
Kings Hall LC - Repair Works	(1,000)	1,000	0
London Learner Pool	(4,000)	4,000	0
Clissold Lodge	(293)	293	0
Biodiversity Improvements	(34)	34	0
Greens Screens	(432)	432	0
Dockless Bikes	(89)	89	0
1-14 Spurstowe Works	(21)	21	0
Highways Oak Wharf (0040-08) S106	(81)	81	0
Denne Terrace Retaining Wall	(290)	290	0
Regents Canal Denne Terrace Wall	(31)	31	0
Legible London Wayfinding	(4)	4	0
Highway Wks 8-10 Paul Street	(26)	26	0
Highways Works 217 Queensbridge Road	(18)	18	0
Shoreditch Village	(15)	15	0
52 Well Street & 1 Shore Place	(25)	25	0
Gascoyne Road	(15)	15	0
Wenlock Rd/Sturt St/Shepherd	(15)	15	0
Highways 94-96 Lordship Lane	(10)	10	0
Highway Wks 48-76 Dalston Lane	(21)	21	0
Highway Wks Kings Crescent Estate	(74)	74	0
Highway Wks at 10 Andre Street	(2)	2	0
Highway Wk 112-118 Kingsland	(5)	5	0
Highway Wk 357-359 Kingsland Road	(69)	69	0
Hackney Car Club - Furr & Horn	(8)	8	0
Highway Wks 130 Cazenove	(24)	24	0
Highway wks 17-19 Shacklewell	(6)	6	0
Highway wks Bayton Court	(16)	16	0
Highway Wks Spurstowe Works	(35)	35	0
Highway wks 70 Wilson Street	(49)	49	0
Highway Wks 11-15 Tudor Road	(18)	18	0
Pembury Circus Improvement Wks	(873)	873	0
HighwayWk Kingsland Fire Station	(2)	2	0
Highway Wks 145 City Road	(50)	50	0
Highway Wks 55 Pitfield	(22)	22	0
Highway Wks at The Lion Club	(31)	31	0

<b>Summary of Re-Profiling Phase 1</b>	<b>To Re-Profile 2022/23</b>	<b>To Re-Profile 2023/24</b>	<b>To Re-Profile 2024/25</b>
Highway Wks at The Stage	(98)	98	0
Public Realm at The Stage	(608)	608	0
Highway Wks at 293-295 Old Street	(1)	1	0
Highway Wks Land 83 Upper Clapton	(26)	26	0
Highway Wks 97-137 Hackney Road	(32)	32	0
Highway Wks 1-8 & Regen Way	(23)	23	0
Highway Wks at Mare St Studios	(78)	78	0
Highway Wks Cranwood & Napier House	(27)	27	0
Highway Wks Great Eastern Street	(56)	56	0
Highway Wks Lyttleton House	(21)	21	0
Highway Wks Former Frampton Arms	(1)	1	0
Highway Wk Bridge House & Marian Court	(47)	47	0
Highway Wks 211-227 Hackney Road	(100)	100	0
Highway Wks 35 Shore Road	(1)	1	0
Highway Wk 420-424 Seven Sister	(23)	23	0
Highway Wk Sheep Lane Ion House	(47)	47	0
Public Realm New Inn Broadway	(39)	39	0
Highway Wks Thirlmere House	(4)	4	0
Highway Wks King Edwards Road	(31)	31	0
St Thomas's Rec Shelter	(1)	1	0
Highway Wks One Crown Place	(71)	71	0
Highway Wks The Lawns	(30)	30	0
Highway Wks Mandeville Street	(3)	3	0
Highway Wks 8-10 Long Street	(26)	26	0
Highway Wks 164-170 Mare Street	(51)	51	0
Highway Wks at Tower Court	(182)	182	0
Highway Wks Woodberry Down 1b+2	(211)	211	0
Highways Wks - Tariro House	(0)	0	0
Highway Wks 55 Dalston Lane	(10)	10	0
Highway Wk 9-15 Helmsley Place	(9)	9	0
Highway Wks 17 Corsham Street	(42)	42	0
Highway Wks 99 Farleigh Road	(6)	6	0
Highway Wks 102 Milton Grove	(2)	2	0
Highway Wk 1 Wilberforce Road	(3)	3	0
Highway Wks Hoxton Sq & Hoxton Street	(4)	4	0
Leonard St (West) Public Realm	(104)	104	0

<b>Summary of Re-Profiling Phase 1</b>	<b>To Re-Profile 2022/23</b>	<b>To Re-Profile 2023/24</b>	<b>To Re-Profile 2024/25</b>
Legible London Signing	(103)	103	0
Highway Wks 30-36 Stamford Road	(2)	2	0
Highway Wks Leagrave Street	(121)	121	0
Highway Wks 25 Downham Rd	(3)	3	0
Highway Wks 14-44 Spurstowe	(26)	26	0
H'way Wk 392-394 Seven Sisters	(42)	42	0
Highway Wks 13A Derby Road	(5)	5	0
New North Rd Public Realm	(30)	30	0
Charles Square Public Realm	(61)	61	0
Phipp St Public Realm	(84)	84	0
Highway Wks 100 Hassett Road	(35)	35	0
H'way Wk Bridport PI & W'shire	(7)	7	0
Comm Vehicles Winter Maintenance	(263)	263	0
Hackney Street Markets Strategy	(289)	289	0
Dalston & Hackney Town Centre	313	(313)	0
Afford Workspace Space Studio	(106)	106	0
Hackney Wick Regeneration	(26)	26	0
Affordable Workspace Programme	(400)	400	0
Hoxton Public Realm	(61)	61	0
<b>Housing</b>			
HiPs North West	(1,789)	1,789	0
Estate Lighting	(100)	100	0
Ventilation Systems	(250)	250	0
Door Entry System (Replacements)	(184)	184	0
Drainage	(82)	82	0
Lifts Major Components	(150)	150	0
H & S and Major Replacement	(100)	100	0
Lift Renewals	(390)	390	0
Lightning Conductors	(190)	190	0
Hardware Smoke Alarms	(74)	74	0
Commercial Properties	(56)	56	0
Comm Vehicles Building Main	(70)	70	0
Recycling Scheme	(1,165)	1,165	0
HSG Vehicle Fleet Replacement	(113)	113	0
B/wide Housing under occupation	1,116	(662)	(453)
Hostels - Major Repairs	(138)	138	0

