

Scrutiny Panel

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

Monday 20 February 2023

7.00 pm

Council Chamber, 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/mwoWxlWPSW8>

Back up live stream link:

https://youtu.be/SD_-RIXnpYI

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

Contact:

Tracey Anderson

☎ 0208 3563312

✉ 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 Constitution Update - Review of Overview & Scrutiny Sections (7:05 - 7:40pm)** (Pages 9 - 34)
- 5 Quarterly Finance Update (7:40 - 8:40pm)** (Pages 35 - 102)
- 6 Update on the Council Tax Reduction Scheme Scrutiny Panel Task and Finish Group (8:40 - 8:55pm)** (Pages 103 - 106)

- 7 Minutes of the Meeting (8:55 - 9:00pm) (Pages 107 - 120)**
- 8 Scrutiny Panel Work Programme 2022/2023 (9:00 - 9:10pm) (Pages 121 - 126)**
- 9 Any Other Business**

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

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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<p>Scrutiny Panel</p> <p>20th February 2023</p> <p>Item 4 – Constitution Update - Review of Overview & Scrutiny Sections</p>	<p>Item No</p> <p>4</p>
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OUTLINE

The Council’s Constitution Committee was established on 26 January 2022 following work commencing to conduct a review and refresh of the Council’s Constitution more generally. This review does not seek to change the balance of decision-making within the Council or how decisions are made generally, rather the aim is to provide greater clarity for the public and Members alike as to how the Council operates and improve upon the information provided to the public / businesses / other organisations generally with regards to the operation of the Council and with particular reference as to how they can become involved with the formal aspects of Council decision-making.

The sections for Overview and Scrutiny are scheduled for review. The Constitution Committee would like to take into consideration the views and comments from Scrutiny Chairs and Vice Chairs for the sections related to Overview and Scrutiny.

The representative for Overview and Scrutiny on the constitution committee is the Chair of Scrutiny Panel.

Purpose

The purpose of this item is to discuss and collate the suggestions and views of SP for the Chair of SP to present to the Constitutional Committee for consideration as part of the review work.

Reports in the agenda:

To support this discussion the following background information has been provided.

- The draft Index for the Council’s Constitution
- From Part 2 of the constitution – Article 7
- From Part 4 of the constitution – O&S procedure rules
- From part 4 of the constitution – Call-in procedure rules

Invited guests

London Borough of Hackney

- Dawn Carter-McDonald, Director of Legal, Democratic and Electoral Services
- Louise Humphreys, Head of Legal and Governance

ACTION

Members are asked to submit their suggestions to the Constitution Committee.

Index for Hackney Council Constitution

WORKING DRAFT

Glossary

Part 1 - Your Council

Overview

Core Objectives and Principles of Decision Making

Citizens' Rights

Part 2 - Articles of the Constitution

Part 3 - Responsibility for Council and Executive Functions

Introduction

Terms of Reference of Committees (working on new format, content not to be amended as outside scope of review and ToR were reviewed by respective committees etc during 2021/2022)

Part 4 - Procedure Rules

Council Procedure Rules

Cabinet Procedure Rules

Budget and Policy Framework Procedure Rules

Overview and Scrutiny Procedure Rules

Call-in Procedure Rules (extracted from the O&SP Rules into a new section)

Part 5 - Finance and Contract Rules

Financial Procedure Rules

Contracts Standing Orders

Part 6 - Public Participation

Attendance at Meetings

Public Speaking

Access to Information Procedure Rules

Petition Scheme

Deputations

Protocol for Recording / Livestreaming of Council meetings

Part 7 - Elected Mayor and Councillors

Councillor Code of Conduct

Standing Orders relating to the Holding of Office

Members' Allowances Scheme

Protocol for Member / Officer Relations

Members' Access to Information

Part 8 - Officers

Proper Officers Roles and Functions

Officer Employment Procedure Rules

Monitoring Officer Protocol

Politically Restricted Posts

Part 9 - Codes and Protocols

Planning Code of Practice

Licensing Code of Practice

Protocol on the Governance of Council Interests in Companies

Protocol on Remote Attendance at Council meetings

Appendices

A - Council (non-executive) Functions

B - Local Choice Functions

C - Terms of Reference of Council Committees etc

D - Proper Officer Functions

Article 7 - Overview and Scrutiny

The Overview and Scrutiny function is carried out by the [Scrutiny Panel](#) and the [Scrutiny Commissions](#). They are set up to hold the Elected Mayor and Cabinet to account. The role of Scrutiny is to be non-adversarial, non-partisan and act as a critical friend to challenge decision makers within the Council as well as external agencies.

7.1 The Council must appoint at least one Overview and Scrutiny Committee to: -

- i) Hold the Cabinet to account, by examining decisions that are about to be taken; taken but not yet implemented (known as the call-in process); and that have been implemented (post-hoc review) in connection with the discharge of any functions which are the responsibility of the Cabinet;
- ii) Review the general policy framework document and policies generally and make suggestions for improving them;
- iii) Contribute to continuous improvement in service delivery through consideration of service delivery performance, participation in Service and value for money reviews, and investigations of budgets;
- iv) Review and make recommendations relating to the discharge of non-executive (regulatory) functions;
- v) Consider and make recommendations to Full Council and external partner stakeholder organisations on any matters having a direct bearing on the economic, social or environmental well-being of Hackney Citizens;
- vi) In the case of the Health in Hackney Scrutiny Commission, to review and scrutinise matters relating to the health service in the authority's area and to make reports and recommendations on such matters in accordance with any Regulations and Directions made under the Health and Social Act 2001. The Health in Hackney scrutiny commission may, from time to time, decide to appoint a Joint Health Scrutiny Committee, which may involve one or more other local authorities;
- vii) In the case of the Living in Hackney Scrutiny Commission, to review and scrutinise decisions made, or other actions taken, in connection with the discharge by the responsible authorities of their crime and disorder functions. To make reports or recommendations to Full

Council and to provide copies of reports to such responsible authorities and co-operating persons and bodies as appropriate, in accordance with the Police and Justice Act 2006, with respect to the discharge of those functions;

- viii) Request information from relevant external partner authorities, invite interested parties to comment as appropriate and to make recommendations.
- ix) Consider any referral by a Councillor under the Councillor Call for Action, and if considered appropriate to scrutinise decisions and/or actions taken in relation to a matter;
- x) Consider matters referred to in accordance with the Council's Petition Scheme as set out in [Part 6](#) of this Constitution

7.2 The Scrutiny Panel and Commissions may make recommendations arising from such work to the Cabinet, Full Council and external partner / stakeholder organisations.

Attendance by Elected Mayor, Cabinet Councillors and other persons

7.3 The Scrutiny Panel and Commissions may require the Elected Mayor, Cabinet Councillors or Chief Officers to attend before it to answer questions and may invite other persons to attend meetings of the Commissions.

7.4 It shall be the duty of any Councillor or Officer to comply with any requirement so made.

7.5 A Councillor must not be involved in scrutinising a decision in which they had been directly involved.

7.6 A person is not obliged to answer any question. However, they would be entitled to refuse to answer a question in or for the purposes of proceedings in a court in England and Wales.

Role and Function of the Scrutiny Panel

7.7 The Council shall appoint a Scrutiny Panel to coordinate and oversee the work of the Scrutiny Commissions

7.8 The Panel will be responsible for establishing [task-finish scrutiny panels](#) and for considering a request made by any 5 non-executive Members for the call-in of a cabinet decision or a decision of the [Joint committee](#) of the Six Growth Boroughs. The Scrutiny Panel's terms of reference are set out

in [Part 3](#) of the Constitution

- 7.9 The Scrutiny Panel shall comprise 9 Members, who cannot be Members of the Cabinet. It shall include the [Chairs](#) and [Vice-Chairs](#) of the Scrutiny Commissions and a Councillor of the larger opposition group, if not already represented as a Chair or Vice-Chair of a commission.
- 7.10 The Scrutiny Panel's Chair shall be a Member of the majority political group of the Council. Chairs of the Scrutiny Commissions are not eligible for the position of Chair of the Scrutiny Panel. The Vice-Chair of the Panel should be a member of the larger opposition party.
- 7.11 The Scrutiny Panel may invite the Elected Mayor and the Deputy Mayor to attend meetings of the Panel to assist in consideration of the scrutiny work programme, and how the Elected Mayor and Deputy Mayor can participate in the Panel's work programme. The Scrutiny Panel may also invite the chairs of the Audit and Corporate Committees to assist with discharging the functions of the Panel.

Role and function of the Scrutiny Commissions

- 7.12 Full Council will appoint the following Scrutiny Commissions as set out in the table below:

Commission	Scope
Living in Hackney Scrutiny Commission	Quality of life in local communities covering neighbourhoods, place, wellbeing and amenities.
Skills, Economy and Growth scrutiny Commission	Prosperity of the borough and development, in particular economic development, employment and large-scale schemes.
Health in Hackney Scrutiny Commission	Health Services, Adult Social Services, Older People
Children and Young People's Scrutiny Commission	Children and Young People, Hackney Learning Trust

- 7.13 The Children and Young People Scrutiny Commission shall include in its membership the following voting representatives: -

a) One London Diocesan board for Schools (Church of England)

- representative;
- b) One Roman Catholic Westminster Diocesan Schools Commission representative;
- c) Two parent governor representatives: and the following non-voting representatives;
- d) One Orthodox Jewish community representative;
- e) One representative from the North London Muslim Community Centre;
- f) One representative from the Free Churches Group;
- g) One representative from the Hackney Schools Governors' Association; and
- h) Up to five representatives from the Hackney Youth Parliament.

7.14 Within their terms of reference, the Scrutiny Commissions may: -

- i) Develop a rolling programme of scrutiny and review which shall be reviewed on a quarterly basis;
- ii) Exercise an overview of the Sustainable Community Strategy for the purpose of contributing to policy development;
- iii) Review and/or scrutinise decisions or actions relating to the discharge of the Council's functions within its terms of reference. This could include reviewing decisions before they have been taken (policy development) or after they have been implemented (post-hoc review);
- iv) Where referred to it, consider a request made by any 5 non-executive Members for the call-in of a Cabinet decision
- v) Make reports and / or recommendations to the Cabinet for possible forwarding to Full Council and/or the Cabinet, and/or Corporate Committee and/or any Ward Forum with the discharge of any [Council functions](#); and
- vi) Exercise responsibility for any resources made available to them.

Specific functions of Scrutiny Commissions

7.15 Scrutiny Commissions specific functions are: -

i) **Policy Development and Review**

- To assist Full Council and the Cabinet in the development of the budget and policy framework by in-depth analysis of policy issues;
- To conduct research and consult with the community on policy issues and options available to the Council;
- To consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- To liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working; and
- To consult or question councillors of the Cabinet and senior officers about their views on issues and proposals affecting the area.

ii) **Scrutiny**

- To review and scrutinise Cabinet decisions made by the Elected Mayor, the Cabinet, by an individual Councillor of the Cabinet, by a Committee of the Cabinet, or by an Officer of the Council;
- To review and scrutinise the work of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- To question Councillors of the Cabinet and senior Officers about their decisions and the performance of the services for which they are responsible, whether generally in comparison with service plans and targets over a period of time or in relation to particular decisions initiatives or projects;
- For the Health in Hackney Scrutiny Commission, to carry out health Scrutiny in accordance with Section 244 Regulations under that section of the National Health Services Act 2006 (as amended by the Local Government and Public Involvement in Health Act 2007 and the Health and Social Care Act 2012 relating to reviewing and scrutinising local health service matters). Where the proposal relates to more than one local authority area, it must be considered by a Joint Health Scrutiny Committee appointed by each of the local authorities in question;

- For the Living in Hackney Scrutiny Commission, to discharge the functions conferred under the Police and Justice Act 2006;
- To make recommendations to Cabinet arising from the outcome of the scrutiny process for possible forwarding to Full Council;
- To review and scrutinise the performance of other public bodies in the area, invite them to address the Scrutiny Commission, and prepare reports about their initiatives and performance;
- To gather evidence from any person or organisation outside the Council;
- To consider referrals from Ward Forums and Enhanced Tenants Residents Associations and initiate reviews of issues as deemed appropriate.

iii) **Community Representation**

- To promote and put into effect closer links between Overview and Scrutiny Members and Citizens;
- To encourage and stimulate an enhanced community representation role for Overview and Scrutiny Members including enhanced methods of consultation with local people;
- To liaise with the Council's consultative Ward Forums and Enhanced Tenants Residents Associations on matters that affect or are likely to affect the local area;
- To keep the Council's area-based governance arrangements under review and to make recommendations to the Scrutiny Panel, to the Cabinet and / or Full Council as to how participation in the democratic process by local people can be enhanced;
- To receive petitions, deputations and representations from local people and other stakeholders about matters of concern within the Scrutiny Commission's remit. Where considered appropriate, to refer them to the Cabinet, an appropriate Committee or Officer for action, with a recommendation for a report back if requested.

iv) **Developing the Work Programme**

In considering their work programme, the Scrutiny Commissions shall have regard to the following:

- Recommendations received from the Scrutiny Panel;

- Cross-cutting items proposed for the programme by the Scrutiny Panel;
- Petitions received from the public;
- The contents of the Cabinet Meetings and Key Decisions Notice;
- Issues emerging from the ward/representational role of any Councillor;
- Issues relating to Councillor Call for Action;
- Referrals made by Healthwatch Hackney relating to health and social care matters;
- Referrals by any Councillor of the Council on any matter relevant to the functions of the Scrutiny Commission;
- Referrals by any Councillor on a local crime and disorder matter;
- Referrals to it by Full Council, the Cabinet or another Committee;
- Issues which, whilst not the direct responsibility of the Council, have a direct bearing on the economic, social or environmental well-being of the borough's Citizens;
- Issues relating to Joint Overview and Scrutiny Committees.

Proceedings of Overview and Scrutiny

7.16 The Scrutiny Panel and Commissions will conduct their proceedings in accordance with the Overview and Scrutiny Procedure Rules set out in [Part 4](#) of this constitution

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Overview and Scrutiny Procedure Rules

Arrangements for overview and scrutiny

1. The Council will have a Scrutiny Panel and four Scrutiny Commissions as set out in Article 7 of this Constitution. Article 7 sets out the broad framework for the operation of the Council's overview and scrutiny function. These rules set out some of the more detailed working arrangements.

Meetings of the Scrutiny Panel and Commissions

2. There shall be 4 Ordinary Meetings of the Scrutiny Panel every municipal year. Extraordinary Meetings may be called from time to time if the Chair of the Panel or the Monitoring Officer considers it necessary or expedient.
3. The Scrutiny Commissions are each expected to meet at least 8 times every municipal year; this may include site visits and informal meetings undertaken as part of a review.

Quorum

4. The quorum for the Scrutiny Panel and the Scrutiny Commissions shall be one quarter of voting Members or three voting Members, whichever is the greater.

Chairs and Vice-chairs

5. The Chairs of the Scrutiny Panel and the Scrutiny Commissions shall be appointed by their voting members at the Annual Meeting.
6. The Chair of the Scrutiny Panel must be a Councillor of the majority political group of the Council, but may not be a Chair of a Scrutiny Commission. The Vice-Chair shall ordinarily be a Councillor from the largest minority political group of the Council. However, if the largest minority group fails to make a nomination then the Scrutiny Panel may elect a Vice-Chair at their first meeting.

Reports from Scrutiny Panel or Commissions

7. Once it has formed recommendations, a Scrutiny Commission or the Scrutiny Panel will prepare a formal report for consideration by the Elected Mayor, a Cabinet Councillor, the Executive or Full Council as appropriate. A report to Full Council is only usually necessary if the recommendation(s) would require a departure from or a change to the agreed budget or policy framework. Where recommendations are made that relate to an external organisation (such as an NHS Trust) the report will also be submitted to that body.

8. A copy of any report must be given to the Monitoring Officer. The Monitoring Officer must also be told by which decision making body the report is to be considered.
9. If the Scrutiny Panel or Commission cannot agree on one single final report, then up to one minority report may be prepared and submitted for consideration alongside the majority report.
10. Where referred to Full Council or the Executive, the report of the Scrutiny Panel or Commission will be considered at the next scheduled meeting.

Ensuring that reports are considered by the Cabinet and other bodies

11. If the report is referred to Full Council, when it considers the report, it shall also consider the response of the Executive to the recommendations. The decision of Full Council will be placed on the agenda of the next scheduled meeting of the Scrutiny Panel and/or Commission.
12. If the report is referred to Cabinet, the report will be considered under the standing item "Issues Arising from Overview and Scrutiny", unless it can be considered in the context of the Executive's deliberations on a substantive item on the agenda. The Executive shall also consider the response of the lead Cabinet Councillor(s) for the portfolio area(s) to which the report's recommendations relate. The outcome of the discussion by the Executive will be placed on the agenda of the next scheduled meeting of the Scrutiny Panel and/or Commission.
13. In cases where the decision maker is the Elected Mayor personally or any other individual Councillor of the Cabinet, they must consider the matter and report back to the Scrutiny Panel and / or Commission within 2 weeks. If the Elected Mayor or Councillor does not accept some or all of the recommendations then they must include within that report the reasons for not doing so. A copy of the response must be sent to the Monitoring Officer. The Elected Mayor or Councillor must attend the meeting of the Scrutiny Panel and/or Commission that considers their response.
14. Where the decision-making is an external (non-Council organisation) and they have a statutory duty to respond to the Scrutiny Panel and / or a Commission, a written response shall be requested within the timescale required, or if mutually agreed, by another set deadline, so the response can be placed on the agenda of the next scheduled meeting of the Panel and / or Commission. Where that organisation does not have a statutory duty to respond to the Scrutiny Panel and/or a Commission, a written response shall be invited within a reasonable period of time noting that, if submitted, the response would be

placed on the agenda of the next scheduled meeting of the Panel and/or Commission.

15. The Scrutiny Panel and each Scrutiny Commission will in any event have access to the Forward Plan and timetable for decisions and intentions for consultation. Even where an item is not the subject of detailed consideration by the Panel or a Commission, the Panel or Commission will be able to respond in the course of the Executive's planned consultation process in relation to any Key Decision.

Rights of access to documents

16. The additional rights that members of the Scrutiny Panel and Commissions have to access documents are detailed in Part X of this Constitution.