Summary of Re-Profiling Phase 1	To Re-Profile 2022/23	To Re-Profile 2023/24	To Re-Profile 2024/25
Disabled Facilities Grant	(731)	731	0
General repairs grant (GRG)	(66)	66	0
Warmth & security grant (WSG)	(70)	70	0
Estate Renewal Implementation	(574)	574	0
Kings Crescent Phase 3+4	(12,334)	12,334	0
ER1 Colville phase 4	(1,051)	1,051	0
ER1 Colville phase 5	(1,551)	1,551	0
Frampton Park Regeneration	5	(5)	0
Marian Court Phase 3	(5,469)	5,469	0
Colville Phase 2C	966	(966)	0
Garage Conversion Affordable Workspace	(470)	470	0
Nightingale - Block E	(167)	167	0
Nightingale	(66)	66	0
Housing Supply Programme	(27)	27	0
Gooch House	(215)	215	0
Wimbourne Street	(1,101)	1,101	0
Buckland Street	(2,200)	2,200	0
Murray Grove	(4,290)	4,290	0
Downham Road 1	(590)	590	0
Downham Road 2	(15)	15	0
Balmes Road	36	(36)	0
Pedro Street	(2,382)	2,382	0
Tradescant House	37	(37)	0
Lincoln Court	(252)	252	0
Rose Lipman Project	(948)	948	0
Woolridge Way	144	(144)	0
81 Downham Road	(519)	519	0
Hertford Road	(137)	137	0
Other Heads	311	(311)	0
Phase 2 & Other Heads	(1,745)	1,745	0
<b>Total</b>	<b>(83,247)</b>	<b>83,866</b>	<b>(619)</b>

**Table 3 - Capital Adjustments 2022/23**

Summary of Capital Adjustments	Revised Budget	Change	Updated Revised Budget
	£	£	£
<b>Children &amp; Education</b>			
Jubilee Primary	66,135	(18,114)	48,021
Queensbridge Primary	44,000	83,314	127,314
Oldhill AMP	330,000	(281,550)	48,450
Randal Cremer AMP	40,000	(5,002)	34,998
Development AMP	242,000	(36,780)	205,220
Orchard Refurb & Extension	51,000	(51,000)	0
Woodberry Down CC Relocation	962,617	559,672	1,522,289
Shacklewell School	30,000	(30,000)	0
Façade Development & Profes Cost	36,290	283,935	320,225
London Fields Façade	24,725	(24,725)	0
Daubeney Façade	90,000	178,995	268,995
Princess May Façade	241,199	(190,000)	51,199
Contingency Facade Repairs	333,508	691,030	1,024,538
Colvestone Façade	700,058	(315,593)	384,464
Gayhurst Façade	149,549	128,567	278,116
Grasmere Façade	273,377	19,639	293,016
Hoxton Gardens Façade	399,471	(321,301)	78,170
Mandeville Façade	338,371	52,441	390,812
Millfields Façade	0	45,000	45,000
Morningside Façade	21,729	1,265	22,994
Woodberry Down Facade	549,252	(549,252)	0
BSF Whole Life Costing	140,763	(35,739)	105,024
Stoke Newington BSF Life Cycle	278,682	597,067	875,748
Clapton Girls BSF Life Cycle	143,336	(118,560)	24,776
BSF LC Early Failure Contingency	901,901	114,324	1,016,225
The Urswick School Expansion	453,175	(195,540)	257,634
Cardinal Pole Lifecycle	123,787	(78,787)	45,000
Our Ladys School Lifecycle	123,786	(88,923)	34,863
Urswick School Lifecycle	123,381	(97,381)	26,000
Ickburgh School Lifecycle	123,786	(83,426)	40,360

Summary of Capital Adjustments	Revised Budget	Change	Updated Revised Budget
The Garden Lifecycle	123,786	(85,286)	38,500
Stormont House Lifecycle	123,786	(102,286)	21,500
Thomas Fairchild Lifecycle	51,000	(46,000)	5,000
<b>Finance &amp; Corporate Resources</b>			
The Annexe	8,944	(8,944)	0
Annex (Staff Moves)	38,912	(38,912)	0
Christopher Addison Phase 2	0	14,825	14,825
Decant to MBH & Moves to CAH	454,337	24,087	478,424
HLT Restack	12,527	(12,527)	0
HSC Flooring Replacement Works	119,765	(119,765)	0
Acquisition Gd Flr Retail DWC	814	(814)	0
HSC Restack	94,900	139,749	234,649
HSC Life Exprd Infrastructure	7,458	(7,458)	0
<b>Climate, Homes &amp; Economy</b>			
Waste Wheeled Bins	21,355	(21,355)	0
<b>Housing</b>			
Decent Homes	50,000	(50,000)	0
HiPs North West	5,000,000	(517,630)	4,482,370
HiPs South West	3,541,563	74,630	3,616,193
Drainage	500,000	(218,266)	281,734
Replace Play Equipment	200,000	200,000	400,000
Road & Footpath Renewals	318,421	(118,421)	200,000
Water Mains/Boosters	170,000	(70,000)	100,000
Boiler Hse Major Works	400,000	(200,000)	200,000
Fire Risk Works	1,500,000	(800,000)	700,000
High Value Repairs/Imp & Wk	593,313	1,406,687	2,000,000
Capitalised Salaries	4,000,000	1,173,970	5,173,970
Lateral Mains	400,000	(150,000)	250,000
Re-wire	300,000	(280,000)	20,000
Green initiatives	1,000,000	(700,000)	300,000
Major Legal Disrepairs	0	200,000	200,000
Better Estates Cherbury Court	0	93,000	93,000
Commercial Properties	400,000	(43,970)	356,030
Fresh Start Scheme	0	750	750
Hostels - Major Repairs	655,232	(7,307)	647,926

<b>Summary of Capital Adjustments</b>	<b>Revised Budget</b>	<b>Change</b>	<b>Updated Revised Budget</b>
55 Albion Grove Hostel Re-Fit	0	6,557	6,557
Disabled Facilities Grant	1,818,130	(87,444)	1,730,686
Estate Renewal Implementation	5,990,411	(855,191)	5,135,220
ER1 Tower Court	1,000,000	750,271	1,750,271
Colville Phase 2	0	40,707	40,707
St Leonard's Court	0	12,722	12,722
Aikin Court	0	12,768	12,768
Great Eastern Building	0	38,723	38,723
Housing Supply Programme	3,172,600	(876,172)	2,296,428
Lyttelton House	50,000	(50,000)	0
Sheep Lane s106	6,382	(6,002)	380
Mandeville Street	36,422	19,320	55,741
Daubeney Road	303,901	856,853	1,160,754
<b>Total</b>	<b>68,008,364</b>	<b>(174,558)</b>	<b>67,833,805</b>

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<p><b>Scrutiny Panel</b></p> <p><b>3 October 2022</b></p> <p><b>Item 7 – Improving Engagement and Involvement of Children and Young People in Scrutiny</b></p>	<p>Item No</p> <p><b>7</b></p>
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## OUTLINE

The Scrutiny Panel will be reviewing the current arrangements for the engagement and involvement of children and young people within the overview and scrutiny function in Hackney.

As part of a broader ambition to further involve children and young people (CYP) in local democracy, the new administration for 2022-2026 have made a policy commitment to:

*‘...further promote youth participation in our democratic functions by inviting young people to attend each of the Scrutiny Commissions, to help make sure council decisions and services work for young people.’*

A short report is attached which sets out:

- Current arrangements in which children and young people are engaged and involved with scrutiny;
- Local engagement structures for children and young people;
- Principles for extending scrutiny engagement with children and young people.
- 

A number of suggested proposals to improve children and young people’s engagement with scrutiny are put forward for members to discuss and agree.

### Report in the agenda:

To support this discussion the following report is included for information.

- Improving Engagement and involvement of Children and Young People in Scrutiny

### ACTION

Scrutiny Panel is requested to consider the report, discuss and agree on the next steps.

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<b>Paper Title:</b>	Improving Engagement and involvement of Children and Young People in Scrutiny
<b>Meeting:</b>	Scrutiny Panel
<b>Date:</b>	3rd October 2022
<b>Author:</b>	Martin Bradford, Scrutiny Officer
<b>Authorised:</b>	Tracey Anderson, Head of Overview & Scrutiny and Ward Forums

## 1. Introduction

- 1.1 As part of a broader ambition to further involve children and young people in local democracy, the new administration for 2022-2026 have made a policy commitment to:

*'...further promote youth participation in our democratic functions by inviting young people to attend each of the Scrutiny Commissions, to help make sure council decisions and services work for young people.'*

- 1.2 This paper sets out past and current arrangements for the engagement and involvement of children and young people within the overview and scrutiny function in Hackney. The paper also details a number of proposals through which to increase participation of children and young people in the work of scrutiny and contribute to improved decision making on those services which impact on them.

## 2. Engagement and Involvement of Children and Young people in Scrutiny

- 2.1 Engagement and involvement of children and young people by the overview and scrutiny function has been predominantly conducted through the Children and Young People Scrutiny Commission (CYPSC). Prior to 2020, this engagement took three main forms:

- Formal co-option of individual members of Hackney Youth Parliament on to the membership of the Commission;
- Ad-hoc consultations with various cohorts of children and young people (for work programme suggestions and for defined single issue items);
- Ad-hoc consultations with local parents and identified parents groups.

### Formal Co-option of Hackney Youth Parliament Members

- 2.2 Prior to 2020, the Hackney Constitution stipulated that up to 5 members of Hackney Youth Parliament (HYP) could become formal members of the CYPSC. Formal co-option meant that named HYP representatives would receive all papers and reports and (alongside other co-opted members) be able to attend and participate in

all meetings of the Commission. As with other non-statutory co-optees on CYPSC, HYP representatives were non-voting members.

2.3 Attendance of HYP representatives on to CYPSC can work well, particularly where the interests of young people and scrutiny coincide. There have been a number of recent examples where youth representatives have provided powerful and influential testimonies at meetings which have provided excellent insight and assisted the scrutiny process (e.g. the impact of lockdowns, housing support for care leavers, sexual harrassment in schools and ther readiness of schools to deliver new Relationship and Sex Education).

2.4 Formal co-option of individual HYP members does not offer a flexible means of engagement being restricted to named members and involvement centred around meeting attendance. Feedback from HYP representatives and their support workers noted that formal co-option of individual HYP presented a number of barriers to their participation in scrutiny:

(i) *Accessibility of meetings*: the timing of Council meetings which mostly commence at 19.00 made it difficult for HYP representatives to regularly attend given their homework and other after school activities. This was especially problematic when meetings were only held in-person which required representatives to be physically present in the Town Hall. In addition, as many meetings did not finish until 21.00 (or later), HYP representatives could not commit to attend the whole meeting given the lateness of their return home. As a result, HYP representatives attended periodically and not for the whole duration of the meeting (leaving around 8.00pm).

(ii) *Agendas do not always coincide with interests of young people*: whilst HYP representatives are regularly consulted in the development of the CYPSC work programme, not all topics selected for scrutiny at meetings were of interest to young people, which inhibited engagement at formal meetings. It should also be noted that whilst CYPSC consults HYP representatives primarily on children and young people's issues, their interests and personal manifestos (on which they are elected) naturally extend beyond this.

(iii) *Accessibility of reports*: HYP representatives noted that they also had difficulty accessing reports included within agenda packs as these were often long, detailed and assumed previous knowledge of the subject. This inhibited HYP from engaging with the subject matter and participation in discussions at the meetings.

#### *Ad-hoc consultations with young people and their parents*

2.5 CYPSC also engages and involves children and young people to support discrete items or projects featured in its work programme. Using established links with Hackney Youth Parliament, Hackney Education and Young Hackney, CYPSC has regularly engaged with specific cohorts of young people to further its understanding

and inform scrutiny of key policy issues. This has involved the administration of both focus groups and surveys by the Commission in its investigations for example:

- Outcomes of school exclusions;
- Housing Support for care leavers;
- Post 16 SEND provision.

2.5 Parents also remain a key informant for eliciting the views of children and young people, particularly in relation to younger children. The CYPSC has established links with Hackney Independent Parents Forum (HiP) and although they do not have formal representation on the Commission, are regularly consulted and involved in ad-hoc projects. Parent groups such as HiP and parents more generally have been consulted and involved

- Unregistered settings survey;
- Post 16 SEND provision;
- Outcomes of school exclusions;
- Recruitment and retention of in-house foster carers.

#### How are children and young people involved in scrutiny elsewhere?

2.6 In June 2021, the CYPSC conducted an audit of how children and young people were involved in scrutiny functions across 32 London boroughs. This audit provides [a summary](#) of the different arrangements through which children and young people were formally or otherwise engaged and involved in the work of scrutiny function.

2.7 To summarise the findings of this brief audit:

- Including Hackney, just 3 other London boroughs *formally* involve children and young people in their scrutiny function (i.e. are co-opted members).
- In the majority of scrutiny functions across London, children and young people's representative bodies (e.g Youth Parliaments / Youth Forums) are involved informally in that they are:
  - Attend and observe meetings;
  - Consulted on relevant agenda issues beforehand.

### **3. Recent developments in Engagement and Involvement of Children and Young People**

#### Changes to CYPSC Engagement

3.1 In light of engagement issues outlined above, CYPSC has made a number of improvements to the way that children and young people are involved in its scrutiny work.

(i) *Ending formal co-option of individual children and young people:* as of May 2021 the Hackney Constitution was amended to end named HYP representatives on CYPSC. This allowed HYP greater flexibility in the representatives that may wish to attend and engage with the Commission, that is representatives could be drawn from a wider pool of HYP members.

(ii) *Extending representation to the Care Council as well as HYP:* CYPSC membership has been extended to include members of Hackney of Tomorrow (Hackney Care Council) as well as HYP. Therefore up to 5 members of either Hackney of Tomorrow or HYP may formally attend and contribute at each meeting.

(ii) *Online involvement:* During the pandemic and lockdown scrutiny and other council meetings were moved on-line which helped to increase the participation of children and young people representatives. Although in-person meetings have now resumed, young people's representatives may still connect virtually to meetings.

(iv) *Report Summaries:* since 2020, the CYPSC has requested departments that all reports are accompanied by a short one page summary outlining key information contained in the report. This is to improve the accessibility of reports and ensure that key highlights from the report are noted by readers.