Members and Officers giving account

17. The Scrutiny Panel and any Scrutiny Commission may scrutinise and review decisions made, or actions taken, in connection with the discharge of any Council functions relevant to the issues it is examining. As well as reviewing documentation, in fulfilling the scrutiny role it may require any member of the Executive, the Head of the Paid Service and / or any senior Officer and, subject to contractual arrangements, any other person delivering a Council service, to attend before it to explain in relation to matters within their remit:
 - any particular decision or series of decisions;
 - the extent to which the actions taken implement Council policy;
 - the performance of relevant services; and / or
 - as required under the Council Petition Scheme

and it is the duty of those persons to attend if so required.

18. Where any Councillor or Senior Officer is required to attend the Scrutiny Panel or a Commission under this provision, the Chair of that Panel / Commission will inform the Monitoring Officer who shall inform the Councillor or Senior Officer in writing giving at least 5 working days' notice of the meeting at which their attendance is required. The notice will state the nature of the item on which they are required to attend to give account and whether any papers are required to be produced for the Commission. Where the account to be given to the Commission will require the production of a report, then the Member or Senior Officer concerned will be given sufficient notice to allow for preparation of that document.
19. Where, in exceptional circumstances, the Member or Senior Officer is unable to attend on the required date, the Scrutiny Panel / Commission shall, in

consultation with the Member or senior officer, arrange an alternative date for attendance, or, an alternative attendee.

20. A Senior Officer may determine that another Officer should attend because their knowledge and experience is more relevant to the issue being discussed.

Attendance by others

21. The relevant Scrutiny Panel or Commission will be able to exercise legal rights to require attendance by individuals who are not Officers, or Councillor of the Council, such as the right to require attendance by an Officer of a local NHS body [as conferred by the Local Authority (Overview and Scrutiny Committees Health Scrutiny Functions) Regulations 2013]; the right to require attendance by Officers or employees of responsible authorities and co-operating bodies of a local Community Safety Partnership [as conferred by the Crime and Disorder (Overview and Scrutiny) Regulations 2009]; and the right to require information from partner authorities which relate to local improvement targets [as conferred by the Local Authorities (Overview and Scrutiny Committees) (England) Regulations 2012].
22. A Scrutiny Panel or Commission may invite people other than those referred to above to address it, discuss issues of local concern, and/or answer questions. It may for example wish to hear from Citizens, stakeholders and Members and/or officers in other parts of the public or private sector; and shall be free to invite such people to attend.

Councillor Call for Action

23. The Councillor Call for Action is a procedure which enables Councillors to have a matter referred to the Scrutiny Panel or relevant Scrutiny Commission for consideration. Prior to requesting such reference, Councillors are invited to raise the matter with the relevant Group Director or Lead Councillor in order to achieve settlement without the need for formal reference. Notwithstanding, the option for formal reference shall remain available.
24. Any member of any Scrutiny Panel / Commission, may by giving written notice of at least 15 working days to the Monitoring Officer, prior to the date of the meeting at which the Councillor wishes to raise the matter, request that any matter which is relevant to the functions of the Scrutiny Panel or Commissions, as the case may be, is included in the agenda for discussion at a meeting of the Panel or Commission.
25. Any Member of the Council, may by giving written notice of at least 15 working days to the Monitoring Officer, request that any local government matter (pursuant to Section 21A of the Local Government Act 2000) which is relevant

to the functions of the Scrutiny Panel or Commissions is included in the agenda and is discussed at a meeting of the Panel or Commission.

26. Any Member of the Council, may, by giving written notice of at least 15 working days to the Monitoring Officer, request that a local crime and disorder matter (pursuant to section 19 of the Police and Justice Act 2006) is included in the agenda for discussion at a meeting of the Living in Hackney Scrutiny Commission.
27. A local government matter pursuant to Rule 12.3 shall not include:
 - any matter relating to a planning decision;
 - any matter relating to a licensing decision;
 - any matter relating to an individual or entity in respect of which that individual or entity has a right of recourse to a review or right of appeal conferred by or under any enactment;
 - any matter which the Monitoring Officer determines to be vexatious, discriminatory or not reasonable to be included in the agenda for, or to be discussed at, a meeting of the Scrutiny Panel or Commissions.
28. A matter shall not fall within a description above if it consists of an allegation that a function for which the authority is responsible has not been discharged at all or that its discharge has failed or is failing on a systematic basis, notwithstanding the fact that the allegation specifies or refers to a planning decision, a licensing decision or a matter relating to an individual or entity in respect of which that individual or entity has a right of recourse to review or right of appeal conferred by or under any enactment.
29. The Scrutiny Panel and Commissions will undertake their proceedings pursuant to the powers set out in Article 7 of the Constitution.
30. Where a local government matter is referred to the Scrutiny Panel or one of the Commissions by a Member of the local authority, in considering whether or not to exercise any of its powers in relation to a matter, the Scrutiny Panel/Commission may have regard to:
 - any powers which a Councillor may exercise in relation to the matter by virtue of section 236 of the Local Government and Public Involvement in Health Act 2007 (exercise of functions by local Councillors in England); and
 - any representations made by the Councillor as to why it would be appropriate for the Scrutiny Panel / Commission to exercise any of its powers to include a matter on the agenda for discussion at a meeting of any Panel/Commission.

31. If the Scrutiny Panel or Commission decides not to exercise any of those powers in relation to the matter, it shall notify the Councillor of –
 - its decision; and
 - the reasons for it.
32. The Scrutiny Panel or Commission shall provide the Councillor with a copy of any report or recommendations which it makes to the authority or the Cabinet if the matter is included in the agenda and discussed at a meeting of the Scrutiny Panel / Commission.

Crime and Disorder Matters

33. The Living in Hackney Scrutiny Commission is the designated Crime and Disorder Commission. A “crime and disorder matter” means a matter concerning crime and disorder (including in particular forms of crime and disorder that involve anti-social behaviour or other behaviour adversely affecting the local environment) or the misuse of drugs, alcohol and other substances in that area.
34. Where the Living in Hackney Scrutiny Commission, as the Crime and Disorder Commission makes a report or recommendations to Full Council it must:
 - provide a copy of the report or recommendations to any member of the authority who referred the local crime and disorder matter in question to the Commission;
 - provide a copy of the report or recommendations to such of the responsible authorities, co-operating persons and bodies as it thinks appropriate.
35. Where a copy of a report or recommendations is provided to a responsible authority, co-operating person or body under paragraph 13.2 above that authority, person or body shall:
 - consider the report or recommendations;
 - respond to the Living in Hackney Scrutiny Commission indicating what (if any) action it proposes to take;
 - have regard to the report or recommendations in exercising its functions.

Joint Committee of the Four Growth Boroughs

36. This Committee is a formally constituted Joint Committee undertaking executive functions on behalf of the Four Growth Boroughs including Hackney.

37. Decisions of the Joint Committee may be called-in by one or more participating boroughs pursuant to the Joint Committee's Procedure Rules. Each of the boroughs shall apply their existing overview and scrutiny arrangements to decisions of the Joint Committee.
38. Upon publication by the Chief Executive of the record of Joint Committee decisions, Members of Hackney Council may call-in any such decision pursuant to the Joint Committee Procedure Rules.

Procedure at Scrutiny Panel and Commission meetings

39. The Scrutiny Panel and Commissions shall include within their agendas the following business:
 - declarations of interest (including whipping declarations);
 - minutes of any previous meetings;
 - consideration of the body's own work programme;

Other business

40. Where the Scrutiny Panel or Commissions conducts investigations (e.g. with a view to policy development), the Panel/Commission may also ask people to attend to give evidence at meetings which are to be conducted in accordance with the following principles; that:
 - the investigation be conducted fairly and all Councillors (including co-opted Members) of the Panel / Commission be given the opportunity to ask questions of attendees, and to contribute and speak;
 - those assisting the meeting by giving evidence be treated with respect and courtesy;
 - the investigation be conducted so as to maximise the efficiency of the investigation or analysis;
 - evidence collected is analysed; and
 - any recommendations made are based upon that evidence.
41. Following any investigation or review, the Scrutiny Panel or Commission, may prepare a report for submission to the relevant decision-maker, Executive and/or Full Council as appropriate and shall make its report and findings public except to the extent that they may include confidential or exempt information.
42. These procedure rules shall apply to any Scrutiny Commissions and working parties.

43. Nothing in this procedure rules prevents more detailed liaison between the Executive and the Scrutiny Panel and Commissions as appropriate, depending on the particular matter under consideration.

Call In Procedure Rules

A 'call-in' is the process whereby Councillors who are not members of the Cabinet can request that executive decisions are considered by the Scrutiny Panel.

Scope of the rules

- 1.1 All Councillors have the ability to call-in the majority of "executive decisions", and this is a fundamental aspect of the Council's scrutiny processes. This includes decisions taken by the Elected Mayor and Cabinet, or Officers acting under powers delegated to them.
- 1.2 The power should only be used in exceptional circumstances where the Councillors calling-in the decision have evidence to suggest that
 - 1.2.1 the decision maker did not take the decision in accordance with the principles of decision making, namely
 - proportionality (i.e. the action must be proportionate to the desired outcome).
 - due consultation and the taking of professional advice from officers.
 - respect for human rights.
 - a presumption in favour of openness.
 - clarity of aims and desired outcomes.
 - relevant matters have not been ignored.
 - consideration and evaluation of alternatives and reasons for decisions.
 - due regard to the statutory framework, guidance and Codes of Conduct.
 - 1.2.2 the decision maker did not act in accordance with the policy framework.
 - 1.2.3 the decision maker did not act in accordance with the Council's budget.
 - 1.2.4 the decision maker failed to consider relevant evidence when making the decision.
 - 1.2.5 the decision would not be in the interests of the borough's residents and a preferable alternative decision could be adopted.

Requirements for call-in consideration

- 2.1 In order to ensure that call-in is not abused, nor causes unreasonable delay, the following requirements must be fully satisfied before a matter will be considered for call-in:

- a) At least five Councillors who are not members of the Council's executive (one of which will be the named signatory) must request a call-in of the decision. The Councillors requesting the call-in will decide who will be the 'lead requestor'.
- b) The request for call-in must specify the reason for the call-in based upon paragraph 1.2 above and provide sufficient detail to enable the decision to be scrutinised.
- c) The request for call-in must be received by the Monitoring Officer within 5 working days of the decision being published. The request for Call-In should be submitted electronically to [EMAIL ADDRESS]. The lead requestor must complete and submit the form below and each of the other Councillors supporting the call-in must send an email in support. All emails must be sent from the Councillors' individual Council email addresses.
- d) The decision for which call-in is requested must not have been subject to a prior call-in request.

Suspension and publication of the decision

- 3.1 Decisions taken by the Cabinet, a Cabinet Member or an executive decision taken by an officer under delegated powers, will be published within [x] days of the decision being taken.
- 3.2 The decisions will include the date of publication and will specify that it will come into force, and may then be implemented, on the expiration of 5 days after publication unless the decision is called-in.

Assessing the call-in request

- 4.1 Upon receipt of any call-in request, the Monitoring Officer will assess the call-in form and the information supporting the request to decide whether it meets the requirements set out in these Rules.
- 4.2 The Monitoring Officer will have the final say as to whether the request is a valid call-in, with the presumption in favour of it being valid.
- 4.3 The decision will remain suspended until the Monitoring Officer has completed their assessment of the request. If the call-in request is deemed valid, the decision will remain suspended to enable the consideration of the call-in to take place, as detailed below.

Consideration of the call-in

- 5.1 The Monitoring Officer shall notify the Elected Mayor and Cabinet of a call-in that they determine to be valid.
- 5.2 The call-in shall be placed on the agenda for the next meeting of the Scrutiny Panel. However, if there is no meeting of the Scrutiny Panel scheduled to take place within 10 working days of the Monitoring Officer's decision, the Monitoring Officer shall arrange for a special meeting of the Scrutiny Panel to be held as soon as reasonably practicable, taking into account the existing calendar of Council meetings.
- 5.3 A report for the Scrutiny Panel shall be prepared, which shall include a copy of the decision called-in and a copy of the call-in request form.
- 5.4 The Scrutiny Panel will hear from the lead requestor, the Cabinet member within whose portfolio the decision rests and, in the case of a delegated officer decision, the officer who took the decision. The Chair of the Scrutiny Panel has the discretion to enable other persons to be heard at the meeting.

Outcomes of call-in

- 6.1 When considering the call-in, the Scrutiny Panel has the following options:
 - a) Uphold the original decision: In this case, the original decision stands and can be implemented.
 - b) Uphold the Call-In: In this case, the decision will be referred to either:
 - (i) The original decision maker for reconsideration.
 - (ii) The Cabinet for its consideration (where the original decision was taken by an officer under delegation).
 - (iii) Full Council, if the Scrutiny Panel concludes that the decision was contrary to the Council's Policy Framework or contrary to (or not wholly in accordance with) the approved Budget.

NB: In relation to (i) and (ii) above, the matter may not be called-in a second time.

Protection from call-in

- 7.1 The call-in procedure shall not apply where the decision being taken has been protected from call-in by the [Chief Executive]. A decision may only be protected if any delay likely to be caused by the call-in process, would seriously prejudice the interests of the Council or the public interest.

- 7.2 The Chair of the Scrutiny Panel must be consulted before any decision to protect is taken. In the absence of the Chair of the Scrutiny Panel, the Speaker is to be consulted.
- 7.3 To allow the protection to take place the [Chief Executive] must indicate their reasons for the decision to protect, this should be published online alongside the decision in question.
- 7.4 Any protection from call-in decision must be reported to the next meeting of the Full Council, including the rationale.
- 7.5 The operation of the protection provisions shall be monitored annually and a report submitted to Full Council if it is considered that any review of the provisions is necessary

Referral of decisions contrary to the Policy Framework or the Budget

- 8.1 Where the Scrutiny Panel concludes that the decision called-in is, or if made would be, contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget then as indicated above, the decision will be referred to Full Council.
- 8.2 The Monitoring Officer will prepare a report for Full Council, consulting with the s151 Officer in cases where the Scrutiny Panel concludes that the decision is contrary to or not wholly in accordance with the Budget. That report will include the original decision, the call-in request form and the minutes of the Scrutiny Panel. The Monitoring Officer, and s151 Officer as required, will include their findings as to whether the decision is or is not contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget.
- 8.3 The Monitoring Officer's report will be submitted to the next available meeting of Cabinet for their consideration and to determine what action it wishes to take having regard to the Monitoring Officer's findings.
- 8.4 At that meeting the Cabinet must decide upon the action it wishes to take, if any, with regard to the Monitoring Officer's findings and submit its own report to Full Council
- 8.5 When Full Council considers the Call-In and associated reports on the matter it has the following options:
 - a) Endorse that the decision falls within the existing Policy Framework or the Budget. In this case no further action is required, and the decision of the Full Council will be recorded in its minutes and circulated to all Councillors in the normal way.

- b) Amend the existing Policy Framework or the Budget to encompass the decision of the body or individual responsible for that “Executive” function, and agree to the decision with immediate effect. In this case, no further action is required, and that decision of the Full Council will be recorded in its minutes and circulated to all Councillors in the normal way.
- c) Uphold the view that the decision is contrary to a Policy Framework Document or the Budget and choose not to amend policy to accommodate it, requiring the Cabinet to reconsider the matter further in accordance with the advice of the Monitoring Officer.

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Scrutiny Panel 20th February 2023 Item 5 - Quarterly Finance Update	Item No 5
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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 November 2022
- Capital Update and Property Disposals and Acquisitions Report September 2022
- An overview on the proposed council budget for 2023/24 (verbal presentation).

Invited Guests

London Borough of Hackney

- Cllr Rob Chapman, Cabinet Member for Finance, insourcing and customer service
- 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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Title of Report	2022/23 Overall Financial Position - November 2022	
Key Decision No	FCR S096	
For Consideration By	Cabinet	
Meeting Date	23 January 2023	
Cabinet Member	Cllr Chapman, Cabinet Member for Finance	
Classification	Open	
Ward(s) Affected	All Wards	
Key Decision & Reason	Yes	Result in the Council incurring expenditure or savings which are significant having regard to the Council's budget for the service / function
Implementation Date if Not Called In	30 January 2023	
Group Director	Ian Williams, Group Director of Finance and Corporate Services	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This is the seventh Overall Financial Position (OFP) report for 2022/23. It shows that as at November 2022, the Council is forecast to have an overspend of £7.869m on the General Fund - a decrease of £540k from the previous month
- 1.2 As can be seen below, the overspend relates to various pressures including: - Adult Social Care (primarily Care Packages, Mental Health and Provided Services); Climate, Homes and Economy (primarily Planning income); Children and Education (Corporate Parenting and Access and Assessment); F&CR (Strategic Property Services, ICT 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 inflation crisis impacts on various components of many of the Council's services but in particular on those with significant energy, fuel and contract costs. Particular examples include increased energy costs of running Council buildings, fuel costs in Environmental Operations and SEND transport and inflationary pressures coming through from care providers. There is also considerable pressure as a result of the 2022/23 pay award which was significantly more than budgeted for. The Council's Corporate Leadership Team is taking measures to try and mitigate the impact of these on the overspend (see below) however, the pressures are such that actions are containing the current position rather than significantly improving it - although there has been an improvement in the forecast this month.
- 1.4 Residents will also continue to face significant financial pressures as the inflation surge is showing no sign of abating. Below, a description is given of what the Council is doing to assist residents to manage the impact of the cost of living crisis. This includes an update on the recently launched Money Hub.
- 1.5 The Government published the 2023-24 Provisional Local Government Finance Settlement on 19th December 2023. Whilst we are still working through the detail, the settlement appears to help the Council to set a balanced budget for 2023/24 largely through some additional and some re-purposed funding for social care but it does little to address the underlying position and we remain in a very uncertain position on future funding levels. Paragraphs 2.9-2.10 sets out further detail.
- 1.6 Finally, this report contains a proposal to fully exempt foster carers who pay council tax in Hackney from paying the tax and a proposal to pay out of borough carers who foster Hackney children, a supplement of £10 per week. This will help us to retain existing carers and may lead to an increase in house provision over time. It must be remembered that the cost of in house carers is significantly less expensive than external carers. The policy is proposed to become effective on 1st April 2023.
- 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 £23.114m 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 £7.869m - a decrease of £540k from the October forecast. The reason for the significant increase in the overspend, before application of reserves since last month is the inclusion of the 2022-23 pay award in the directorate forecasts which is funded by a budget provision and reserves