#### Local principles of for consulting children and young people

3.2 In a recent scrutiny exercise in which the CYPSC looked at proposals to develop a child friendly borough, the Commission consulted a number of local youth organisation representatives on the principles of good engagement and involvement of young people. Representatives from Young Futures, Hackney Youth Parliament and Account (HCVS) identified a number of common challenges in the way that they were consulted and involved by council services:

- Lack of coordination - too many asks by varying council bodies;
- Insufficient time allowed to prepare, to engage and meaningfully contribute;
- Lack of commitment to meaningful engage and develop understanding of young people;
- Failure to recognise the value of the time which young people gave to contribute.

3.3 Further to this work, the CYPSC developed a key set of principles to support the engagement of children and young people which should inform the way scrutiny and other council bodies consult with young people in their work. These were [formally submitted as recommendations](#) to the Cabinet member and [\(response here\)](#) and which included that where possible:

- Young people should be engaged and consulted in those settings in which they naturally congregate, feel safe and can communicate freely;
- Consultations should be flexible to reflect the differing degrees of involvement and time commitments that young people may have;
- Approaches to consultation should aim to further develop the knowledge, skills and understanding of young people;

- Whilst social media is an important tool for initial engagement, young people prefer face-to-face methods of consultation and preferably through peer to peer research;
- Young people should be compensated for their contribution to consultations in recognition of their time, expertise and insight (and in parity with other adult consultees);
- Parents should be involved in CYP consultations as they continue to play an important role in shaping the views of young people and remain a significant influence over the way that they engage with and utilise services.

*Changes to the structure of children and young people bodies*

3.4 There are three main children and young people consultative or engagement bodies in Hackney all of which have recently restructured the way in which they operate:

- Hackney Youth Parliament;
- Hackney of Tomorrow (Care Council);
- Hackney Young Futures Commission;

*Hackney Youth Parliament (HYP)*

3.5 HYP helps to represent the views of young people across the borough in local decision making. They aim to advocate on behalf of all their peers and contribute to positive change for all young people. They run campaigns about important issues to children and young people and hold regular events and consultations to support this role.

3.6 Prior to 2021, Hackney Youth Parliament was made up of 20 young people elected through a ballot conducted across all local schools. To extend and diversify membership, and to enable young people to be more flexibly involved in its work, Hackney Youth Parliament was restructured through:

- Election of 6 Cabinet leads, three of which will lead consultative forums;
- Consultative forums will consist of around 20 children and young people which will meet fortnightly and focus on agreed work programme:
  - Youth Opportunity Fund and Enterprise Fund;
  - Surveys and consultations;
  - Campaign work on issues that matter to young people, and react to current debate;
  - Attending LBH meetings with stakeholders to improve service delivery;
  - Provide support to local campaigns and debates that encourage youth voice.

3.7 The Chair and Vice Chair of CYPSC attended a consultative meeting of HYP in June 2022 to help identify areas for scrutiny in the 2022/23 work programme. This yielded 5 suggestions, three of which are to be included in the finalised work programme agreed by the Commission. All 6 Cabinet members of Hackney Youth Parliament

are notified of future meetings and the agenda items up for discussion, and are supported to attend by the Hackney Participation team (Young Hackney) and the Overview & Scrutiny Officer.

#### *Hackney of Tomorrow (Care Council)*

- 3.8 Hackney of Tomorrow is a representative and consultative body for all children looked after by the Council. This includes around 400 children aged under 18 years who are looked after by the Council (in foster care, or residential care) and a further 400 care leavers aged between 18 and 25 for whom the Council has continuing responsibility.
- 3.9 Hackney of Tomorrow operates 3 consultative sub-groups with looked after children and care leavers (Juniors aged 10-16 years; Seniors aged 17-21; Unaccompanied Young Asylum Seekers) all of which meet twice monthly. A key purpose of this consultative structure is to represent the views of looked after children and care leavers at Corporate Parenting Board, but members also participate in Ofsted inspections, Corporate Parenting consultations and scrutiny investigations.
- 3.10 Hackney of Tomorrow operates a Rewards and Recognition Policy to incentivise young people to engage and involve in its consultative and development work. The current rate is £10.20 per hour.

#### *Hackney Young Futures*

- 3.11 Hackney Young Futures (HYF) was a peer led consultative programme which engaged over 2,500 children and young people across Hackney. From this consultative work, [6 priorities](#) or 'asks' were developed to improve future service provision for children and young people:
- Secure (e.g improved housing options);
  - Healthy (e.g. access to mental health);
  - Active (e.g. access to sports and recreation);
  - Inclusive (e.g. acknowledged in regeneration);
  - Safe (e.g. reduced serious youth violence);
  - Bright (e.g improved opportunities for education, training and employment).
- 3.12 Policy and Strategic Delivery service lead HYF as it has moved from the consultation phase to delivering on the 'asks' and embedding the delivery and legacy. Eight young peoples 'Champions' positions have been created (6 of which have already been appointed) to help co-produce and support the delivery of the 'asks'. Specifically the role of Champions is to:
- Support implementation phase to ensure it is steered by young people;
  - Advise Services, helping them to ensure that the voices and viewpoints of young people are considered in their service planning and delivery;
  - Act as a link between Council services and other groups of young people across the borough (they have all been recruited from existing groups);



- Use the Young Futures communications channels effectively to reach young people and update them on the progress of the delivery of the asks and any opportunities to get involved

3.13 A Cabinet paper on the further development of HYF is expected in 2022/23.

*Hackney Local Offer*

3.14 A wide range of children and young people's services available to children and families is documented in a directory within the [Hackney Local Offer](#). This provides a resource for possible engagement and involvement of children and families across a wide range of services and issues.

#### **4. Extending scrutiny engagement with children and young people**

Key considerations

4.1 In agreeing to extend engagement with children and young people beyond CYPSC to the wider scrutiny function, it will be important to consider the following:

- (i) Formal co-option within scrutiny bodies does not offer an accessible way for children and young people to engage with scrutiny. Other more ad-hoc means of engagement may allow children and young people to engage with scrutiny more flexibly, and in a way which is more responsive to their needs and interests.
- (ii) Engagement and involvement with children and young people across scrutiny Commissions will need to be coordinated especially where this is focused on established Hackney liaison groups (e.g. Hackney Youth Parliament, Hackney of Tomorrow, Hackney Young Futures). This will ensure that requests are planned, prioritised and practical (not overburdensome).
- (iii) In considering the engagement of children in young people more broadly across the scrutiny function, the principles set out in 3.3 should be acknowledged, particularly the acknowledgement that young people's time is important, and that their contributions should be valued and compensated.
- (iv) The Overview & Scrutiny function does not have a dedicated consultation budget. Regular consultations with children and young people (or indeed other groups) will have budgetary implications.
- (v) Any agreed mechanism to extend engagement with children and young people across scrutiny should be sustainable and commensurate to the nature (i.e. member led) and scope of the scrutiny function.

## 5. Next steps for consideration by Scrutiny Panel

5.1 Options for extending involvement of children and young people across the scrutiny function in Hackney are given below for consideration and or approval:

- 1) That the scrutiny function collectively consults children and young people for work programme suggestions at the beginning of each scrutiny cycle, and is not just restricted to children and young people issues (e.g. education, children's social care etc);
- 2) That scrutiny Commissions should systematically assess how the views of children and young people may add value to those issues identified for scrutiny;
- 3) Where the views, experiences of children and young people are beneficial to scrutiny, this is undertaken through ad hoc consultation and engagement methods utilising existing consultative groups (Hackney Youth Parliament, Hackney of Tomorrow, Hackney Young Futures Commission) or other groups identified through the Hackney Local Offer<sup>1</sup> and coordinated through the Scrutiny Panel. The above will have budget implications and therefore, will require further discussions to explore budget options.
- 4) Scrutiny commissions ensure that any insight into the views of children and young people is systematically reviewed as part of broader reviews and council work programme planning (for example the Young Futures report, the reports from Hackney Youth Parliament and reports by voluntary sector organisations).

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<sup>1</sup> Commissions are also invited to review the Hackney Local Offer for local intelligence and information on service provision and possible identification of informants to scrutiny where these interests align.



<b>Scrutiny Panel</b>	Item No
<b>3 October 2022</b>	<b>8</b>
<b>Item 8 - Minutes and Matters Arising</b>	

## **OUTLINE**

The minutes of the Scrutiny Panel meeting on 14<sup>th</sup> July 2022 are to follow.

## **ACTION**



Members are asked to agree the minutes and note any matters arising.

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London Borough of Hackney  
Scrutiny Panel  
Municipal Year 2022/23  
Date of Meeting Thursday 14 July 2022

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

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<b>Chair</b>	<b>Councillor Margaret Gordon</b>
<b>Councillors in Attendance</b>	<b>Cllr Ben Hayhurst, Cllr Sharon Patrick and Cllr Sophie Conway</b>
<b>Apologies:</b>	<b>Cllr Polly Billington, Cllr Clare Potter and Cllr Clare Joseph</b>
<b>Co-optees</b>	<b>Error! No document variable supplied.</b>
<b>Officers In Attendance</b>	<b>Sonia Khan (Head of Policy and Strategic Delivery) and Jackie Moylan (Assistant Director of Finance CYPS and LHRR)</b>
<b>Other People in Attendance</b>	<b>Councillor Christopher Kennedy (Cabinet Member for Health, Adult Social Care and Leisure)</b>
<b>Members of the Public</b>	
<b>Officer Contact:</b>	<b>Tracey Anderson</b>  0208 3563312  tracey.anderson@hackney.gov.uk

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## **Councillor Margaret Gordon in the Chair**

### **1 Election of Chair and Vice Chair**

1.1 Councillor Gordon was duly elected as Chair for the 2022/23 municipal year.

1.2 The position of Vice-Chair was reserved for the majority opposition party. The position had not been filled by the opposition party and therefore remained vacant.

### **2 Apologies for Absence**

2.1 The Chair updated those in attendance on the meeting etiquette and that the meeting was being recorded and livestreamed.

2.2 Apologies for absence were received from Councillor Billington, Councillor Potter and Councillor Joseph.

2.3 Apologies were also received from Councillor Maxwell, Mayoral Advisor for Older People.

2.4 Apologies for lateness were received from Councillor Hayhurst.

2.5 Councillor Adejare was in virtual attendance.

### **3 Urgent Items / Order of Business**

3.1 There were no urgent items, and the order of business was as set out in the agenda.

### **4 Declarations of Interest**

4.1 There were no declarations of interest.

### **5 Ageing Well Strategy 2020-2025**

5.1 The Chair opened the item by explaining that it would look at the implementation of the Ageing Well Strategy to achieve the Council's broader objectives and aspirations to support residents to grow old in Hackney.

5.2 Attending for this item was:

- Councillor Chris Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture
- Sonia Khan, Head of Policy and Strategic Delivery

5.3 The Chair invited the Head of Policy and Strategic Delivery to give a short verbal presentation to compliment the reports received and included in the agenda pack. The main points from the presentation are outlined below.

5.4 It was explained that the commitment to being an age friendly borough was made in the last administration's manifesto, and it represented an opportunity to understand and respond to the needs and interests of older people.

5.5 The strategy aimed to ensure that council services, policies and practices were age friendly, to create a culture shift in how older people were perceived and supported and influence partners and the community and voluntary sector to support the shared vision.

5.6 In producing the strategy, the Council took stock of local data and national and international research about older people, before holding informal focus groups exploring what it meant to grow old in Hackney.

5.7 The Council recruited trained older peer facilitators through HCSV Connect Hackney to codesign the consultation and engagement with older population in Hackney. Stakeholder engagement also took place with services being asked how they felt they could adapt and change based on the findings of the consultation.

5.8 Stakeholders and the peer facilitators came together to produce the recommendations following the consultation and engagement, and the peer facilitators led on the drafting of the strategy.

5.9 A roundtable was then held with umbrella older people's groups to discuss the draft strategy, and a formal online and offline consultation was held from September - October 2020. The strategy was adopted by Cabinet in December 2020.

5.10 There were a number of priority areas for ageing well in Hackney, and a number of conditions that needed to be put in place in order to meet those priority areas and make the strategy successful.

5.11 This included ensuring that older people were involved proactively in the delivery of the strategy, not only in terms of monitoring and oversight but also in the co-design and co-creation of programme activity, and ensuring that opportunities for better joined-up working between services were actively explored.

5.12 Some of the key achievements so far were outlined. This included Hackney joining the UK network of age-friendly communities, joining the World Health Organisation's global network of age-friendly cities and continued co-production with stakeholders and older people through working groups themed around the six priority areas.

5.13 There had been challenges in progressing officer level governance of the strategy due to the pandemic, resource constraints and the refugee crisis but it was a priority to establish and progress the strategy by the autumn.

5.14 The main focus so far had been about building the older person's voice into council mechanisms and influencing culture and transformation, advising and providing insight into older people's needs and interests.

5.15 There were a number of examples of work where ageing well principles had been applied. This included the link work model in the Customer Services team which aimed to ensure that vulnerable residents were supported early on and prevented from reaching crisis.

5.16 As part of that pilot, people aged 70 and over who had not logged a repair in two or more years with the Council were prioritised. The repairs service was used as a route to speaking about the other wellbeing issues people may be facing.

5.17 The Hackney Older Citizens Committee fed into the Health and Wellbeing Strategy and Public Health heavily engaged older people's groups beyond the Hackney Older Citizens Committee to attain feedback and insight.

5.18 Adult Social Care had redesigned their resident involvement work including adding new groups such as the Carers Partnership Board and recommissioning services such as homecare using a co-design approach with residents.

5.19 The Council had also worked closely with Hackney Social Radio, through the Culture team, including on intergenerational conversations being recorded with older and younger people around the experience of ageing, ageism and climate change.

5.20 The Planning team were organising intergenerational forums for the child friendly supplementary planning document, ensuring that the guidance referenced older people and age friendly spaces.

5.21 The Parks team were also working to ensure that older people's needs were being considered within the Parks Strategy. For example, a 'Chatty Corner' was to be piloted in Shoreditch Park with benches that had been co-produced by the Hackney Older Citizens Committee.