- 2.2 The Government published the 2023-24 Provisional Local Government Finance Settlement on 19th December 2023. The aggregate increase in Spending Power is 9% but this increase is heavily reliant on an assumed Council Tax increase which is the largest increase in any of the Spending Power elements. Moreover, it is another one year Settlement which fails to provide certainty or financial security for councils. or the level of funding that would allow for proper investment in local services.. Even after this Settlement, underlying pressures and increasing demands for services remain for Hackney and other councils, and whilst we look to be in a position to set a balanced budget for 2023/24 we face significant challenges going forward and difficult choices are likely to be required..
- 2.3 Turning to the Settlement provisions, the social care grants announced in the Autumn Statement were confirmed as were the referendum limits and the freezing of the business rates multiplier (which councils will be compensated for). Revenue Support Grant will increase in line with CPI but this increase is partly funded by rolling in three smaller grants - local council tax support grant, family annex council tax discount grant and Natasha's Law Grant. So part of the revenue grant increase will be offset by the loss of these grants in 2023-24. Services Grant has also been cut (in aggregate from £822m to £464m), while the Lower Tier Services Grant has been deleted (£111m) and the New Homes Grant total has reduced from £556m to £291m. We are currently working through the details of the scheme to assess the impact on Hackney because as ever, the devil is in the detail but will report back when we have completed our analysis.
- 2.4 Returning to the forecast, aside from the costs of inflation which were not budgeted for when the budget was formulated in January but are now included in this forecast; the overspend also reflects increased demands and increasing cost pressures in some areas and reduced income streams in others.
- 2.5 The main areas of overspend are: -
- Childrens and Education** (£1.822m before Cyber and the Pay Award) in the areas of Corporate Parenting, Access and Assessment, Looked After Children, and Safeguarding and Learning; partially offset by an underspend on clinical services and the Family Learning Intervention Programme
- Adults, Health and Integration** (£5.496m before Cyber and the Pay Award) primarily in the areas of Care Support Commissioning, Provided Services and Mental Health.
- Climate, Homes and Economy** (£1.370m before Cyber and the Pay Award) primarily in the area of Planning but with some overspends in Community Safety, Enforcement & Business Regulation and Environmental Operations
- F&CR** (£0.978m before Cyber and the Pay Award) in Strategic Property Services which is driven by a forecast increase in bad debts due to Covid-19 and the cost of living crisis; Housing Needs resulting from an increase in the

number of hostels, and the increase in the need for 24 hour security; and ICT relating to staffing costs associated with increased demands on the service

Cyberattack - One off cost of £4.670m, 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 - 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 £18.5m by the end of this financial year. The statutory override which allowed this deficit balance to be carried in the Council's accounts has recently been extended from 31 March 2023 to 31 March 2026 by Government. However, this continues to remain a long term risk for Hackney in the event there is no further funding provided by the Department for Education (DfE) 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 through a grant of up to £1m, rather than provide direct funding to address the deficit, hence the potential risk to the Council. Senior officers have held an introductory meeting with representatives of the DfE in respect to the format and workstreams of the programme, with the detailed work due to commence from early 2023.

- 2.6 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.
- 2.7 Inflation continues to 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 emerged include increased energy costs of running Council buildings, fuel costs in Environmental Operations and SEND transport and inflationary pressures coming through from care providers. There is also considerable pressure as a result of the 2022/23 pay award which was higher than budgeted for.
- 2.8 The Council's Corporate Leadership Team is trying to mitigate the impact of these pressures on the overspend by continuing with the measures we introduced in the Summer of 2021, which as Members will recall were successful. To date AH&I have saved £148k and anticipate a further £50k by the end of the year. For Children and Education, to date the service has achieved £750k in cost avoidance by targeting high cost placements within CFS and we are on track to achieve £1m this financial year. A target of £100k was also set by the service to reduce agency staff spend and this is also on track to be delivered through initiatives such as converting staff to permanent/fixed term contracts, and we have achieved half of this target to date. In F&CR, management are holding posts vacant for a longer period in order to reduce the overspend and non-essential spend is continually being

reviewed as part of budget monitoring meetings. The directorate has identified non-essential spend savings which total £145k. In CHE unspent budgets on non essential expenditure is being held across the directorate to mitigate the overspends. This is already being included in the forecast outturn and covers expenditure such as training, clothing and equipment, (managers are delaying the replacement of items), tighter control on waste bag supplies and holding other unspent expense budgets.

- 2.9 The Corporate Leadership Team will continue to consider further measures to reduce spend and report back in future OFPs. 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 This month the majority of the impact of the pay award is reflected. As stated in previous months this was significantly in excess of that budgeted. 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.
- 2.11 We are also impacted, of course, by changes in interest rates. On 15th December, the Bank of England increased the base rate by 0.5%. This clearly will have implications for residents by increasing the cost of borrowing (especially on those with a mortgage) and on the Council through any borrowing entered into to deliver the Capital Programme. The combination of inflation and its impact on contractor fees and other costs, together with the extra cost of borrowing will impact on the viability of schemes. And it will get worse before it gets better - the base rate is forecast to reach 5.2% by quarter 4 of 2023 and still be at 4.4% in quarter 4 of 2025. We are currently transitioning to a new governance structure for our Capital Programme which will introduce further challenge and monitoring into the oversight of the programme as well as ensuring links between the capital projects and our revenue budgets are more explicitly and widely understood and taken account of in recommendations to Cabinet.

2.12 The financial position for services in November is shown in the table below

Table 1: Overall Financial Position (General Fund) November 2022

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£k	£k
92,359	Children and Education	1,822	63
125,276	Adults, Health and Integration	5,496	192
27,382	Climate, Homes & Economy	1,370	35
20,813	Finance & Corporate Resources	978	-769
15,376	Chief Executive	(467)	-110
52,652	General Finance Account	0	0
	Sub Total	9,199	(589)
	One-Off Cyberattack Costs	4,670	49
	Pay Award	9,245	9,245
333,858	GENERAL FUND TOTAL	23,114	8,705

Table 2: Funding

	Forecast Variance Before Reserves
	£000
GENERAL FUND TOTAL	23,114
LESS CYBER SET ASIDE	-2,500
LESS CYBER RESERVE	-2,000
LESS SAVING FROM SEPTEMBER 2022 REDUCTION IN NI RATE	-500
LESS COST PRESSURES SET ASIDE	-1,000
LESS BUDGET SET ASIDE & RESERVE DRAWDOWN FOR PAY AWARD	-9,245
NET OVERSPEND	7,869

2.13 It should be noted that we are forecasting a significant but not full achievement of the 2022/23 budget savings and the vacancy savings. AH&I is reporting a residual shortfall of £400k and have built this into the forecast. They are pursuing mitigations but at this stage are unable to provide an estimate of these but will update as soon as this is known. Also, CHE is on target to achieve its savings plans of £2.9m. However, the staff saving in Community Safety, Enforcement and Business Regulation 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. The vacancy factor saving of £0.562m in Environmental Operations is now forecast not to be achieved in-year. The Head of Service has proposed a number of efficiencies to deliver the vacancy factor saving in 2023/24 so that this pressure is resolved from 2023/24 onwards.

Cost of Living Crisis

- 2.14 As the Council feels the pressure of rising inflation and interest rates, and increased fuel costs, so do our residents. Hackney already had high levels of poverty, this has worsened during the pandemic and now poverty is entrenching and more people are falling into difficulty. A cost of living crisis disproportionately impacts lower income groups, as more of their income goes on essential costs.
- 2.15 Tackling Poverty has been a key priority for the Council in recent years and we adopted a [poverty reduction framework](#) in March 2022. This was informed by work during the pandemic when we tried, from the outset, to focus our response on how those on lower incomes were going to be impacted and campaigning for more funding. We have kept working closely with the community organisations at the heart of the pandemic response because we always knew more people would be struggling financially coming out of the pandemic.
- 2.16 The response to the cost of living crisis, which is set out below, is in line with the third objective of the poverty reduction framework which is about responding to material needs, by developing a more coordinated emergency support and advice offer, with more preventative help, linking emergency support with income maximisation and advice and supporting frontline services and community partners on the ground who are best placed to support residents. Ultimately we are trying to create one connected system of support, with the Council, statutory partners and community organisations working together.
- 2.17 The Council has established the Money Hub - a new team of specialist advisors who will support those in severe hardship, who have no other source of monetary support available. In terms of the financial support the Council is able to offer to residents through the Hub, we have the Hackney Discretionary Crisis Support Scheme (HDCSS), which provides one-off payments for emergencies and items that are difficult to budget for. In addition, we also support residents having temporary difficulty meeting housing costs through the discretionary housing payments (DHPs) and have the Council Tax Reduction Discretionary Fund, which allocates out a small cash limited fund to provide discretionary financial help for council tax payers in hardship. Finally the Hub is allocating out £200k of Household Support Fund monies (see below for detail on the Housing Support Fund).

As well as paying out discretionary funds, the Money Hub works to increase benefits take-up and connect residents with other financial support, including providing housing navigation support and signposting to debt advice.

1300 residents have requested support in the seven weeks since the Money Hub launched - more than applied to DHP and HDCSS in all of the previous year. Residents are much more likely than previous applicants to discretionary funds to be in the Poverty Reduction Strategy, and more than half are already in rent or Council Tax arrears.

The team has distributed £67k of discretionary funds, and delivered £78k worth of increased incomes through benefits uptake work, mainly through CTR, Housing Benefit, Universal Credit and Pension Credit.

The average wait time for support is 5 weeks; the team predicts this will rise slightly after the Christmas shutdown, but reduce again by February.

On funding distributed, we have made the following payments:

- *CTRS Discretionary Hardship Scheme - £287k paid out as at 1st December 2022*
- *Discretionary Housing Payments - £856k paid out by the end of 1st December 2022*
- *Hackney Discretionary Crisis Support Scheme - £108k paid out as at 1st December 2022*

2.18 We have also rolled out the Government's scheme to support residents with rising fuel costs. Payments made this year is as follows::

- *Fuel cost related rebates - Standard £150 Council Tax Rebates scheme - £14.3m paid out; and discretionary schemes £1,931 paid out as at 1st December (primarily the £30 top-up scheme)*

2.19 As well as routing £200k of Household Support Fund via Money Hub, the Council is using the Housing Support Fund to provide support to those we know are in need. £2.8m has been awarded in total from October 2022 to March 2023 and the remaining £2.6m allocated will be used as set out in the bullets below, with the balance supporting the administration and management required to deliver a programme like this on time, on budget and with due diligence in place:

- **£1.6m- Children and families 0-19:** Support primarily via vouchers for children on free school meals, Children's Centres (including the Orthodox Jewish community) and in local colleges - payments going out before Christmas
- **£400k- Help with housing costs and bills for people we know are at risk-** identified by Housing Needs, Childrens and Adults - payments to go out in new year
- **£200k Money Hub** funding will be routed through Money Hub, the Council's income maximisation team to top up support available to residents they identify or who apply for support
- **£200k Trusted referral partners** A network of trusted referral partners is being developed. From January, vetted partners will be able to access £100 crisis payments (for food and fuel) to those residents/ patients/ service users identified by frontline staff as being at risk in terms of welfare, health or wellbeing due to cost of living impacts (see below).

- **£150k [Hackney Giving](#)** - this will enable us to route HSF funds to diverse communities by funding community organisations that provide financial support to residents - organisations will apply for funding via an application process and our funding will be matched with public donations raised from this campaign

Continuation of the Household Support Fund was confirmed in the Autumn Statement and we plan to build on the approach outlined above for April 2023 onwards.

2.20 We are also embedding financial help into the work of Children and Education. This includes:

- *Children's centres* Families receiving targeted support via the Multi-agency teams (MAT) receive food vouchers and all other families who are eligible can access Healthy start vouchers and Alexander Rose vouchers redeemable for fruit and veg from Hackney markets- we have recently agreed further funding for Alexander Rose again to work in Hackney with a £20k grant from Public Health
- We are running support in holidays with funding from the Department of Education: Holiday Activity and Food programme will run for four days during Christmas holidays. This provides activities and lunch for children on FSM.
- A task group has been established to review food poverty affecting children in schools. The task group will listen to schools and community organisations to inform thinking about how we might expand the FSM offer to a wider group of children and look at models that reduce unit cost, improve quality, but do not simply rely upon additional subsidy.. A '[food poverty in education summit](#)' was held on 13th December chaired by Mayor Glanville, Paul Senior and Cllr Bramble and looking at approaches implemented in neighbouring boroughs. The summit convened key stakeholders including headteachers, food partners and Hackney education leads to discuss which priority models should be explored further by the task group, the main barriers to progressing these and any alternative recommendations or options.

2.21 The Council has recently identified a further £600k to support poverty reduction. The focus is on either developmental interventions or those that meet the needs of groups that Household Support Fund cannot support, and specifically those with no recourse to public funds (public funds does not mean any council fund, there are specific restrictions as set out [here](#)). In summary resources will support:

- Tackling child poverty in schools. We have established a task force under Education which is reviewing food poverty affecting children in schools and settings and will consider how best to use £300k to test ways to tackle child poverty in schools
- Money Hub support -providing energy efficient appliances that help reduce fuel bills and providing additional resources to Money Hub

- Hardship support and preventative help for those who have no recourse to public funds.

2.22 Alongside the direct support that the Council is putting in place, we are doing what we can to support organisations on the ground, who are struggling with rising costs and demands. This is vitally important because it is these organisations that have the greatest reach into diverse communities, can ensure that residents are supported in a more ongoing way at community level, and can access *independent* advice and accredited financial, debt and legal advice when appropriate.

- We have already secured £95k from the NHS to shore up support over winter, purchasing food and helping with the volunteer drive.
- We continue to try to help organisations raise funding.
- A greater share of the Community Grants budget (£1m out of a £2.5m budget) has been dedicated to funding more social welfare advice in Hackney.

2.23 More detail about this partnership work, and about the whole response is provided in this [stakeholder briefing](#) which will be kept up to date on a regular basis.

Foster Carers Council Tax Exemption Proposal

2.24 In November 2022, Hackney Children and Families Services were supporting 415 looked after children and 390 care leavers. Our ambition is to provide safe, nurturing and sustainable homes for all our looked after children and care leavers and we believe that the best long term option for most of them is with Hackney's foster carers, connected carers or supported lodgings hosts.

2.25 We have maintained a strong recruitment record for fostering over the years, despite a chronic national shortage of foster carers. The number of Hackney fostering housings continues to increase year on year, going up from 114 in 2017 to 170 to date. However, Hackney's Foster Care Council have repeatedly highlighted the fact that other boroughs (including Camden, Southwark, Greenwich, Waltham Forest, Havering, Thurrock and Redbridge) offer council tax relief to foster carers and in some instances have cited unprecedented pressures on the cost of living. In 2018 Children and Young People's Scrutiny Committee recommended we consider the introduction of a council tax reduction scheme for foster carers. The Children and Young People Scrutiny Commission reiterated this recommendation in October 2022. If our offer to carers does not remain competitive with our neighbours, and the very strong offer that many Independent Fostering Agencies put forward to prospective carers, we will risk losing new and existing carers to our competitors in this field.

2.26 Four options were considered for this proposal, a do nothing option, a 50% exemption for council tax relief and a 100% exemption. The final option which is the chosen option is a 100% exemption and a payment of £10 per week for foster carers who live outside the borough - the latter to be funded by the

service. The chosen option provides the strongest basis to retain our existing carers and to be able to recruit new carers. It will be effective from 1st April 2023

- 2.27 The budget pressures within Corporate Parenting, relating to the costs of care arrangements for looked after children and care leavers, are significant. The total spend on care arrangements for looked after children and care leavers for 2021/22 was £29.7 million. The successful recruitment and retention of our in-house foster carers is central to our efforts to provide the best possible outcomes for our looked after children and young people while reducing the costs of our care arrangements . The potential cost savings for caring for a child in-house are significant, as these are the most cost efficient care arrangements for our children.
- 2.28 Under Section 13A(c) of the Local Government and Finance Act 1991 a billing authority may reduce the council tax a person is liable to pay in respect of a chargeable dwelling in the borough. This power permits the reduction of liability to nil and can be reserved for specific groups.
- 2.29 We are proposing the Council tax exemption be offered to Hackney Foster Carers that live in Hackney and an additional contribution of £10 per week be offered to Hackney carers who live outside of Hackney; effective as from 1st April 2023. 55% of our carers live in the borough. If implemented, the process will involve the Fostering Service informing the Revenues Team about foster carers living in the borough. The discount will only be valid if recipients remain as foster carers. Exemption from the payment of council tax would cease when a foster carer resigns, or is deregistered, or takes a break from fostering for longer than six months. Children and Families Services would be responsible for paying the council tax contributions to carers living outside the borough.
- 2.30 The reduction in Council Tax income is estimated to be £155k based on 93 carers and the current Band D rate of £1,671 per annum (Hackney and the GLA). The actual reduction in income will be dependent on each foster carer's property band as well as any reductions a foster carer may already be receiving. A further £10 per week to foster carers living in different boroughs as a contribution towards their council tax costs is also proposed. This increased cost has been estimated to be approximately £40k per year based on current data, and this element will be met from the Children and Families Corporate Parenting placement budget.

3. RECOMMENDATIONS

- 3.1 Note the update on the overall financial position for November covering the General Fund and HRA**
- 3.2 To approve the proposal, to award a 100% Council Tax exemption to foster carers paying Hackney Council Tax, effective as from 1st April 2023; and to amend the Policy for Considering Applications for Council**

Tax Reduction under Section 13A of the Local Government Finance Act 1992 as Amended by the Local Government Finance Act 2012, accordingly. The Amended Policy Document is attached at Appendix 1.

- 3.3 To approve a £10 per week contribution towards the Council Tax of foster carers who foster Hackney children but who live outside of the London Borough of Hackney, to be met from the Children and Families Corporate Parenting placement budget. It will be effective from 1st April 2023.**

4. REASONS FOR DECISION

- 4.1 To facilitate financial management and control of the Council's finances and to approve the Foster Carers Proposal

5.0 DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 This budget monitoring report is primarily an update on the Council's financial position. On the Foster Carers Proposal sets out the options considered and the rationale for the recommended proposal.

6.0 BACKGROUND

6.1 Policy Context

This report describes the Council's financial position as at the end of November 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. For the Foster Carers proposal, Hackney foster carers are disproportionately female and from Black and Global Majority communities. Our fostering households are predominantly female led (91%). The age range of our carers spans from 31 to 75, with the average age of Hackney carers as 53 years old. The largest ethnic groups of Hackney carers are Black Caribbean (35%) followed by Black African (20%).

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. For the foster carers' proposal, Hackney Foster Carers have been consulted on this as part of the

CYS Scrutiny Commission in 2018 and October 2022, as well as through regular in-service foster care forums.

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 On the foster carers proposal, Article 5.4 of the Councils constitution gives the Mayor the authority to carry out certain functions. These functions can be delegated to Cabinet collectively. In line with article 5.5 such functions include giving overall political direction to the Council by drawing up policies that seek to balance the interests of the community, to set priorities that contribute to the life and development of the borough, to promote and improve the social wellbeing of the boroughs inhabitants. The recommendations as set out in the report aim to support the provision of family setting homes for children and young people. Such policies support the Councils community strategy and commitment to ensuring that its inhabitants enjoy a good quality of life. The Council's Section 13a Policy has been updated in line with this decision - a draft of which is attached at Appendix 1 to this report.

8.7 All other legal implications have been incorporated within the body of this report.

9. COMMENTS OF THE GROUP DIRECTOR OF CHILDREN AND EDUCATION

9.1 The successful recruitment and retention of our in-house foster carers is central to our efforts to reduce the costs of our care arrangements and achieve the best possible outcomes for our looked after children and young people. The potential cost savings for caring for a child in-house are significant as these are the most cost efficient care arrangements for our children. The council tax exemption proposal will help us retain existing in-house carers and to attract other carers over time

10. CHILDREN AND EDUCATION

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
92,179	Children and Education (excl Cyber & Pay Award)	1,822	63

10.1 The Children and Families service are forecasting a £1.8m overspend before pay award and cyber at the end of November 2022, after the application of reserves totalling £4.9m and after the inclusion of the Social Care Grant allocation of £8.5m. The overspend with the inclusion of the pay award and the cyberattack is £3m.

10.2 The cost of the pay award is £1.1m, which will be funded centrally. The only other material increase in expenditure this month is in residential care and semi-independent placements with the cost amounting to £0.1m increase in the forecast this month.

- 10.3 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.
- 10.4 There is a gross budget pressure in staffing across **Children and Families Services (CFS)** of £1.6m excluding the pay award. 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 increase in the Social Care Grant allocation. This resource continues to be factored into the forecast, and proposals are being developed by the Group Director and Director to review the staffing structure across the service. The expectation is that the implementation of the new structure will take place from October 2023. A further Ofsted focused visit took place in September 2022, and focused on the 'front door' services, including decision-making and thresholds for referrals about children, child protection enquiries, decisions to step up or down from early help, and emergency action out of hours. The findings from the focused visit were positive, and recognised the strength of 'front door' services, the recent integration of early help services, and that senior leaders continue to make improvements to services in a challenging context.
- 10.5 The main areas of pressure in CFS continues to be in Corporate Parenting which is forecast to overspend by £1.8m (which includes the pay award) 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. There are also more children within high cost bespoke packages than in previous years and this has caused upward pressure on cost for the service this financial year. Similarly, Looked After Children & Leaving Care Services is expected to overspend by £0.3m, and this relates to an increase in commissioning costs and some staffing costs pressures linked to additional posts and agency staff usage. At the start of this financial year we saw a reduction in residential placements however the placement costs are increasing in residential care and semi-independent placements due to care providers being faced with the challenges of rising inflation and the cost of living crisis. We are expecting further young people to be stepped down from residential placements in the next six months and this will be reflected in the forecast when this occurs.
- 10.6 **Disabled Children's Services** are forecast to breakeven after a £0.1m movement from last month which primarily relates to reduction in the level of short breaks services and personal budget payments.

- 10.7 **The Access and Assessment and Multi Agency Safeguarding Hub** have an overspend of £0.5m. In addition to the impact of the pay award, the overspend is 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. The service is also considering initiatives to retain staff such as market supplements in hard to recruit areas of the service.
- 10.8 **Hackney Education (HE)** is forecast to overspend by around £5.9m, of which £1.1m relates to the 2022/23 pay award and which will be funded corporately. Not including the pay award, the underlying overspend across the service is £6.2m, and this is partially offset by mitigating underspends of £1.5m. The main driver is a £5.4m pressure on SEND as a result of a significant increase over a number of years now of children and young people with Education and Health Care Plans (EHCPs) which has continued into the current year.. SEND Transport has had corporate budget growth awarded to the service of £1.1m this year, however the service is still forecasting a £1.8m pressure. This is partly due to increased activity coupled with increased fuel prices and transport costs. Given the volatility of fuel prices, this area continues to be monitored closely throughout the year. Other areas of overspend are within Education Operations for the Tomlinson Centre (£0.3m) and Children's Centre income collection (£0.5m), and both overspends are mainly as a result of reduced usage for services post-pandemic.
- 10.9 **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. The saving for early help services of £350k will not be achieved fully this year and mitigating non-recurrent funds have been identified. It has been challenging to disentangle the Young Hackney contract from the support Prospects provides. The removal of the contract without a coherent alternative service in place is likely to see performance dip through increases in our children Not in Education Employment or Training (NEET). Timeframes to remodel the service have also been impacted by changes in staff across Hackney Education and Employment and Skills with the Head of Service for Employment and Skills post, which was a key resource to enact the changes being vacated.
- 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.
- 10.10 A **vacancy** rate savings target of £1.7m has been set for the directorate in 2022-23 (£0.9m for Children and Families and £0.8m for Education) and the forecast assumes that this will be achieved or mitigated. 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.

- 10.11 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 increasing.
- 10.12 **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 £18.5m by the end of this financial year. The statutory override which allowed this deficit balance to be carried in the Council's accounts has recently been extended from 31 March 2023 to 31 March 2026 by Government. However, this continues to remain a long term risk for Hackney in the event there is no further funding provided by the Department for Education (DfE) 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 through a grant of up to £1m, rather than provide direct funding to address the deficit, hence the potential risk to the Council. Senior officers have held an introductory meeting with representatives of the DfE in respect to the format and workstreams of the programme, with the detailed work due to commence from early 2023.
- 10.13 **Management Actions** to reduce the overspend. In addition to budgeted savings further cost reduction measures have been developed for 2022/23.
- (a) 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).
 - (b) 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.

10.14 **Measures to control spending.** In the May 2022 budget report it was agreed that previous measures to control spending introduced in the Summer of 2021 will continue. For Children's and Education, the measures in place and to be developed include:

(a) 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.

(b) 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.

(c) 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.

(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). 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.

11. 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. Pay Award and Cyber)	5,496	192

- 11.1 Adult Social Care is forecasting an overspend of £5.5m excluding the pay award and the costs of the cyberattack, and after the application of reserves of £5.2m and the inclusion of the Social Care Grant allocation of £8.5m. Inclusion of the costs of the pay award and the cyber attack increases the overspend to £7m. The cost of the pay award is approximately £1.2m which is to be funded corporately.
- 11.2 As has been the practice since the Social Care Grant was announced in 2019/20, the 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.
- 11.3 **Care Support Commissioning** is the service area with the most significant budget pressure in Adult Social Care with a £3.8m budget pressure. The position has moved adversely by £362k this month, attributable to £173k of retrospective payments for learning disability care packages of which one care package commenced in November 2019, with the remaining £189k due to growth in new long term care service users. The issue of retrospective payments for care has been prevalent over a number of years and has had a significant financial impact across Adult Social care, due to this the service is undertaking a review of the end to end process to address these issues. This service records the costs of long term care for service users and the budget overspend reflects both the growth in client activity and increasing complexity of care provision being commissioned. The forecast also includes NHS support of £1.1m towards ensuring efficient discharge of people from hospital and a total of £9.4m towards funding care costs for service users with learning disabilities.
- 11.4 **Provided services** forecast reflects a £0.5m movement this month due to the application of the pay award. The overall position is now a £2.0m budget overspend, and is made up primarily of an overspend within the Housing with Care (HwC) service of £2.7m offset by an underspend on day services of £0.7m. The HwC forecast overspend of £2.7m reflects, in addition to the pay award cost, both the delayed impact of delivery of the £1m savings (£500k in 21/22 and a further £500k in 22/23) as well as high levels of staff sickness and the service engaging agency staff to cover these roles

alongside additional capacity required to maintain service provision. The majority of the day service underspend of £0.7m is from the Oswald Street day centre which continues with a limited number of service users as a result of maintenance work needed to ventilation at the premises.

- 11.5 **The Mental Health** position reflects an adverse movement of £28k this month, attributable to the pay award of £146k partially offset by a reduction in care provision of £43k, and additional income received from health partners of £75k. The overall position is now a £1.3m budget overspend, and is largely attributed to an overspend on externally commissioned mental health care services. Adult Services continue to work in collaboration with East London Foundation Trust to reduce the budget overspend as part of the agreed cost reduction measures.
- 11.6 **The Preventative Services** position reflects an adverse movement of £255k this month primarily due to the pay award of £221k. The overall position is now an underspend of £29k, which is primarily attributable to the following: workforce budget pressures of £0.3m across the service; taxicard scheme budget overspend of £0.1m, and the pay award budget pressure of £0.2m; and this is offset by budget underspends across the interim bed facility at Leander Court (£0.2m), and substance misuse forecast (£0.4m) linked to lower than expected demand for services.
- 11.7 **Care Management and Adult Divisional Support** reflects an adverse movement of £136k this month, primarily due to the pay award of £149k offset by a reduction in locum staff costs of £13k. The overall position is a budget underspend of £54k
- 11.8 **ASC commissioning** has moved adversely this month by £45k primarily due to the pay award of £124k partially offset by additional grant funding received of £73k. The overall budget position is a £48k budget underspend, after the application of one-off funding of £2.5m which is supporting various activities across commissioning. This includes funding of hospital discharge facilities, additional staff capacity, extracare services at Limetrees and St Peters and Rough Sleeping Initiative.
- 11.9 This 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. However, despite the uncertainty about the level of funding we will receive, we will continue to support Ukrainian refugees in future years.
- 11.10 **Public Health** is forecasting a breakeven position which includes the application of the recent pay award and the delivery of planned savings of £0.5m. During the Covid-19 pandemic Public Health activity increased significantly, specifically around helping to contain the outbreak in the local area, and this saw some reductions in demand-led services due to the implementation of national restrictions. Post pandemic, demand-led services continue to be carefully monitored by the service to ensure service provision

remains within the allocated Public Health budget in the current financial year and future financial years. Hackney mortuary reflects an adverse movement of £9k this month, primarily attributable to the pay award.

- 11.11 Adult Social Care has **savings** of £1.45m to deliver in 2022/23. Those savings related to efficiencies of housing related support contracts (£650k); the promotion of direct payments (£50k); and increased care charging (£250k) are on track to be delivered this financial year, and are factored into the forecast. 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 a total of £1m savings across 2021/22 and 2022/23. There will be part mitigation (£600k) by further efficiencies within housing related support contracts this year but this currently results in a real cost pressure this year of £400k. Contract negotiations are currently underway with commissioned providers, and the service is confident that further mitigations will be identified throughout the year.

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.

- 11.12 **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 (SMT) 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.
- 11.13 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. The system has now been restored from November 2022, and £0.3m is reflected in the forecast as the cost of additional staff to support the work to restore the system. 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 was inaccessible. There is a potential risk that not all data has been loaded onto Mosaic at this stage, and the service is working proactively to ensure that packages are loaded accurately and in a timely manner.
- 11.14 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 some will be allocated to begin planning and preparations for charging reform. The Chancellor of the Exchequer presented his Autumn Statement to Parliament

on Thursday 17 November 2022, and this confirmed that the ASC funding reforms will be pushed back two years to October 2025.

- 11.15 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. Inflation rates are forecast to reach a peak of 11% in 2022, and this not only presents challenges to the Council but also to care providers.
- 11.16 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.
- 11.17 **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.
- 11.18 **Measures to control spending.** In the May 22 budget report it was agreed that previous measures to control spending introduced in the Summer of 2021 will continue. 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.

12.0 Climate Homes and Economy (CHE)

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
27,382	Climate, Homes and Economy excl. Cyber and the Pay Award	1,370	35

12.1 The directorate is forecasting an overspend of £1.37m after excluding the cyberattack and the pay award, following the use of £3.4m of reserves. The overspend increases to £4.9m with the inclusion of the pay award and the cyber attack. This cost of the pay award is £3.363m, which will be funded corporately. Leaving aside the pay award and the cyberattack costs, the overspend has increased by £0.035m from the October position.

12.2 **Planning Services** are forecasting a £0.869m overspend which is a favourable movement of £0.089m from the October position. After taking into account the pay award impact of £0.264m there is a net positive movement within Planning sServices of £0.353m due to improvements in the income position. The underlying overspend in Planning Services is primarily related to Planning Application fee income, which has seen a steady decline over the past three years. There is also a shortfall of £205K in land charges income which is due to the continuing impact of cyberattack on the services. The shortfall in planning application fee income was 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. The underlying shortfall in income is now forecast at £400k which is a significant improvement on the forecast position last month and over the last

few years. The primary driver of the improvement has been an increase in Planning Performance Agreement (PPA) income which is now meeting its budgeted income levels.

- 12.3 The income target for minor applications is still forecast not to be achieved. It should be noted that the cost of determination of minor applications is more than the income 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 detrimentally affects this cross-subsidy and worsens the financial position the improvement in PPA income performance augurs well for next year as these should translate into major applications.
- 12.4 **Community Safety, Enforcement and Business Regulation** is forecasting an overspend of £0.579m an increase of £0.325m from the October forecast. The impact of the pay award contributes £0.299m to the variance. The underlying overspend is due to the ongoing requirement to deliver the vacancy factor savings in the service which is proving a challenge in this essential front line service.. All the enforcement teams are fully staffed and in addition there is maternity leave and long term illness to cover. The Head of Service continues to review budget lines to identify opportunities to mitigate the overspend.
- 12.5 **Strategy, Environmental Enforcement & Recycling** is showing an overspend of £0.055m from October position which is due to the impact of the pay award for 2022/23.
- 12.6 **Environmental Operations** is forecasting an overspend of £1.806m, which is an adverse movement of £1.562m from the October 2022 forecast. This movement has come mainly as a result of a £1.205m impact of the pay award for 2022/23 along with a further £0.357m on top of the previous overspend of £0.244m to take into account the previously noted major risk of the £0.562m vacancy factor not being achieved. Other non-budgeted activities totaling £0.220m are becoming increasingly difficult to contain within existing budgets. In summary, the service is striving to limit the impact of some unfunded budget pressures of £0.782m.
- 12.7 Concerning the increasing service cost pressures, the Head of Service is developing a number of proposals to improve the efficiency of service operations in order to deliver the vacancy factor savings without negatively impacting the service, but this will not have a significant impact until 2023/24. There are also other potential budgetary pressures on the horizon, with several supplier contracts for waste bag purchases, weed spraying, and bin purchases coming up for renewal, and suppliers are currently attempting to override existing prices due to rising costs.
- 12.8 Commercial waste income streams are nearly back to pre-pandemic levels, allowing some of these cost increases to be offset. In the coming months, detailed reviews of the budget lines will be conducted to quantify the risks and identify mitigations to reduce the overspend. However, due to the size of

the risk and the timescales remaining in this financial year, significant service level reductions will be difficult to achieve in the time remaining in 2022/23.

- 12.9 **Streetscene** is forecasting a £0.370m overspend which is an adverse movement of £0.479m from October 2022 position; this is due to the impact of the pay award which will be funded corporately. There is a significant budget risk that is emerging that may need to be addressed over the remainder of the year. Transport for London (TfL) funding is used to cover the costs of transport engineers who work on our highways and traffic schemes. The TfL funds received for this work in 2022/23 is £1.058 million, which is 42% less than in 2021/22 and less than the service expected. This TfL funding is for the Neighbourhoods and Corridors component of our highways work and, in order to secure additional funding, the service is in negotiation with TfL for cycling, bus priority, and scheduled road maintenance in order to deliver our investment plans. If we do not secure additional funds there is a potential £685k strain on staffing that may not be covered by charges to capital projects. The Head of Streetscene is keeping a close eye on TfL funding availability to ensure that the service can respond quickly to any funding announcements and maximise the amount of money available to fund schemes throughout the borough.
- 12.10 Although the likelihood is low there is an emerging risk that the cost of living crisis may have an impact on the income budgets of Parking, Markets, and Streetscene as people spend a greater proportion of their money on necessities such as food and energy and less elsewhere. Heads of Service are keeping a watching brief on the situation and monitoring income budgets closely.
- 12.11 **Leisure, Parks & Green Spaces** are forecasting a £413k overspend, which is an increase of £215k on the October position. The main variance to the October return is £198k due to the impact of the 2022/23 pay award which will be funded corporately. Other than this the remaining overspend is still due to ongoing water recharges. These are being challenged as they are significantly higher than previous years and the reasons for the increase needs to be verified. The service is seeing an increase in fuel costs due to the inflationary pressures but this is being funded by allocation from the Energy Price increase provision.
- 12.12 **Economy, Regeneration & New Homes** are forecasting an overspend of £103k, with an adverse variance of £103k during the period. The pay award is the main driver behind this, which equates to £111k and will be funded corporately. Without this there would be a modest underspend of £8k within the area.
- 12.13 The directorate is on target to achieve its **savings** plans of £2.9m. However, the staff saving in Community Safety, Enforcement and Business Regulation 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. The vacancy factor saving of £0.562m in Environmental Operations is now forecast not to be achieved in-

year, The Head of Service has proposed a number of efficiencies to deliver the vacancy factor saving which will deliver in 2023/24 so that this pressure is resolved from 2023/24 onwards.

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

	Amount £000
Decline in TfL funding impacting capitalised salaries in Streetscene	685
Impact of cost of living crisis on income budgets in Parking, Markets, and Streetscene	TBA
Total Risk	685

12.15 **Management Actions to reduce the overspend.** 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.

13.0 FINANCE & CORPORATE RESOURCES (F&CR)

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
20,815	Finance & Corporate Resources (Excl. Cyber and Pay Award)	978	-789

13.1 F&CR are currently forecasting an overspend of £0.978m excluding the pay award and the costs of the cyberattack, after a reserve drawdown of £2.35m. This is a favourable movement of the £789k on the October forecast. The cost of the pay award is £1.702m which will be funded corporately. The service continues to be impacted by the cyberattack with significant overspends in Revenues, Benefits and ICT totalling £4.168 m.