5.22 The Hackney Older Citizens Committee had participated and provided input into the Libraries Review, and had been invited to contribute to early discussions on what needed to be included in the Housing Strategy and what needed to be included in the consultation process.

The Council was successful in its bid for the Government's Shared Outcomes Fund, which was a fund that had been committed by the Department for Levelling Up, Housing and Communities for a Partnerships for People and Place project focusing on place-based initiatives, which created better cross-government coordination.

5.23 As part of the bid the Council pledged to focus on preventative approaches to health inequalities through community engagement, integration and neighbourhoods with a specific focus on ageing well.

The overall outcome of the programme was to reduce health inequalities by increasing the wellbeing of older adults through investing in local voluntary and community sector capacity via a flexible grants programme.

The next steps for the strategy were then outlined. These included a review of the governance and officers group, establishing a provider forum which would ensure a link into the wider voluntary and community sector and the Council's dementia work and reviewing membership of the Hackney Older Citizens Committee.

5.24 The Chair then invited the Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture to make any closing remarks. The main points are outlined below.

5.25 He highlighted the importance of co-production in developing the strategy, particularly through the Hackney Older Persons Citizens Committee which, as previously mentioned, had been involved in developing the Libraries Review, Parks Strategy and early stages of the Housing Strategy.

5.26 The Council had taken strides in building the older person's voice into mechanisms and influencing culture and transformation, despite the challenges that had been presented by the pandemic, resource constraints and the refugee crisis.

5.27 The 'Chatty Corner', which was to be piloted in Shoreditch Park with benches that had been co-produced by the Hackney Older Citizens Committee, was seen as a particular highlight of the work thus far. It showed the value of co-production and ensuring that services were tailored to the needs of the communities that they serve.

5.28 Looking forward, the Partnerships for People and Place project would broadly focus on two strands of activities in the Hackney Marshes neighbourhood (Homerton and Kings Park):



- The co-production and implementation of a flexible grants programme to engage older people not already involved in local activities, fund gaps in local activities, and add value to existing activities
- To maximise the impact of local activities, including intergenerational activities, to tackle health inequalities and help people age well.

5.29 Following feedback during the consultation process, employment was highlighted as an area of difficulty for some older people who were unemployed or who had taken a career break. The Council would undertake a pilot to support older people struggling to get back into work.

#### Questions, Answers and Discussion

5.30 *A Commission Member asked how the Council would monitor and evaluate the progress of the Ageing Well Strategy against its desired outcomes.*

5.31 The Head of Policy and Strategic Delivery explained that the Ageing Well Delivery Plan would be used to track and monitor progress, both in relation to what the Council had committed to and what the Council would influence through its partners.

5.32 The Council was keen to quantify what sustained change it had made or influenced by understanding how each commitment was being implemented and what the outcomes of those were. Within this, the Council would seek resident and stakeholder feedback to help determine how these outcomes were felt across communities.

5.33 A Commission Member asked how the Ageing Well Strategy would interact with other cross-cutting pieces of work being undertaken by the Council such as on anti-racism and carbon net zero.

5.34 The Head of Policy and Strategic Delivery explained that an important aspect of the strategy was to ensure a diverse range of voices were involved in its development and delivery, and it was felt that this would help it to influence the wider agendas and priorities of the Council.

5.35 The strategy sought to imbed the voices of older people throughout services across Hackney. For example, there were specific strands of work with the Windrush Generation which tied in with the Council's wider work on anti-racism, and to ensure low traffic neighbourhoods were age friendly which tied into the Council's wider work on net zero.

5.36 *A Commission Member asked how the Council was tailoring its ageing well approach across different communities of older people, and specifically how it would tailor the approach to different age groups within the older people cohort.*

5.37 In response, the Head of Policy and Strategic Delivery explained that through resident feedback and engagement it became clear that the concept of ageing was different for different people. It was therefore important to see age as a process and look at what can be done across services to make them more age friendly.

5.38 For example, the Partnership for People and Place project sought to learn through intergenerational dialogue what could be done to get residents to think about

ageing whilst they were younger, and what could be done on a preventative basis to help with the ageing process.

5.39 *A Commission Member asked how the Council would ensure that the resident voice was heard throughout the delivery phase of the Ageing Well Strategy and how this would shape policy.*

5.40 The Head of Policy and Strategic Delivery explained that the Hackney Older Citizens Committee would feed into the delivery of the strategy and provide challenge to the Council's decisions.

5.41 Regular engagement had been a challenge due the pandemic with older people more likely to get involved when there was a live opportunity to influence something rather than through regular conversations. However, there was a commitment to broadening that engagement, reviewing the membership of the Hackney Older Citizen's Committee and increasing its membership.

5.42 *A Commission Member asked whether it was possible to ensure that age friendly approaches were embedded into planning policy in the same way that child-friendly places were through the child-friendly places supplementary planning document.*

5.43 The Head of Policy and Strategic Delivery explained that there was a manifesto commitment by the current administration to co-produce a new design guide with disabled and older people to ensure that streets, parks, estates, public buildings, high streets and public spaces are inclusive and accessible for all.

5.44 *A Commission Member asked whether there would be scope for involving the Hackney Older Citizen's Committee in discussions and reviews across Hackney Council's Scrutiny Commissions.*

5.45 The Head of Policy and Strategic Delivery recognised that the Hackney Older Citizen's Committee could add value to the work of scrutiny and that it would consider the ways in which it could do so when reviewing its role and responsibilities.

5.46 The Chair then invited the Deputy Mayor and Cabinet Member for Education, Young People and Children's Social Care to give any closing remarks.

5.47 The Deputy Mayor and Cabinet Member for Education, Young People and Children's Social Care emphasised the importance of intergenerational dialogue with young and older residents coming together to co-produce work under the strategy.

## **6 Finance Update**

6.1 The Chair opened the item by explaining that it was a fixed item on the agenda which enabled Members to retain oversight of the Council's overall budget. Two reports were provided for review:

- Overall Financial Position July 2021
- Capital Report July 2021

6.2 Attending for this item was:

- Jackie Moylan, Director of Financial Management

6.3 The Chair invited the Director of Financial Management to give a short verbal presentation to compliment the reports received and included in the agenda pack. The main points from the presentation are outlined below.

6.4 The first forecast of 2022/23 would be presented on 18th July 2022 which forecasted a £7.4 million overspend.

6.5 The impact of inflation was seen particularly on services with significant energy, fuel and contract costs, for example Environment Operations, SEN transport and inflationary pressures for care providers. Further pressures were also expected in respect of pay negotiations.

6.6 Adult Social Care and Children and Young People's directorates remained a pressure, although some reduction in high cost residential placements in Children's and Young People's was welcomed. Pressures were also assumed in areas such as commercial rent where wider economic conditions may impact on ability to pay.

6.7 The cyber attack remained a significant cost, although that was being offset by provisions set aside as part of the 2022/23 budget set and reverse set aside as part of the 2021/22 closing process.

6.8 Services were working with finance to offset service pressures as far as possible, and in the previous financial year the Council managed to bring overspend down from £7.3 million in August to £4.6 million.