- 13.2 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 £1.9m cost pressure will be funded by the additional budget set aside for increased energy costs at the beginning of the year.

Service Area	Gas		Electricity		Total
	Budget	Forecast	Budget	Forecast	Total Variance
Strategic Property	64	271	177	618	647
Soft Facilities Management	106	273	548	1,162	781
Housing Needs	50	291	30	261	471
Total F&R	220	834	755	2,041	1,900

- 13.3 **Financial Management and Control** are currently reporting an overspend of £563k. This is an unfavourable movement of £154k which is due to the pay award which will be funded corporately. The remaining £400k of this overspend is driven by the cyber attack; £250k relates to the delay in the debt team realignment and the remaining £150k relates to additional staffing required to track and monitor the Cyber spend as well as reviewing all business cases for additional spend on recovery. .

- 13.4 **Strategic Property** Services are currently forecasting an overall overspend of £415k, an improvement of £18k compared to last month. The overspend amount attributable to the pay award is £42k. The overall improvement primarily relates to the Health and Safety team not needing to fill a number of existing posts until the next financial year.

Commercial Property are forecasting an overspend of £1,046k due to the under recovery of income and Other Professional fees relating to Lease negotiations. 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.

Corporate Property and Asset Management (CPAM) & Education Property is forecasting an underspend of (£547k) and Education (£85k) mainly due to holding posts vacant until early next year. Both areas have improved slightly compared to last month as more posts have been held vacant and there has been a reduction in agency costs.

- 13.5 **Housing Benefits** are currently forecasting an overspend of £1.270m. This is an adverse movement of £170k on the previous month's forecast due to the pay award which will be funded corporately. The overspend relates to the agency staffing forecast which is currently £1.85m, of which £580k can be absorbed by the underspend on permanent staff due to vacancies. The remaining £1.27m pressure is 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 996).

There will also be a deficit on the Net Cost of Benefits (NCOB) for 2022/23 resulting from the cyber attack 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 we will lose housing benefit subsidy due to breaching 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 £5m and if this materialises, it will be funded from historic grant balances.

13.6 **Revenues** are currently forecasting an overspend of £1.732m. This is a favourable movement of £68k on previous months forecast. The off-site resource requirement has reduced by £0.2m on last month's forecast, however, this reduction is offset by £132k additional pressure as a result of the application of the pay award in November which is to be funded corporately. The £1.732m overspend is made up of the following:

- £0.4m 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 £0.9m 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 the earliest, the start of the new financial year (23/24).
- £132k attributable to the application of the pay award in November.

The service has received new burdens funding to cover the additional costs incurred as a result of processing the energy rebate allocations across 2022/23. The initial grant funding has been factored into the forecast, and any additional funding announcements will be factored into future forecasts.

13.7 **Soft Facilities Management** are currently reporting an overspend of £37k after drawdown of reserves of £781k. The £37k is an unfavourable movement on last month's forecast and is a result of the application of the pay award in November.

- 13.8 **Support Services** are forecasting a variance of £57k. This is driven by the application of the pay award, which increases the forecast by £97k.
- 13.9 **Registration Services** are currently forecasting an underspend of £115k. This is an unfavourable movement of £35k on last month's forecast and is a result of the application of the pay award in November.
- 13.10 **Housing Needs** are currently forecasting an overspend of £871k after a reserve drawdown of £551k. This is a favourable movement of £86k on last month's forecast (and £500k reduction in reserves usage) and is a result of receiving additional Winter Pressures Grant Funding and refining the temporary accommodation rental expenditure forecast. The Winter Pressures Grant Funding of £931k announced in November has enabled us to manage the financial pressures within temporary accommodation and reduce our reserve requirement. The financial pressures are however subject to ongoing review and will be refined in future months as required.

The remaining overspend of £871k relates to 1) 271k relates to staffing pressures as a result of the pay award which will be funded corporately and 2) £600k of the overspend relates to pressures on security costs as a result of; an increase in the number of hostels and the increase in the need for 24 hour security.

- 13.11 **ICT** are currently forecasting to overspend by £1.8m after a reserve drawdown of £185k. This is an adverse movement of £312k compared to last month mainly due to the impact of the pay award (£308k) which will be funded corporately together with some additional costs for data migration relating to Cyber.

ICT Corporate are currently reporting an overspend of £1.67m after a drawdown from reserves. The overspend is mainly due to £788k for Cyber projects and the ongoing Amazon Web Services (AWS) costs. Additionally a number of contracts including AWS costs are paid in US dollars and have recently been subject to exchange rate risk with Sterling falling to an all-time low against the US dollar. Fortnightly meetings have been set up with the finance team to provide an update on how the service intends to reduce the key overspend causes.

Financial Management Systems are currently reporting an underspend of £47k for 2022/23.

Hackney Education ICT are currently forecasting an overspend of £185k which is significantly less than 21/22 due to the service being wound down. The variance mainly relates to an undisputed contractual commitment for safe storage of ICT media together with MS License costs.

- 13.12 **Audit & Anti-Fraud** are forecasting an underspend of £32k due to staff vacancies.

- 13.13 **Directorate Finance Team** are currently reporting an overspend of £20k, where vacancies in the service area are mitigating; £80k costs as a result of a delay in the restructure (as a result of cyber) and £105k of increased costs as a result of application of the pay award in November.
- 13.14 **Procurement** is currently reporting an overspend of £33k as a result of the pay award.
- 13.15 **HR & OD** are currently reporting an underspend of £13k, which is an adverse movement of £150k on previous month. £122k relates to application of the pay award in November and the remaining amount relates to BACS payment processing costs that were previously paid elsewhere.
- 13.16 All of F&CR **savings** are forecast to be achieved with the exception to those mentioned above relating to the cyber attack.
- 13.17 The table below shows areas of potential financial **risks** within F&R, where the forecast may see increases in the coming months :
- 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
 - Rental expenditure in Temporary Accommodation
- 13.18 **Management Actions to Reduce the Overspend.** It has been discussed with management to hold posts vacant for a longer period in order to reduce the overspend. Non-essential spend is continually being reviewed as part of budget monitoring meetings.

14.0 Chief Executive

Revised Budget	Service Area	Forecast Variance After reserves	Change in Variance from last month
£k		£000	£000
15,365	Chief Executive	-467	-110

- 14.1 The Chief Executive's Directorate is forecasting an underspend, before the pay award, of £467k following the use of £2.1m of reserves. The cost of the 2022/23 pay award is forecast at £722K. The main reason for the underspend is due to vacancies in Legal, Governance and Election Services and an improved income forecast in Engagement Culture and Organisational Development.
- 14.2 **Libraries & Heritage** are forecasting a £260k overspend which is caused by three main drivers - the primary cause is £182k from the impact of the 2022/23 pay award. The remaining £78k is down to the non delivery of

income targets (room bookings etc) and additional premises operational costs. The budgets are reviewed with the service on a monthly basis to try and mitigate areas that are overspending.

14.3 **Legal, Governance and Election Services** are forecasting an underspend of £44K which is a reduction of £227K since the forecast as at October. The principal cause of the change in the forecast is the impact of the 2022/23 pay award which was £256k. The main reason for the underlying underspend in the service is due to a number of vacancies across the service. The service is achieving its vacancy factor and will be recruiting to some vacant posts over the remainder of the year. This is reflected in the forecast.

14.4 The directorate is on target to deliver the approved budgeted savings.

14.5 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. Income received to the end of November is £634K, but some of this income relates to prepayments for future years and as the year progresses most income taken will relate to future years.
- Not achieving the external income target of £500K in legal services. Income received to the end of November is £216K. 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 has continued through 2022/23 and we have forecast a shortfall income of £158K this month and we will keep a close eye on income as it may reduce further. The service has a number of vacancies at the moment which is mitigating this overspend and risk.

14.6 **Management Actions to reduce any overspends.** Whilst the forecast for the directorate, excluding the impact of the pay award, is an underspend against its budget, the Directors and Heads of Service will continually review their budgets to identify opportunities to reduce reserve use and mitigate any potential income shortfalls that may arise as the year progresses.

15.0 HRA

15.1 The HRA is forecasting an overspend in net operating expenditure of £10.728m. However, the forecast overspend can be brought back into balance by a reduction in Revenue Contributions to Capital Outlay (RCCO) by an equivalent amount. We are able to do this 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. It should be noted that the backlog of maintenance work will need to be made good in future years and management action is needed to

eliminate the operational overspend and in order to restore the level of RCCOs for existing housing stock.

15.2 The Strategic Director of Housing Services is taking the following actions to mitigate the overspend; scrutinising all recruitment decisions, carrying out a review of non-essential budgets to release any uncommitted budgets, and reviewing all of the repairs expenditure to separate capital expenditure such as component replacements.

15.3 The major variances are:

Expenditure

- Housing Repairs has a projected overspend of £3.75m, which is due to an increase in reactive repairs, material costs, an increase in legal disrepair cases and the 2022/23 agreed pay award.
- Forecast overspend for Special Services, £5.8m, is mainly due to increasing energy prices. The cost of Gas and Electricity has been rising globally over the past year, however the council has not been affected by these increases due to forward purchasing and fixed prices. Current forecasts estimate a 90% increase in cost therefore resulting in a significant overspend. There are also overspends in estate cleaning and lift servicing and repairs.
- The Supervision and Management overspend of 1,101k 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 are 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.

Income

- Leaseholder Charges for Services and Facilities additional income (£449k) is forecast because the actual service charges billed for 2021/22 are higher than the estimated charges.
- The Other charges for Services and Facilities variance £171k, 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.

Appendices

Appendix 1: S13A Council Tax Reduction for Foster Carers

Background documents

None.

Report Author	Russell Harvey, Senior Financial Control Officer Tel: 020 8356 2739 russell.harvey@hackney.gov.uk
Comments of the Group Director for Finance and Corporate Resources	Ian Williams, Group Director for Finance and Corporate Resources Tel: 020 8356 3003 ian.williams@hackney.gov.uk
Comments of the Director for Legal, Democratic and Electoral Services	Dawn Carter-McDonald, Director for Legal, Democratic and Electoral Services Tel: 0208 356 6234 dawn.carter-mcdonald@hackney.gov.uk

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**LONDON BOROUGH OF HACKNEY
POLICY FOR CONSIDERING APPLICATIONS FOR COUNCIL TAX
REDUCTION UNDER SECTION 13A OF THE LOCAL GOVERNMENT
FINANCE ACT 1992 AS AMENDED BY THE LOCAL GOVERNMENT
FINANCE ACT 2012**

1. Background

1.1 Under Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended), the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine.

Specifically,

(a) Where a person is liable to pay council tax in respect of any chargeable dwelling and day, the billing authority for the area in which the dwelling is situated may reduce the amount which s/he is liable to pay as respects the dwelling and the day to such extent as it thinks fit. This allows for a further reduction where a reduction under council tax support has been applied

(b) The power under subsection (a) above includes the power to reduce an amount to nil

(c) The power under subsection (a) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

1.2 The purpose of this policy is to specify how the Council will administer requests for relief from payment of Council Tax and to indicate some of the factors that will be considered when deciding if relief may be granted. Each case will be dealt with strictly on its own merits and all taxpayers will be treated equally and fairly.

1.3 The Council may use its discretion to reduce liability for Council Tax in relation to any individual case or class of case as it thinks fit.

2.0 Statement of Objectives

2.1 There are financial implications to awarding any discounts other than those currently available under the statutory legislation.

2.2 As a consequence, the Council will only consider using its powers to reduce Council Tax liability for any council tax payer if they have exceptional circumstances as set out below or fall into one of the three classes also set out below. Class 1 and 2 meet key Council objectives of mitigating hardship while Class 3 meets a key objective of supporting Young Adults in Need.

3.0 Exceptional Circumstances

3.1 The Council will consider reducing the council liability for individuals in exceptional circumstances only and reductions will be intended only as short term assistance and not as a way of reducing Council Tax indefinitely. The Council will treat all applications on their individual merits subject to the following criteria for each case:

- There must be evidence of exceptional financial hardship or exceptional personal circumstances that justify a reduction in council tax liability
- All other legitimate means of resolving the situation have been investigated and exhausted by the applicant. If they have not been it is unlikely that an award will be made
- All other eligible discounts/reliefs have been awarded
- The customer has applied for Council Tax Support. The localised Council Tax Support scheme exists to ensure that those on low incomes receive financial assistance with their Council Tax
- The Council Tax payer does not have access to other assets that could be used to pay Council Tax
- The Council's finances allow for a reduction to be made
- The situation and reason for the application must be outside of the Council Tax payer's control
- The amount outstanding must not be the result of wilful refusal to pay or culpable neglect

3.2 Relief, which is payable up to a maximum 100% of the council tax liability, will only be granted to the end of the tax period in which the relief is requested or such a shorter period as the Council thinks fit.

4.0 Classes of reduction

4.1 In addition to the exceptional hardship cases, there are three classes of discretionary council tax reduction as follows:

Class 1: A discretionary reduction may be awarded to a taxpayer where s/he is forced to leave their main home in Hackney unoccupied due to serious damage caused by external environmental factors beyond their control. It will be awarded for a maximum of 12 months. Examples include flooding and street subsidence. The reduction is payable up to a maximum 100% of the council tax liability,

Class 2: A discretionary reduction may be awarded to a taxpayer where s/he is forced to leave their main home in Hackney as a result of domestic

violence (but are still the owner / tenant) and have moved to a second property, potentially leaving them liable for CT on two properties. Any award given to any case may finish at the end of the council tax year that the application relates to. A further application may be needed for future years. The reduction is payable up to a maximum 100% of the council tax liability,

Class 3: A discretionary reduction (Care Leavers reduction) will be awarded to any care leaver formerly in Hackney's care aged 18 to 25, who resides in the borough, and is liable to pay Council Tax to Hackney Council. The reduction will reduce the amount of council tax a care leaver will have to pay, after the deduction of any Council Tax Support and any other national reliefs such as the single person discount; to nil.

During the year a care leaver turns 25, s/he will only receive the reduction for that part of the year s/he is under 25. So the reduction will be equal to:-

Number of Days Care Leaver is under 25 divided by 365; and the result is multiplied by the annual council tax bill after the deduction of CTRS and any other discounts/exemptions

Whilst a care leaver's council tax will be nil throughout the year, the Care Leavers reduction awarded may vary if there are changes to factors which determine the reduction amount such as the amount of council tax support.

In the case where a care leaver is jointly liable for the council tax with one or more other persons, the tax bill will be notionally divided equally between all the liable persons and the care leavers reduction will be set equal to his or her share. This is necessary to ensure that the Care Leavers reduction does not fund the tax liability of liable council tax payers who are not care leavers.

Further, the Care Leavers reduction will not exceed what the care leaver would receive if s/he was a single person.

The Care Leavers reduction can be made for any period from 1st April 2017 where the care leaver is liable for council tax. Any council tax arrears incurred prior to 1st April 2017, will not be written off and remain subject to recovery.

The scheme will only apply to care leavers paying council tax to Hackney Council and not to care leavers formerly provided with care by the Council who live elsewhere.

To qualify, a care leaver must make an application to the Council for Council Tax Support; and any other national reliefs, exemptions or discounts they would be entitled to, such as the single person discount, will be assessed before the Care Leavers reduction is awarded. In addition, Hackney's Children's Services must have confirmed that the care leaver was in the care of (being 'looked after') the Council.

If subsequent to an award the charge payer's liability for council tax reduces during the period of the award, any Care Leavers reduction in excess of this reduced liability will be an overpayment. The Council may recover this overpayment.

Class 4: A discretionary reduction (In-House Foster Carers reduction) will be awarded to any in-house Hackney Foster Carer who resides in the borough from 1st April 2023, and is liable to pay Council Tax to Hackney Council.

The reduction will reduce the amount of council tax an in-house foster carer will have to pay, after the deduction of any Council Tax Support and any other national reliefs such as the single person discount; to nil.

The Fostering Service will inform the Council Tax Department of any qualifying foster carers who reside in the borough. The Fostering Service would also be responsible for informing the Council Tax Department when a new foster carer qualifies for the discount, when a foster carer moves and when a foster carer no longer qualifies for the discount.

The scheme will only apply to in-house foster carers paying council tax to Hackney Council

The discount will only be due if the recipients remain as foster carers and would cease when a foster carer resigns, or is deregistered, or takes a break from fostering for longer than six months.

5.0 Claiming relief under S13A

5.1 Individual requests for reductions in Council Tax liability due to exceptional circumstances and Class 1 and Class 2 reductions will be required in writing from the taxpayer, their advocate/appointee or a recognised third party acting on their behalf and contain a full explanation as to why the relief is requested and address the criteria set out in 3.1 and 4.1 above

5.2 The Revenues Service may request further evidence from the taxpayer or another Council department in support of an application

5.3 In respect of Class 3 reductions, identification by the Council that a care leaver would be entitled to this reduction by virtue of relevant detail already obtained by the Council, may be enough to constitute a claim and to enable the award of a reduction. If a reduction cannot be automatically awarded by the Council, it shall be the responsibility of the person with a council tax liability to make an application. As noted above, in the first instance, a care leaver must make an application for Council Tax Support before s/he can be assessed for the Care Leavers reduction.

5.4 In respect of Class 4 reductions, identification by the Council that an in-house foster carer would be entitled to this reduction by virtue of relevant detail already held by the Council would be enough to constitute a claim and to enable the award of a reduction.

6.0 Procedure for determination of exceptional circumstances/hardship and Class 1 and 2 applications

6.1 The procedure for determining applications from individuals in exceptional circumstances and Class 1 and Class 2 reductions will involve the Head of Revenues making a recommendation to the Director of Customer Services.

6.2 The Director of Customer Services will consider written representations and notify the taxpayer of her/his decision within 21 days of receiving sufficient information to make a decision.

6.3 The amount of the reduction payable will be at the discretion of the Director of Customer Services

7.0 Procedure for determination of Care Leavers

7.1 This is covered by 4.1 and 5.3 above.

8.0 Procedure for determination of in-house foster carers

8.1 This is covered by 4.1 and 5.4 above.

9.0 Request for review of a decision in respect of exceptional circumstances/hardship and Class 1 and 2 applications

9.1 The Council will accept a written request for a further review of its decision from the taxpayer within one month of the date of the letter informing them of its decision. The review process will involve consideration of the request on its merits. The Council will consider whether the taxpayer has provided any additional information that will justify a change to its original decision. Reviews will be carried out by the Director of Customer Services.

9.2 The taxpayer has a duty to notify the Council where a change in circumstance would affect the granting of the relief.

10.0 Policy Amendments

10.1 Amendments to this policy will be approved by Cabinet

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Title of Report	Capital Update and Property Disposals and Acquisitions Report		
Key Decision No	FCR S095		
For Consideration By	Cabinet		
Meeting Date	23 January 2023		
Cabinet Member	Philip Glanville, Mayor of Hackney		
Classification	Open		
Ward(s) Affected	All		
Key Decision & Reason	<table border="1"> <tr> <td>Yes</td> <td>Spending or Savings</td> </tr> </table>	Yes	Spending or Savings
Yes	Spending or Savings		
Implementation Date if Not Called In	30 January 2023		
Group Director	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 new Strategic Plan which was adopted in November.
- 1.3 For the first report in this new calendar year I am pleased to bring forward £1.175m of investment to fund the implementation of 17 new school streets, an increase on the current 48, which is already a record in the UK. This investment delivers against all three priorities of the Strategic Plan, for a Fairer, Safer; Greener Healthier Hackney and also Every Child In Hackney. This initiative helps to tackle congestion, improve air quality at the school gates, and create a safer environment for pupils to walk and cycle to school. Further to our green agenda we propose spending £9k of S106 monies to fund a joint research piece on the true cost of 'Carbon offsetting' commissioned by 18 London Local Authorities.
- 1.4 On a similar theme approval is sought for £1.058m in 2022/23 to fund the first year of the three year Local Implementation Plan (LIP) programme also on the agenda for this evening. Hackney's Local Implementation Plan very much builds on our own Hackney Transport Strategy which was adopted in 2015. The LIP funding will support the delivery of schemes to improve air quality, reduce road casualties, deliver projects to discourage the use of private cars and encourage more use of sustainable transport. This demonstrates the Council's ambitious target for sustainable transport (walking, cycling and public transport) that 91% of journeys would be by these modes of transport by 2041.
- 1.5 Seeking to connect our green spaces, approval of £100k is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it. We are also looking to protect and maintain our assets to a good standard and propose a total of £380k of investment to install a new CCTV system and undertake other vital works at Millfield Depot.
- 1.6 Finally, this report sets out a pragmatic approach to extending and amending two residential leases where leaseholders have carried out works without prior landlord's approval and where, in both cases, leaseholders have taken occupation of attic space, not included within that land demised in the original leases.
- 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 of this report.

2.2 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** The Housing Leasehold Services attention has been drawn to two residential leases where leaseholders have carried out works without prior landlord's approval and where, in both cases, leaseholders have taken occupation of attic space, not included within that land demised in the original leases. In both instances, the Council wishes to take appropriate action to regularise the situation for the Council and the residents concerned, and to achieve best consideration for the land taken as, set out:

- **5B Sharon Gardens E9 7RX:** The terms have been agreed for the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space, for the sum of £24,200 plus the Council's surveying and legal costs. The component costs for the leaseholder are: purchase price of loft space @ £21,000; premium for extension of lease by 90 years to 17/12/2235 @ £3,200; and the Council's reasonable surveying & legal costs, estimated @ £1,750.
- **76 Fletching Road E5 9QR:** The terms have been agreed for the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space, for the sum of £20,678 plus the Council's surveying and legal costs. The component costs for the leaseholder are: purchase price of the loft Space @ £12,500, premium for Extension of lease by 90 years to 19/12/2198 @ £8,178 and the Council's reasonable surveying and legal costs @ £1,750.

3. RECOMMENDATION(S)

3.1 **That the scheme for Climate, Homes & Economy as set out in section 11 be given approval as follows:**

Millfields Depot CCTV Cameras, Shutters and Emergency Generator: Spend approval of **£246k in 2023/24** and resource and spend approval of **£134k in 2023/24** is requested to upgrade and install a new CCTV system and six ANPR cameras; six new waste transfer station shutters; and install a new emergency generator.

Local Implementation Plan (LIP) TfL funded Scheme: Resource and spend approval of **£1,058k in 2022/23** is requested to fund the first year of the three year Local Implementation Plan (LIP) programme to be considered for approval under a separate item at this Cabinet meeting.

School Streets: Resource and spend approval of **£1,105k (£360k in 2023/24, £430k in 2024/25 and £315k in 2025/26)** is requested to fund the implementation of 17 school streets scheme.

Connecting Green Spaces - St Thomas Long Burial Ground: Spend approval of **£100k in 2022/23** is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it.

3.2 **That the s106 scheme summarised below and set out in section 12 be approved:**

S106	2022/23 £'000
Capital	9
Total Capital S106 for Approval	9

3.3 **That the s106 scheme summarised below and set out in section 12 be noted:**

S106	2022/23 £'000
Capital	65
Total Capital S106 for Noting	65

3.4 **That the capital programme adjustments as set out in section 13 and summaries below be approved:**

Current Directorate	Capital Adjustments 22/23
	£'000
Total Non-housing	(69)
Total Housing	0
Total	(69)

3.5 **To authorise the Group Director of Finance and Corporate Resources to agree the terms of the simultaneous surrender of the existing leases and grant of new leases incorporating the loft space for both 5B Sharon Gardens, E9 7RX and for 76 Fletching Road, E5 9QR shown for identification purposes only in the Appendices 1-4.**

3.5 **To authorise the Director of Legal, Democratic and Electoral Services to prepare, agree, settle and sign the legal documentation required to complete the transaction.**

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.
- 4.4 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Although loft spaces have been sold on a small number of occasions previously, Hackney Housing and the Council are reluctant to agree to further sales, principally on the basis of potential risk to the integrity of the building during the construction phase, if the works are not carried out correctly. However, in both of the above cases, the conversion of the loft space was completed more than three years ago, therefore the best option is to formalise the situation by agreeing terms for the loft space to be included into the existing lease.
- 4.5 Considerations of £21,000 and £12,500 have been agreed respectively, subject to contract. The purchasers in both instances will meet the Council's legal & surveying costs. Both the properties have been valued by a Registered Valuer employed by the Council and the figures stated here have been determined to be the Market Value of the properties and the purchase prices subsequently agreed with the leaseholders
- 4.6 Additional premiums have been agreed for the separate lease extensions.
- 4.7 As with the existing leases, the Council will remain responsible for carrying out all external repairs and will include clauses relating to recovery of maintenance costs are to be included in the regrant of the leases.
- 4.8 The alterations to 5B Sharon Gardens had building control approval and were subsequently inspected by a Housing Leaseholds building surveyor. Planning permission was not required. We will simultaneously issue landlords consent and licence for works.
- 4.9 With regard to 76 Fletching Road, the works within the roof space were inspected only once by a building surveying technician. As with the above, no planning permission is required. It is proposed to insert a pre-requirement for the leaseholder to obtain building control approval, prior to grant of landlords consent or licence for works consent.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** In the event of the Council taking no action to regularise the situation promptly, the Leaseholders could gain adverse possession rights and the Councils would forego realisation of best consideration for the land taken.
- 5.2 Seeking the Leaseholders remedying the breach(s) of the leases, although provided for within the lease, may place an unnecessary financial burden upon the Leaseholders to rectify the position, without benefit to the Council as freeholder.

6. BACKGROUND

- 6.1.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX:** The property is a pre-war period brick built house (1934) and situated at Sharon Gardens E9 7RX. It was built as a single family dwelling. The Council purchased the leasehold interest in 1960. The freehold was subsequently acquired in 1965 and the property converted from a single-family dwelling into two flats. In December 2000, the Council sold a 125 year leasehold interest in Flat 5B, on the first floor, under the Housing Act 1980 (Right to Buy). There are 105 years currently remaining on the lease. The leaseholder has a statutory right to an additional 90 year term on payment of a premium. The ground floor unit to date remains a secure Council tenancy. The loft space above the flat is not included in the lease, however the then leaseholder altered the loft area structurally and converted the attic space into additional residential space in about 2004. These alterations were carried out without the Council's consent as freeholders. The current leaseholder acquired his interest in the flat in 2014. One must assume that the purchaser was made aware of the unauthorised development by his legal advisers at the time of purchase. The leaseholder subsequently applied for leaseholder consent for the alterations retrospectively in 2018. Upon inspection of the property following this application, the extent of the alterations and encroachment into the reserved parts was noted. Hackney Housing's Leasehold Services Surveyor highlighted significant alterations to the roof structure and made note of deficits in fire compartmentation, increasing the risk of fire spread within the property as a whole. Building control consent was obtained by the leaseholder's predecessor, however this previous leaseholder having obtained building control approval, subsequently removed a compartment wall which enclosed the stairs. The current leaseholder/purchaser was advised that a condition of the consent for the works that will be issued upon completion of the sale will require that this wall is reinstated so bring the works back into compliance.
- 6.1.2 **Proposed Disposal of 76 Fletching Road E5 9QR:** The subject flat is a purpose built 2/3 bedroom upper floor maisonette acquired by the Council in 1920. The Council subsequently granted a 125 year leasehold interest in the property in 1983. The current leaseholder applied to extend their lease for a term of 90 years under the Leasehold Reform, Housing and

Urban Development Act 1993. The Ground floor flat remains in the Council's ownership and is occupied by a secure tenant. The loft space above the subject maisonette is not included in the leased demise, however upon inspection for valuation purposes, it was found to have been altered structurally, we understand by a previous leaseholder, without the consent of the freeholder. We assume that the purchaser was made aware of the unauthorised development by his legal advisers at the time of purchase.

6.2 **Policy Context**

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.

6.3 **Equality Impact Assessment**

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

6.4 **Sustainability and Climate Change**

As above.

6.5 **Consultations**

Connecting Green Spaces St Thomas: The Council's Consultation and Engagement team are drawing up a consultation plan to discuss the proposed design with local people. The Council's Streetscene team has been engaged to produce designs and oversee the implementation of the new entrance using the Council's Term Contractor. As a relatively simple intervention, it is hoped to be delivered by April 2023.

6.6 **Risk Assessment**

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

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

- 7.1 The gross approved Capital Spending Programme for 2022/23 currently totals **£167.808m (£72.339m non-housing and £95.469m 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 The recommendations in this report will result in a revised gross capital spending programme for 2022/23 of **£168.695m (£73.225m non-housing and £95.469m housing)**.

Current Directorate	Revised Budget Position	Jan 2023 Cabinet	Capital Adjustments 22/23	Updated Budget Position
	£'000	£'000	£'000	£'000
Chief Executive's	408	0	0	408
Adults, Health & Integration	0	0	0	0
Children & Education	16,388	0	(0)	16,388
Finance & Corporate Resources	30,173	0	0	30,173
Climate, Homes & Economy	25,371	886	0	26,257
Total Non-Housing	72,339	886	(0)	73,225
Housing	95,469	0	0	95,469
Total	167,808	886	0	168,695

- 7.4 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** This report recommends the simultaneous surrender of the existing lease and grant of a new lease incorporating the loft space of the properties at 5B Sharon Gardens, E9 7RX and for 76 Fletching Road, E5 9QR.
- 7.5 The Council's Strategic Property Service have valued the additional space to the property at £21,000 and £12,500 respectively and the legal advice is that the Council should include the loft spaces in the regranted leases for both properties.

8. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS

- 8.3 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Our VAT consultants have advised that as the transactions relate to domestic properties, they may be considered exempt supplies by the Council and not subject to VAT. VAT on legal or surveyors fees, if applicable, will need to be included in the Council's partial exemption calculation.

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 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** The approval of the disposal is pursuant to the Hackney Mayoral Scheme of Delegation of January 2017 and is reserved to the Mayor and Cabinet.
- 9.8 The Council has the freedom to dispose of land subject to S123 of the Local Government Act 1972 and Section 32 of the Housing Act 1985.
- 9.9 Under s123 of the Local Government Act 1972 the council can dispose of any land provided it is for best consideration that can be reasonably obtained. The Director for Strategic Property Services has confirmed the disposal is for best consideration, therefore S123 of the Local Government Act 1972 has been complied with.
- 9.10 Under S32 of the Housing Act 1985 the Council can dispose of housing land subject to Secretary of State consent. However as this proposal falls within the scope of those disposals allowed by The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 - 2013, S32 has been complied with.

10. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES

- 10.1 **Proposed Disposal of 5B Sharon Gardens E9 7RX and 76 Fletching E5 9QR:** Both loft spaces were valued by a Chartered Surveyor working for the Council and terms have been agreed for the simultaneous surrender and regrant of leases incorporating the loft space to the lessees of both 5B Sharon Gardens and 76 Fletching Road at £21,000 and £12,500 respectively, subject to contract. The purchasers in both instances will meet the Council's legal & surveying costs. Additional premiums have been agreed for the separate lease extensions for a term of 90 years plus the residue of the original term. The council will insert a requirement for Building Control Compliance will be required.
- 10.2 I can confirm the sum agreed represents best consideration and complies in all respects with the provisions of s123 of the Local Government Act 1972.

11. CAPITAL PROGRAMME 2021/22 AND FUTURE YEARS

11.1 Climate, Homes and Economy:

- 11.1.1 **Millfields Depot CCTV Cameras, Shutters and Emergency Generator:** Spend approval of **£246k in 2023/24** and resource and spend approval of **£134k in 2023/24** is requested to upgrade and install a new CCTV system

and six ANPR cameras; along with six new waste transfer station shutters; and a new emergency generator. The project will impact an existing asset, which is currently used as an operational depot and waste transfer station: Hackney Disinfecting Station; Millfields Depot; and Millfields Waste Transfer Station which are all based on this site.

The generator replacement is used to maintain essential and statutory Council Services in the event of a major outage. The Council's Environmental Services vehicles are currently fueled by the pumps at Millfields Depot. In addition, some other Council vehicles are also fueled here, and options are being looked at by Fleet Management to further increase the numbers of vehicles that can be fueled. A better CCTV system will ensure better security and monitoring protection for the expensive vehicle, plant and equipment assets at the depot. A better system will allow for better recording of accidents or incidents that may occur at the depot. The six rolling shutter doors will be replaced at the Waste Transfer Station to meet the 'emergency braking' requirement if the motors were to fail. Then finally four doors on the transfer station and two on the workshops will also be replaced.

This capital expenditure will ensure the Waste Transfer Station and the depot are generally operated safely. This approval will benefit all sections of the community and will benefit from an improved streetscene. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as it will be funded by discretionary resources held by the authority.

11.1.2 Local Implementation Plan (LIP) TfL funded Scheme: Resource and spend approval of **£1,058k in 2022/23** is requested to fund the first year of the three year Local Implementation Plan (LIP) programme to be approved under a separate item at this Cabinet meeting. Hackney's Local Implementation Plan very much builds on our own Hackney Transport Strategy which was adopted in 2015. The LIP funding will support the delivery of schemes to improve air quality, reduce road casualties, deliver projects to discourage the use of private cars and encourage more use of sustainable transport. This demonstrates the Council's ambitious target for sustainable transport (walking, cycling and public transport) that 91% of journeys would be by these modes of transport by 2041.

Each London Borough is required to prepare a Local Implementation Plan (LIP) containing its proposals for implementing the Mayor's Transport Strategy (MTS) under the Greater London Authority Act (1999). The LIP is a statutory document setting out the council's transport strategy and objectives for the borough and how it intends to implement them through transport measures. The strategy and objectives need to relate to the Mayor's Transport Strategy and the LIP has to be approved by Transport for London on behalf of the Mayor. TfL has allocated the Council a

provisional sum of £1,058k for 2022/23 against Corridors Neighbourhoods with an additional £1,054k for Cycleways Network development. Although an initial allocation of £926k has been made for 23/24, further details on funding for years 2023/24 and 2024/25 are yet to be finalised and future capital bids will be submitted when total sums have been fully confirmed by March 2023.

The schemes in the project have been itemised in the Cabinet report 3 year Local Implementation Plan (LIP) 22/23 - 24/25. Details of new assets can be found in the list of schemes in the Cabinet report 3 year Local Implementation Plan (LIP) 22/23 - 24/25 that is also proposed for approval by Cabinet under a separate item on the agenda for this meeting. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on the capital programme as it will be funded by grant funding.

11.1.3 School Streets: Resource and spend approval of **£1,105k (£360k in 2023/24, £430k in 2024/25 and £315k in 2025/26)** is requested to fund the implementation of 17 school streets scheme. The exact length of public highway that will be included in each scheme has not yet been determined, but will be established through working in partnership with highways design engineers, Parking and CCTV officers. School Streets are designed to tackle congestion, improve air quality at the school gates, and create a safer environment for pupils to walk and cycle to school. As an inner London borough, many pupils attending Hackney schools are often exposed to poor air quality and unsafe, congested streets. Hackney's School Streets programme is therefore essential in our efforts and commitments to reclaim space outside our schools to create safer, low traffic streets.

Hackney already has 48 School Streets which is the highest number in the UK. The priority now is to manage the existing schemes whilst introducing new School Streets where these are possible and would benefit the area. Hackney was one of the first local authorities in the country to introduce School Streets, whereby roads outside schools become pedestrian and cycle only zones during drop off and pick up times. Hackney's School Streets programme has been ongoing since 2017. In this time, Hackney has established itself as a national leader in the complex delivery of the well regarded schemes from their conception through to review.

A programme has been developed to implement School Streets at six further primary schools, six secondary schools and five independents over the manifesto period (2022-2026), therefore expanding the number of School Streets in Hackney by a further 17 schools to bring the total number of School Streets in the borough to 65 by 2026. In addition, a commitment is made to assess remaining schools without a School Street for possible alternative measures. This funding bid would include the following;

- Funding for implementation of 17 schemes
- Funding for scheme maintenance
- Funding for a post to manage and implement the school street maintenance programme.

It is proposed that the scheme would be completed by April 2026. 6 School Streets Schemes would be progressed per year in 2023/24 and 2024/25, with 5 schemes implemented in 2025/26 in order to achieve this completion target. This would result in 65 School Streets across the borough. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 4 'An open, cohesive, safer and supportive community'. This approval will have no net impact on the capital programme as it will be funded by discretionary resources held by the authority.