6.9 The Housing Revenue Account (HRA) was forecast to come in within budget even though operating expenditure was forecasting an overspend of £5.7 million.

6.10 This overspend was being offset by a reduction in the forecast Revenue Contribution to Capital, which was possible due to the delay in the procurement of building maintenance contracts.

6.11 The main areas of overspend were in:

- Reactive repairs - due to the need to deal with backlogs largely driven by the pandemic & delay in procurement of building maintenance contractors.
- An increase in utilities costs, estate cleaning and lift servicing and repairs.
- A forecast increase in bad & doubtful debts.
- Costs of Council Tax & business rates on void properties.

6.12 The Medium Term Financial Plan (MTFP) for the General Fund indicated a budget gap of between £14 million & £29 million for next year. Assumptions behind these figures were being updated.

6.13 The HRA Business Plan expected to find savings of £1.6 million for the next four years reducing down to £1 million per year for the following three years.

6.14 At the last Scrutiny Panel meeting some of the risks associated with these figures were highlighted, for example around inflation, Fair Funding, recovery from the cyber attack and increasing demand.

6.15 Since these plans were drafted the economic position has worsened not least the increasing inflationary pressures now at 9.1% with forecasts at greater than 10% for later in the year.

6.16 The MTFP & HRA Business Plan were currently being recast taking on board these conditions as well as assumptions around timing of Fair Funding being pushed back.

6.17 The Council had contributed to various surveys on inflation and lobbying on the impact of these pressures which exceeded forecast conditions when the Local Government Survey was published.

6.18 Based on 25 returns the estimated cost of General Fund pay inflation in 2022/23 budgets for London overall was £91 million, and based on 24 returns the estimated cost of the General Fund running costs inflation in 2022/23 budgets for London overall was £155 million.

6.19 At the recent Local Government Association Conference, Secretary of State for Levelling Up, Housing and Communities stated that in 2023/24 there would be a two year settlement which would be likely consulted on in the Summer.

6.20 This likely meant that Fair Funding would not be introduced in 2023/24 nor 2024/25 although there may be some tinkering with the formula in both years.

6.21 The Secretary of State for Levelling Up, Housing and Communities also committed to Fair Funding by the end of the calendar year, but this likely meant either starting off the process for delivering it in two years' time, or badging the above tinkering as delivering the fair funding reform.

6.22 The Council was legally required to set a balanced budget each year, so the Strategic Plan development and transformation needed to be delivered against some fixed dates and within available resources.

6.23 The cost of living crisis continued to impact residents. The Council's Poverty Framework formed the basis of its response and prioritises. Key aspects of work underway included:

- Simplifying access to financial support to increase take up (e.g. single point of entry, reducing evidence threshold and proactively approaching residents)
- Building on learning from initiatives during the pandemic - working closely with the Community Partnership Network in building a whole system of support; and
- Developing support for people to maximise their income through wider benefit take up as well as money management advice.

6.24 Direct financial support the Council offered through these processes included:

- Discretionary Housing Payments - £553k paid out by the end of June 2022
- Hackney Discretionary Crisis Support Scheme - £33k spend as at the end of June 2022
- Fuel rebates - Standard £150 Council Tax Rebate paid to 41,268 households (£6.2m) and discretionary top up £30 Council Tax rebate paid to 6,363 households (£191k) as at 27th June.

6.25 Updates would be provided on a routine basis through the monthly budget report to Cabinet.

6.26 Through the continuation of the Household Support Fund, the Council had been allocated £2.8m for the period through from April 2022 to September 2022. The support provided would be:

- Children and families 0-19: Support primarily via vouchers for children on free school meals or those identified by local providers in the statutory and voluntary and community sector or Children's Centres (including the Orthodox Jewish community) and in local colleges - £65 will be awarded per child, £15 in May and £50 in summer.
- Pensioners: package of cash support for pensioners to help with food, fuel and essentials, designed with and working with a range of partners and also linked into the single point of entry mentioned previously.
- Help with housing costs and bills for people at risk of homelessness or homeless: in temporary accommodation, supported living or hotels - identified by Benefits and Housing Needs - support averages £244.

#### Questions, Answers and Discussion

6.27 *A Commission Member asked whether reductions in the forecast Revenue Contribution to Capital to offset the expected operating expenditure of the HRA was sustainable in light of continued pressures on housing across Hackney.*

6.28 The Director of Financial Management explained that the reduction was only a measure that could realistically be taken for a year or two, and was only possible due to the delay in the procurement of building maintenance contracts as a result of the pandemic.

6.29 *A Commission Member asked for a breakdown of the costs associated with the cyber attack and whether any further costs were anticipated in the next financial years.*

6.30 The Director of Financial Management explained that the Council was forecast to overspend £4.2 million in relation to the cyber attack.

6.31 A Revenue and Benefits overspend of £1.8 million in relation to the cyber attack related primarily to the increase in the bad debt provision required as a result of the overpayment of benefits which were unlikely to be recovered.

6.32 ICT alone had incurred £3.3 million of additional costs necessary to restore and rebuild systems and additional costs had been incurred by Housing Services as a result of their systems being down.

6.33 *A Commission Member asked what the estimated cost of General Fund pay inflation may be in the 2022/23 budget for Hackney Council under anticipated pay award scenarios.*

6.34 The Director of Financial Management responded by explaining that the typical historic pay award increase would be around 2% but a higher pay award increase was expected this year.

6.35 For each percentage increase in pay award the Council would be looking at an increased cost of around £2 million which it would need to offset.

6.36 *A Commission Member asked how the Council was planning to offset the overspend forecast for the 2022/23 General Fund due to inflationary pressures, in particular with energy and fuel costs.*

6.37 The Director of Financial Management explained that inflationary pressures were forecast in the previous years' budget but its full extent was not known at the time. It would be forecast in the 2022/23 budget and the position would be reported to Members on a regular basis.

6.38 The current and high levels of inflation forecast for the next financial year would impact the Council's expenditure but it was unlikely that it would need to use reserves to cover that gap as it did with the pandemic and the cyber attack.

6.39 *A Commission Member asked why there had been some reduction in high cost residential placements in Children and Education, whether that could be sustained and whether further reduction may be seen in subsequent years.*

6.40 The Director of Financial Management explained that less young people in Hackney had gone into residential care which meant that there had been a reduction in those high cost placements.

6.41 Although the total number of young people going into residential care had reduced compared to last year there was still significant pressure. It was anticipated that savings could be sustained should the number of young people going into resident care continue to decrease.

6.42 Updates would be provided on a routine basis through the monthly budget report to Cabinet.

6.43 *A Commission Member asked whether the Education overspend being rolled over to the next financial year would have any impact on services and support for schools.*

6.44 The Director of Financial Management explained that rolling over overspend was not unusual and money tended to move between years as projects were prioritised in the Capital Programme.

6.45 Risks within the capital budget related primarily to projects not being delivered on time or to budget and such risks were constantly monitored via the regular capital budget monitoring exercise and reported to Cabinet.