11.1.4 Connecting Green Spaces - St Thomas Long Burial Ground: Spend approval of **£100k in 2022/23** is requested to deliver a new entrance into St Thomas Long Burial Ground from Well Street, making it easier for people to access the Green Space and move through it. Hackney has one of the largest expanses of green spaces in inner London, with 58 parks and green spaces totalling around 282 hectares. Improving our parks and green spaces is one of our priorities – since 2010 there's been £25m of investment in them, with a further £8m of investment planned to take place over the next few years. Because many of our green spaces were designed in Victorian times, they can sometimes still resemble private, fenced off gardens reserved for the few, rather than green spaces open to everyone. Rather than being open and welcoming, some spaces have rigid, inaccessible boundaries. Sometimes these barriers separate them from the wider neighbourhood, creating 'islands' of disconnected green space. The Council is looking to improve this by connecting green spaces to the wider environment, together and to each other.

This capital expenditure will create a new pedestrian access into the park, enabling easier access through the green space. It will improve St Thomas Long Burial Ground, owned and managed by the Council. 0.57Ha of the public realm will be improved and made more accessible. The improved route will encourage people to use the park, instead of an existing narrow alleyway, or walking a longer route next to main roads. The improvement would contribute to the Council's aim of connecting green spaces, and creating more livable neighbourhoods. The Council's Capital Strategy has a commitment to 'Maintenance of the Council's parks and green spaces - ensuring our residents have the space to exercise and stay healthy and have access to good local facilities'. This capital spend supports the Council's Community Strategy 2018-2028 Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact as the resources already form part of the capital programme.

11.2 S106 Capital For Approval

Resource and Spend approval is requested for **£9k in 2022/23** of S106 Capital 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
2013/4000	Towards Net Zero Carbon Study Update	R Greens 1 Mentmore Terrace London E8 3PN	9
Total Capital S106 for Approval			9

This capital approval is to fund a joint research piece on the true cost of 'Carbon offsetting' commissioned by 18 London Local Authorities. There is a general consensus across London Authorities that the £95 per tonne carbon price, used by many boroughs, could be too low. It does not encourage applicants to maximise carbon savings on site or incentivise the delivery of net zero buildings, and fails to fund the necessary offset measures.

Hackney's current carbon pricing is £95 and is much lower than the cost for developers to achieve equivalent carbon saving on site, making it an attractive option for developers, leading to less energy efficient and climate resilient buildings being built. The current pricing of £95 is also not representative of the cost for the Council to offset equivalent amounts as it doesn't factor in administrative and construction fees. The previous study estimated that carbon pricing should be 3 times higher. This study can potentially be used as evidence on Hackney's carbon offset payment fee, and could be used in consideration of potential changes to the fee set, subject to other planning considerations.

12. S106 Capital For Noting

The s106/CIL Corporate Board Meeting dated 4 October 2022 considered the following bids for resource and spend approval. As a result **£65k in 2022/23** will be spent in accordance with the terms of the appropriate s106 agreements.

Agreement No.	Project Description	Site Address	2022/23 £'000
2013/3608	Highway Works 70a-78 Oldhill St N16 6NA	70B Oldhill Street, London, N16 6NA	29
2020/0385	Highway Wks 91-93 Rendlesham Rd	91 - 93 Rendlesham Road, Hackney, London, E5 8PJ	28
2004/0388	Highway Wks 109 Mount Pleasant Lane	109 Mount Pleasant Place	7
Total Capital S106 for Noting			65

13. Capital Adjustments 2022/23

The 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 5.

Current Directorate	Capital Adjustments 22/23
	£'000
Total Non-housing	(69)
Total Housing	0
Total	(69)

APPENDICES

- Appendix 1 - Site Plan for 5B Sharon Gardens E9 7RX
- Appendix 2 - Floor Plan for 5B Sharon Gardens E9 7RX
- Appendix 3 - Site Plan for 76 Fletching Road E5 9QR
- Appendix 4 - Floor Plan for 76 Fletching Road E5 9QR
- Appendix 5 - Capital Adjustments

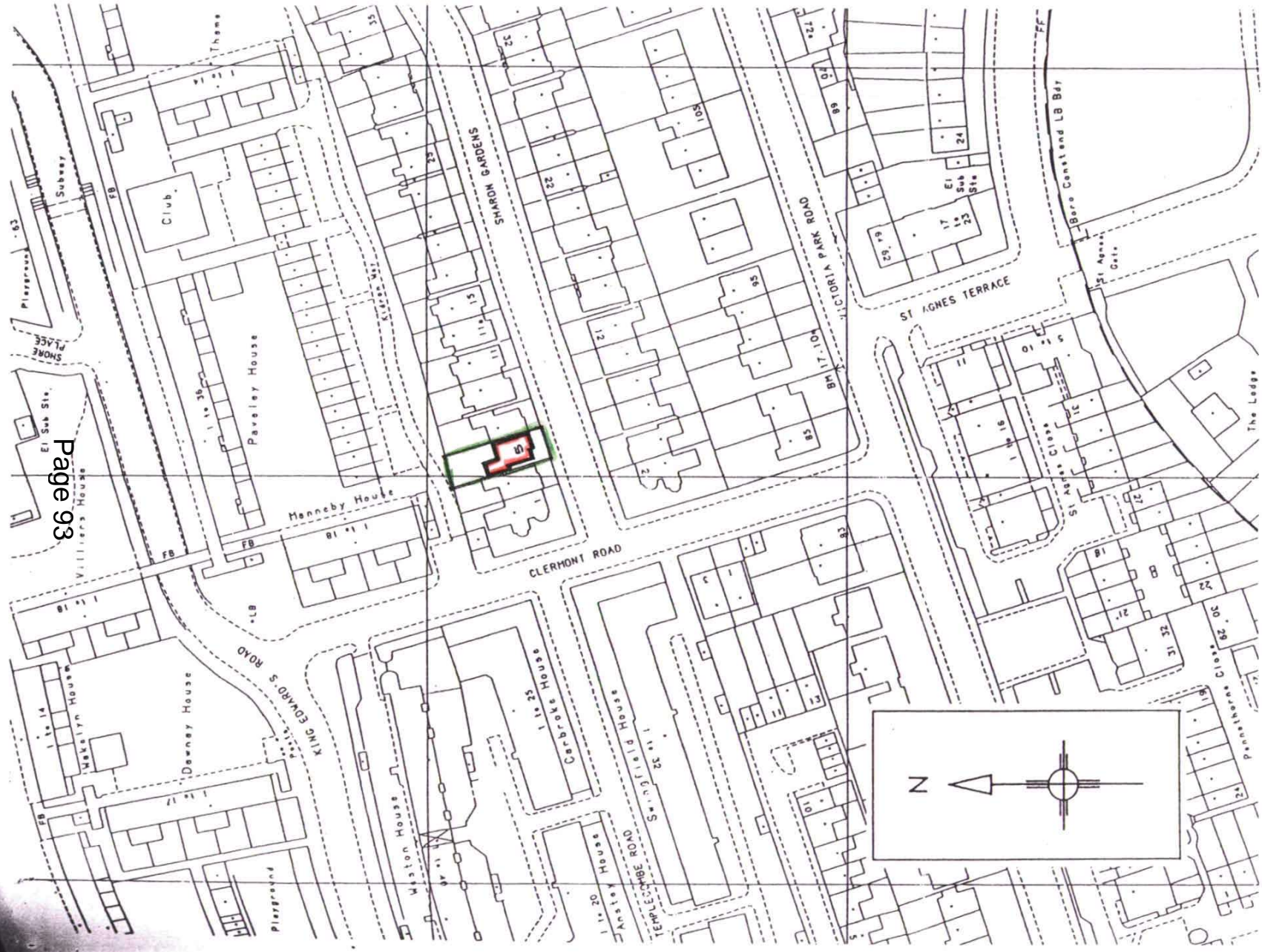
BACKGROUND DOCUMENTS

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.

Report Author	Samantha Lewis, Senior Accountant (Capital) Tel: 020 8356 2612 samantha.lewis@hackney.gov.uk
Comments for Group Director of Finance and Corporate Resources	Jackie Moylan, Director, Financial Management Tel: 020 8356 3032 jackie.moylan@hackney.gov.uk
Comments for the Director of Legal, Democratic and Electoral Services	Dawn Carter-McDonald, Director of Legal, Democratic and Electoral Services Tel: 020 8356 4817

dawn.carter-mcdonald@hackney.gov.uk



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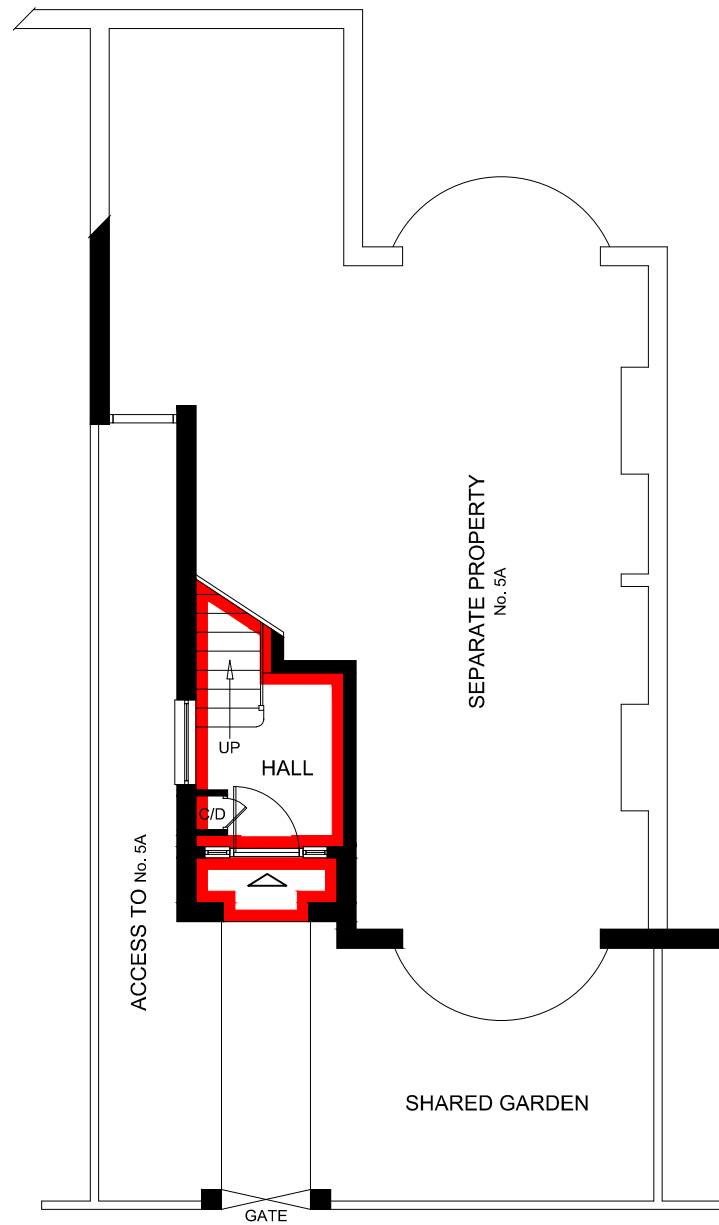
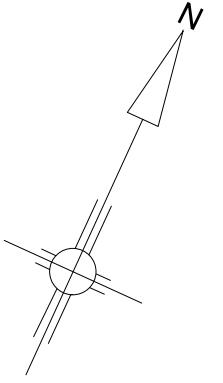


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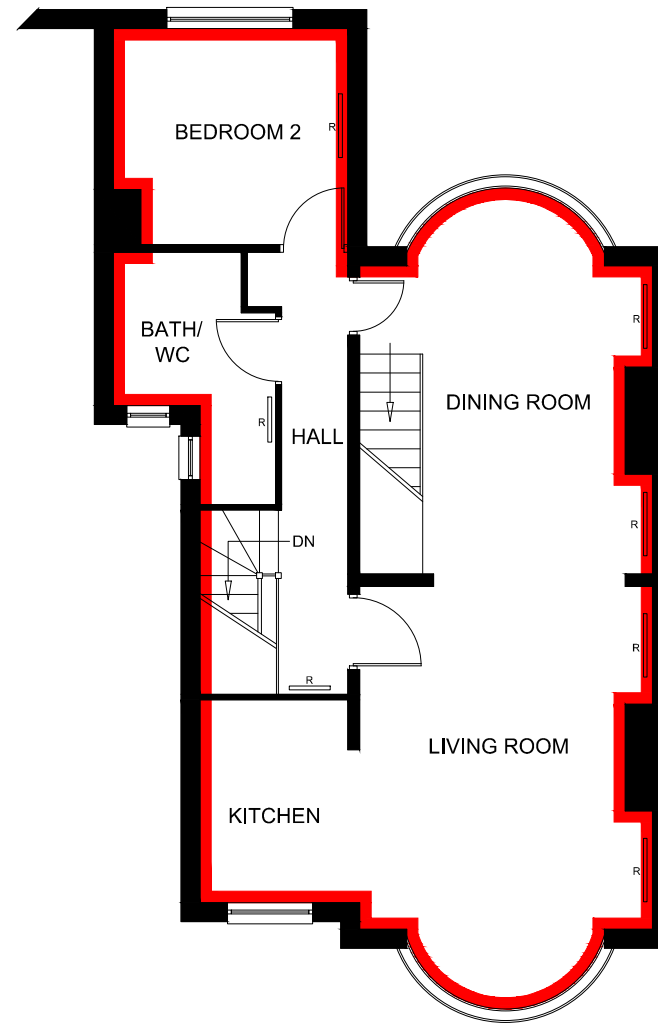
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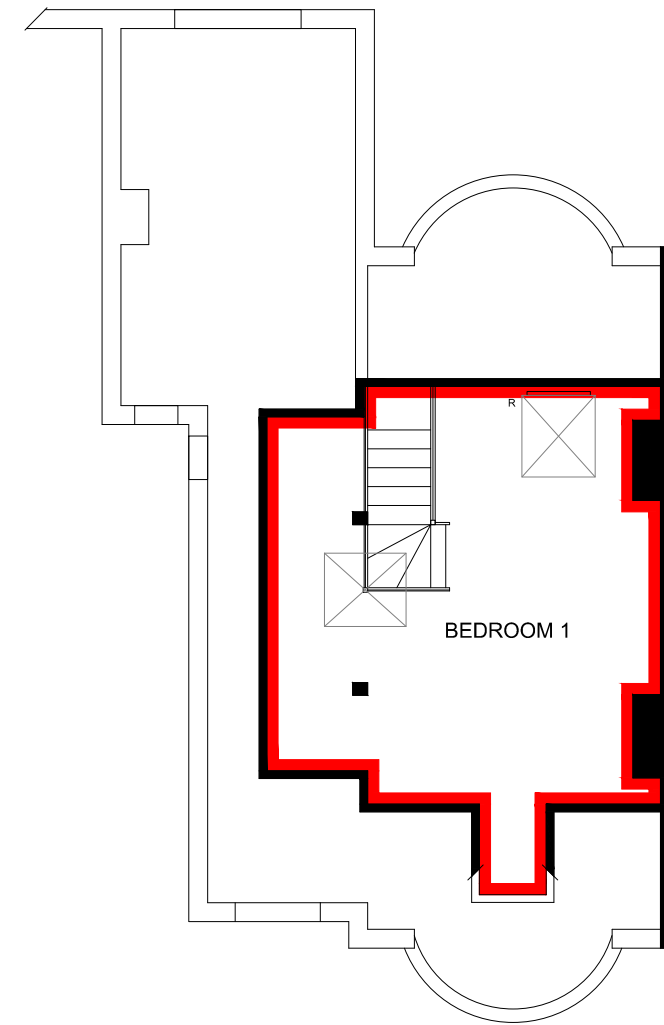
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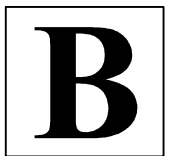
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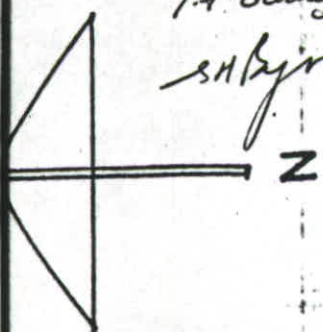
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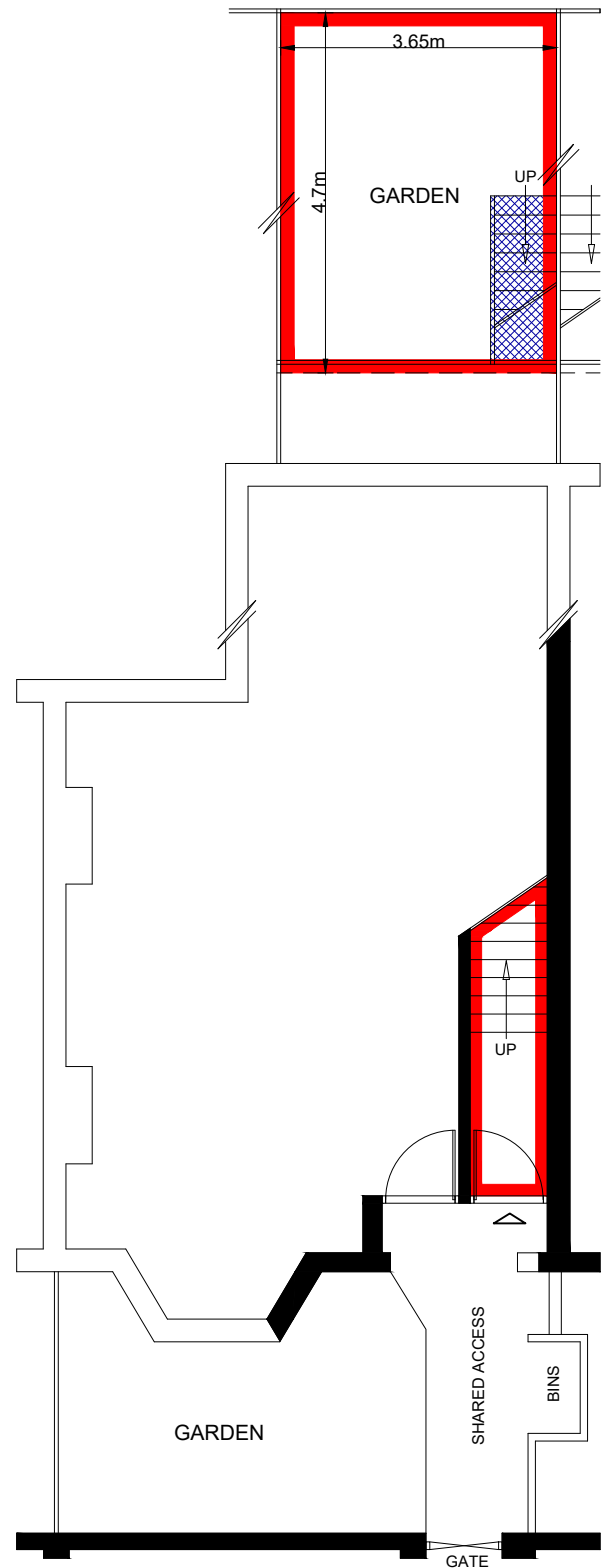
J.F. Callaghan
S.H. Byrne