6.46 *A Commission Member asked for further information on the procurement process for energy and fuel contracts.*

6.47 The Director of Financial Management explained that the Council tended to buy its energy and fuel upfront and costs were relatively stable for the current financial year as most was bought last October.

6.48 This did mean that there would be a bigger rise in energy and fuel costs in the 2023/24 financial year which would have to be monitored carefully.

## **7 Minutes of the Previous Meeting**

7.1 The minutes of the previous meeting held on 7th February 2022 would follow in the next meeting agenda.

## **8 Scrutiny Panel Work Programme 2022/2023**

8.1 The item would cover the work programmes of the Scrutiny Panel and the individual Scrutiny Commissions for the 2022/23 municipal year.

8.2 The work programmes of the respective Scrutiny Commissions were currently in development and in the process of being agreed and finalised.

8.3 The Chair invited each Scrutiny Commission Chair to give a brief update on the development of their work programmes.

8.4 Councillor Hayhurst, Chair of the Health in Hackney Scrutiny Commission, outlined the progress of the Commission's work programming process thus far and potential issues it was looking to explore.

8.5 The Commission would likely look at the following issues amongst others:

- North East London's Integrated Care System arrangements
- The future of GP services in Hackney
- Tackling the surge in demand for mental health services by children and young adults
- Tackling health inequalities - Air Quality Action Plan, Deprivation of Liberty Safeguards, Marmot 10 years on

8.6 Councillor Conway, Chair of the Children and Young People Scrutiny Commission, outlined the progress of the Commission's work programming process thus far and potential issues it was looking to explore.

8.7 The Commission would likely look at the following issues amongst others:

- Behaviour management in schools
- Race, racism and children's social care
- Update of education, health and care plans and demographic analysis
- SEND Restructure and Better Value Review
- Children missing education following the pandemic

8.9 Councillor Adejare, Chair of the Living in Hackney Scrutiny Commission, outlined the progress of the Commission's work programming process thus far and potential issues it was looking to explore.

8.10 The Commission would likely look at the following issues amongst others:

- Building affordable and accessible homes in Hackney
- Policing of drugs in Hackney
- Neighbourhood housing office closures
- Equality, diversity and inclusion in arts & culture sector

8.11 The Chair and Vice-Chair of the Skills, Economy and Growth Scrutiny Commission had sent their apologies for the meeting.

8.12 Councillor Gordon, Chair of the Scrutiny Panel, outlined the items that were currently scheduled for discussion in upcoming Scrutiny Panel meetings as set out below.

October 2022

Chief Executive Question Time

Finance Update

Annual Complaints and Member Enquiries Report

February 2023

Mayor's Cabinet Question Time

April 2023

Finance Update

8.13 The Panel would likely also consider the following cross-cutting issues for its work programme:

- Climate Action Plan
- Cost of living crisis
- Anti-racism

8.14 The Chair then invited Panel Members to make any comments or suggestions for the 2022/23 Scrutiny Panel work programme.

8.15 Any suggestions from Panel Members this evening, as well as suggestions made in the public survey, by officers and by Cabinet Members would be collated into a shortlist and presented at the next meeting for agreement.

8.16 A Panel Member supported the suggestion to look at the Climate Action Plan but felt that it would need to be reviewed at the next meeting in order to add value before the consultation process began in the autumn.

8.17 A Panel Member supported the suggestion to look at the Council's anti-racism work in a broader, cross-cutting sense rather than only through individual Commissions.

8.18 Panel Members suggested additional work programme items as outlined below.

8.19 To look at the Council's commissioning arrangements and value for money work.

8.20 To look at the proposals put forward by the Constitutional Committee for changes in relation to the role of scrutiny.

**9 Any Other Business**

9.1 None.



Duration of the meeting: 7.00 - 9.15 pm

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<b>Scrutiny Panel</b>  <b>3 October 2022</b>  <b>Item 9 - Scrutiny Panel Work Programme 2022/23</b>	Item No  <b>9</b>
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## **OUTLINE**

Attached is the work programme for the Scrutiny Panel for 2022-23. Please note that this is a working document and regularly updated.

## **ACTION**

The Scrutiny Panel is asked for any comments, amendments or suggestions for the work programme.

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# Overview & Scrutiny

## Scrutiny Panel Scrutiny Commission

### Rolling Work Programme May 2022 – April 2023

All meetings take place at 7.00 pm and will be virtual until further notice. This rolling work programme report is updated and published on the agenda for each meeting of the Panel.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
<b>Thurs 14<sup>th</sup> Jul 2022</b>  Papers deadline: Mon 4 <sup>th</sup> July	Ageing Well Strategy	Chief Executive Directorate Cllr Chris Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture  Cllr Yvonne Maxwell, Mayoral Advisor for Older People  Sonia Khan, Head of Policy and Strategic Delivery	This item is to review the work of the council in relation implementing the Ageing Well Strategy.
	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Finance and Corporate Resources, Ian Williams	Finance Update Budget reports - Overall Financial Position March 2022 - Capital Update and Property Disposals and Acquisitions Report June 2022
	Overview of Scrutiny Commission Work	Chief Executive Directorate Councillor Margaret Gordon	A review of the O&S public and stakeholder consultation response and an outline of the

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	Programmes for 2022-2023		suggestions received for the scrutiny commissions.
<b>Mon 3<sup>rd</sup> Oct 2022</b>  Papers deadline: Wed 21 <sup>st</sup> Sept	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Ian Williams	Finance Update Budget reports - Overall Financial Position July 22 - Capital Update and Property Disposals and Acquisitions Report September 22  Finance update to include information about the following: 1. Update on the impact of the cost-of-living crisis for Hackney residents. 2. Update on national announcements from Government.
	Hackney Council Complaints and Enquires Annual Report 2021/2022	Chief Executive's Directorate Business Intelligence, Elections & Member Services Bruce Devile	Annual report of the Council's Complaints and Members Enquires for 2021/22.
	Chief Executive Question Time	Chief Executive's Directorate Chief Executive Mark Carroll	Question time session with the Chief Executive
	Improving Engagement and involvement of Children and Young People in Scrutiny	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	This paper sets out past and current arrangements for the engagement and involvement of children and young people in Children and Young people Scrutiny Commission.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
			This item is to discuss how to increase participation of children and young people in the work of scrutiny and contribute to improved decision making around services that impact on them.
<b>Mon 20<sup>th</sup> Feb 2023</b>  Papers deadline: Wed 6 <sup>th</sup> Feb	Food Poverty		TBC
	CTRS Working Group Update	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Update and report back from Council Tax Reduction Scheme Scrutiny Panel Working Group
	Cabinet Question Time Mayor Philip Glanville	Chief Executive's Directorate Mayor's Office Ben Bradley	CQT session with the Mayor.
<b>Mon 24<sup>th</sup> Apr 2023</b>  Papers deadline: Wed 12 <sup>th</sup> Apr	Scrutiny Panel Work Programme 2022/23	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Review of the Scrutiny Panel work Programme for 2022/23 and to note any suggestions for the work programme in the new municipal year 2023/2024.