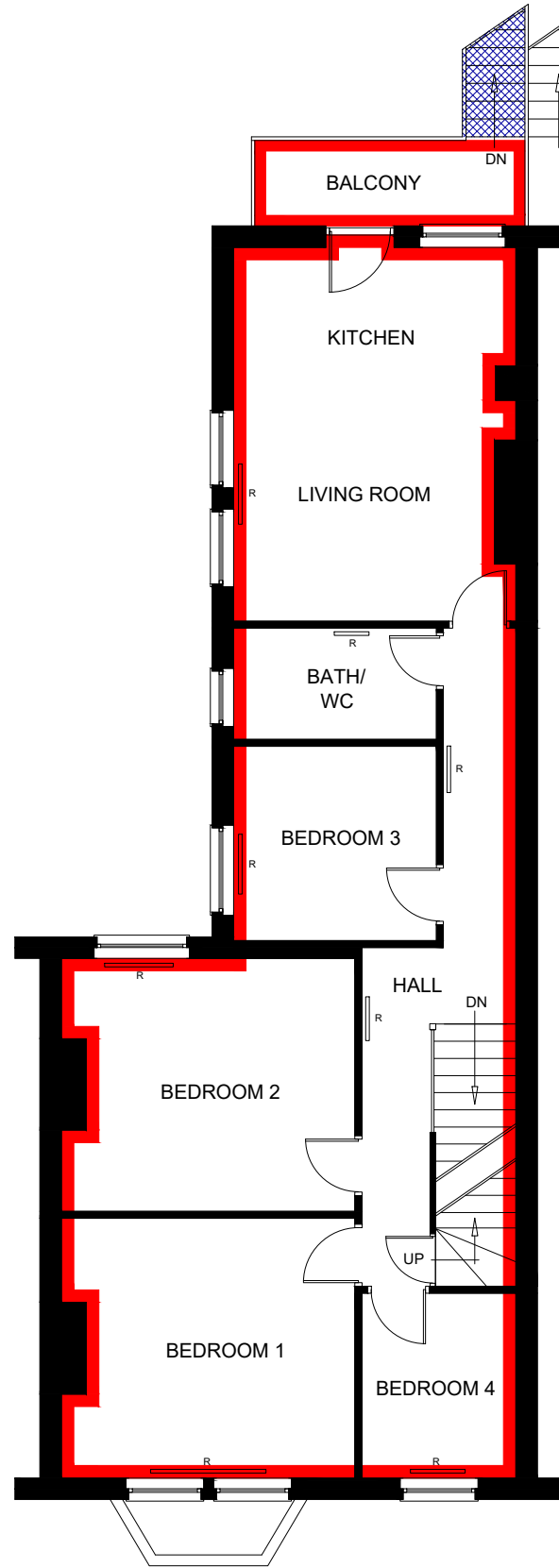
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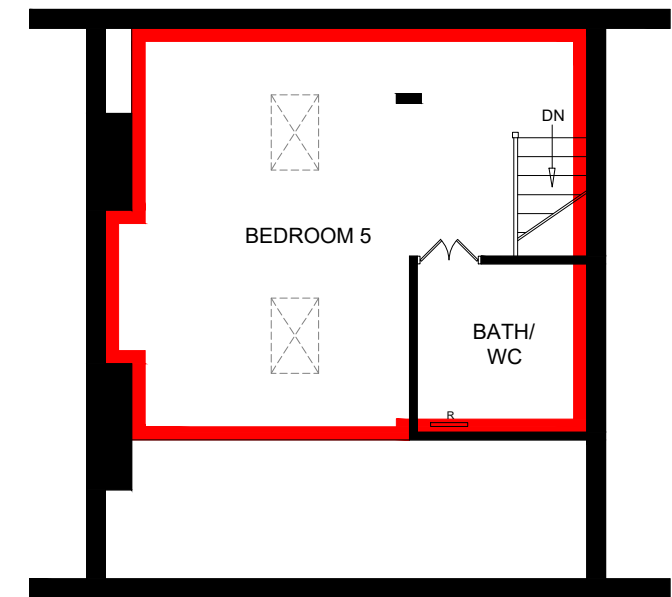
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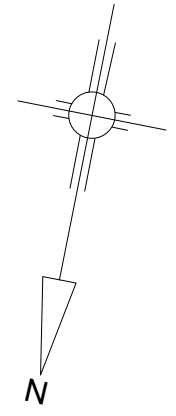
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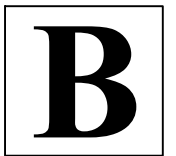
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Summary of Capital Adjustments - Appendix 5

Summary of Capital Adjustments	Revised Budget	Change	Updated Revised Budget
	£	£	£
Children & Education			
AMP Contingency	715,625	50,000	765,625
Daubeney School & CC AMP	114,605	(50,000)	64,605
Education SEND Strategy	196,000	12,000	208,000
Petchey Academy SEND	12,000	(12,000)	0
Daubeney Façade	268,995	(0)	268,995
Princess May Façade	7,000	(186)	6,814
Contingency Facade Repairs	546,711	(320,498)	226,213
Millfields Façade	44,745	179,818	224,563
Queensbridge Façade	53,344	18,193	71,536
Oldhill Façade	250,645	122,674	373,319
Finance & Corporate Resources			
Christopher Addison Phase 2	14,825	69,534	84,359
Decant to MBH & Moves to CAH	478,424	(104,829)	373,595
HSC Flooring Replacement Works	0	35,295	35,295
SFA - Stoke Newington Assembly	1,190,664	47,629	1,238,294
DDA	21,743	(21,743)	0
Reactive Maintenance	0	21,743	21,743
CAFM System (Listed Buildings)	79,000	(79,000)	0
CPAM Database	58,000	79,000	137,000
Dalston Lane Terrace	47,629	(47,629)	0
Devices for Hackney Residents	45,182	40,000	85,182
ICT Health Check	59,923	(40,000)	19,923
Climate, Homes & Economy			
EV Charging Points	112,000	14,400	126,400
East Rd Car Club Bays	14,400	(14,400)	0
Hackney Wick Regeneration	129,130	(10,212)	118,918
Trowbridge (GLA)	19,788	10,212	30,000
Housing			
HiPs South West	2,116,193	(395,907)	1,720,286
Street Lighting SLA	1,300,000	(600,000)	700,000
Disabled Adaptations	1,000,000	500,000	1,500,000
Integrated Housing Management System	2,280,019	419,981	2,700,000

Summary of Capital Adjustments - Appendix 5

Summary of Capital Adjustments	Revised Budget	Change	Updated Revised Budget
Fire Risk Works	2,200,000	600,000	2,800,000
High Value Repairs/Imp & Wk	2,000,000	706,067	2,706,067
Estate Boundary Security Imp	97,565	15,703	113,268
Garage Review	100,000	25,000	125,000
Capitalised Salaries	5,301,146	154,734	5,455,880
Green initiatives	300,000	(296,900)	3,100
Cycle Facilities	21,000	179,000	200,000
Better Estates Cherbury Court	93,000	(23,757)	69,243
Bridport	4,600,000	(1,283,921)	3,316,079
ER1 Tower Court	1,891,968	138,076	2,030,043
Kings Crescent Phase 3+4	853,797	(141,652)	712,144
Great Eastern Building	38,723	3,577	42,300
Lincoln Court	63,000	(6,637)	56,363
Daubeney Road	1,154,919	6,637	1,161,556
Phase 2 & Other Heads	3,740,703	(500)	3,740,203
Woodberry Down Tenancy Agreement	0	500	500
Total	33,632,410	0	33,632,410



<p>Scrutiny Panel</p> <p>20th February 2023</p> <p>Item 6 – Update on the Council Tax Reduction Scheme Scrutiny Panel Task and Finish Group</p>	<p>Item No</p> <p>6</p>
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OUTLINE

From 2013/14 local authorities have been required to publish a council tax support scheme setting out the council tax support in their area. But the recent pandemic has brought poverty to the fore. In addition, the Directly Elected Mayor and Cabinet made a commitment to review the rate of contribution for working age adults eligible for council tax support to their council tax bill.

Scrutiny Panel set up the Council Tax Reduction Scheme (CTRS) Task and Finish group to review the CTRS model in Hackney, the options and costs to the Council to reduce the liability of council tax contributions for relevant working age adults and; the cost implications to implement a zero based CTRS model in Hackney.

The Task Group membership was open to all Councillors that were members of an Overview and Scrutiny Commission in the municipal year 2021/2022. This Task Group held 3 evidence sessions between September 2021 - February 2022.

The Task Group reviewed the impact of localised council tax support schemes in England and Hackney and considered proposals by Hackney to reduce the local contribution rate paid by working age households eligible for council tax support from 15% to zero.

Over the 3 sessions the Task Group received a wide range of evidence from.

- Institute of Fiscal Studies (IFS)
- Child Poverty Action Group (CPAG)
- Citizen Advice Bureau (Hackney)
- Deaf Plus
- Age UK (East London)
- London Borough of Lambeth
- London Borough of Camden
- London Borough of Hackney.

Overview of the Task Group Work

Meeting 1

This session covered:

- 1) A **National Overview** about the impact of localised council tax reduction Schemes (CTRS).
 - The Institute for Fiscal Studies outlined their report and its findings, highlighted the impact on residents and the solutions they recommended to local authorities.
 - Child Poverty Action Group outlined their report and its findings, their views on council's use of hardship funds and the information they would like councils to consider.

- 2) **Cases loads and data** for Hackney from 3 local voluntary and community sector organisations (VCS) covering different cohorts of adults.
 - Citizen Advice Bureau (Hackney)
 - Deaf Plus
 - Age UK (East London)

The VCS organisations provided information about their organisation, support and service, number of cases, pressures facing local residents and their analysis of the impact since CTRS. The VCS also provided their views on the advice or information they would like councils to consider, to support residents needing council tax support.

- 3) Information from two local authorities on their **CTRS Models**. At the time of the review their CTRS models were:
 - London Borough of Camden - (zero contribution model)
 - London Borough of Lambeth (minimum £5 contribution)

The 2 local authorities above provided information about their CTRS schemes, rationale for their decision, cost of scheme, impact of pandemic on collection rates and use of hardship funding.

Meeting 2

In this session Hackney Council officers provided information about Hackney's CTRS model, data, collection and enforcement rates and use of the hardship fund.

Meeting 3

In this session Hackney Council officers outlined the options for change and cost implications to achieve a zero based CTRS model over the political term.

Purpose

The Scrutiny Panel Chair will provide a verbal update on the key findings and proposed recommendation areas from the Task Group.

ACTION

Scrutiny Panel is requested to note the update and ask questions.

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Scrutiny Panel 20th February 2023 Item 7 - Minutes and Matters Arising	Item No 7
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OUTLINE

The minutes of the Scrutiny Panel meeting on 3rd October 2022 are attached.

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 Monday 3 October 2022

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

Chair	Councillor Margaret Gordon
Councillors in Attendance	Cllr Soraya Adejare, Cllr Polly Billington, Cllr Sophie Conway and Cllr Clare Potter
Apologies:	Cllr Ben Hayhurst and Cllr Sharon Patrick
In Attendance	<ul style="list-style-type: none">• Cabinet member for finance, insourcing and customer service• Mark Carroll, Chief Executive• Ian Williams, Group Director Finance and Corporate Resources• Jackie Moylan, Director of Financial Management• Bruce Devile, Head of Business Intelligence, Elections & Member Services
Link to meeting	https://www.youtube.com/watch?v=23J1Y6a1en4
Members of the Public	None.
Officer Contact:	Tracey Anderson  0208 3563312  tracey.anderson@hackney.gov.uk

Councillor Margaret Gordon in the Chair

1 Apologies for Absence

1.1 Apologies were received from Cllr Sharon Patrick and Cllr Ben Hayhurst.

1.2 Cllr Clare Joseph attended the meeting virtually.

2 Urgent Items / Order of Business

2.1 There were no late items and the agenda was as published.

3 Declarations of Interest

3. There were no declarations.

4 Hackney Council Complaints and Enquiries Annual Report 2021-2022 (7:05pm)

4.1 The Complaints and Member Enquiries Annual Report is a standing item within the Scrutiny Panel work programme so that members (and scrutiny Commissions) have oversight of the trends and patterns in the Councils' complaints and Member Enquiry processes. The 2021/22 report was submitted for review by the Panel.

Questions from members of the Panel

4.2 In 3.2 of the report, it was noted that the volume of complaints to the council had reached unprecedented levels which was undoubtedly causing additional stress and pressures within services. What additional support was being provided to help services reduce the volume of complaints?

- It was acknowledged that there had been a significant rise in the number of complaints and member enquiries. It was recognised that this had caused increased pressures on services, but staff were processing complaints efficiently and making sure responses were provided to residents. Although there had been a significant increase, the actual number of complaints where the Council had adjudged to be at fault by the respective Ombudsman was relatively small. The volume of complaints had of course impacted on response times which were up by between 5-10 days depending on the nature of the complaint.

4.3 Do officers see a distinction between members' enquiries and complaints, and how are overlaps in the system identified? Do officers also seek learning from members' enquiries and is information about response times available?

- There was a distinction between complaints and member enquiry processes in that whilst the former had defined two stage process, the latter was less formal. Officers were always alert to any overlap between the two processes, and when it was in the best interest of the resident, member enquiries were considered within the complaints process. Similarly, in some instances, officers are also mindful that the same issue might be raised within both processes at the same time and would want to avoid any duplication.

4.4 Whilst it is positive that there is a process in which learning is derived from the complaints process, should residents need to complain to see service improvements?

- The complaints process is just one source of intelligence and feedback which the council can use to develop more effective services. In many cases it is intelligence from the complaints process which gives the earliest indication that there may be problems with a service, and help to specifically identify where improvement might be needed.

4.5 Given that both leaks and lifts continue to generate many complaints from local residents, do you think the complaints process is capable of delivering systemic change? Are there other processes aside from the complaints process which can deliver improved outcomes for residents?

- The way that services strategically respond to complaints does vary and whilst some may have a developed process of reflection and change in their complaints handling, others may be more reactive. There were also a range of performance measures which help to maintain oversight of services and help to direct service improvement. There was also borough wide and service specific engagement with local residents to assess how services were being delivered

which also contributed to the cycle of development and improvement. It was acknowledged however, that the issues of leaks and lifts were long standing issues, and the Director of that service would be best placed to update the Panel on plans to improve these parts of the housing service.

4.6 To what extent does the feedback from the complaints process feed into a broader capital works programme? For example, can widespread complaints about leaks in a certain estate inform plans for capital works for that estate, rather than this just being seen on a case level basis?

- Ascertaining whether planned works are to take place is a routine question that complaints managers ask of services as part of their response to the complainant. There were examples of where works had been brought forward to resolve broader issues within a certain block or estate.

4.7 The Panel questioned how complex complaints are resolved which may have many component parts, as residents often note that a complaint gets marked as completed yet aspects of the case remain outstanding? Is this reflected in the data in the report? Is this something that might be looked at further?

- Officers responded that all stage 1 complaints receive a written response and that they have a right to escalate to a stage 2 if they are not satisfied. Stage 2 would involve an independent assessment of the case through the complaints team. It was also noted that residents can ask complaints officers to re-look at a case at any time. Residents were also advised that a case is being closed down prior to this being actioned to ensure that they are in agreement. It was noted that this was not always be possible however, especially if there is an extensive programme of works required for some repairs (as this can go on to 6 months). In this case, there would be an expectation that the Housing Service would retain oversight of the complaint until resolution.

4.8 Is there a staffing issue in the complaints team? Have staffing levels changed at all over the last 10 years?

- It is difficult to comment on the staff support for complaints handling across respective services as resourcing and structures varied across the council. It was noted that staff numbers have declined in the central complaints team, but this has not been to the detriment of service levels in handling Stage 2 or Ombudsman complaints. A casework review was however in progress to see how casework might be improved, particularly members enquiries. It was noted that the 'one size fits all' approach which was currently in operation, was not sensitive to the different types of enquiries from members (e.g. information requests, complaints) which often required different outcomes (e.g. complaints handling, case conference, site visit). A date will be agreed shortly for this to take place.

4.9 Can any explanation be offered on why the number of Mayor can Cabinet caseworks cases has declined? Has there been a process change which means that they are being addressed elsewhere?

- During the pandemic, the numbers of casework enquiries referred to the Mayor increased significantly. As the pandemic receded however, so did the number of enquiries addressed to the Mayor.

4.10 How does Hackney compare to other boroughs in terms of the number of complaints and member enquiries, and other related issues such as the total of

compensation paid out to residents? Is there any data on the amount the council has had to pay in respect of legal pay-outs where the case has gone to court?

- It was difficult to compare member enquiry data with other authorities as each system was unique to that authority; whilst some authorities had very centralised systems, others relied on direct contacts to officers. In comparison, the complaints and member enquiry figures are not dissimilar from other authorities.
- In relation to payments to residents or sanctions imposed by the Ombudsman, again, data for Hackney was not dissimilar from other authorities. Those authorities for which the Ombudsman has concerns over their performance are placed on a watch list or are subject to a formal visit. Hackney was neither on a watch list or had been visited by either Local Government or Housing ombudsman.
- Data on payments by the Council to residents through legal challenge is not recorded in the report as this was outside of the complaints system.

4.11 It has been noted that a handful of members were responsible for a significant proportion of the total number member enquiries received. Are these and other members using the member enquiry process correctly?

- The number of member enquiries is also linked to the election cycle, with enquiries peaking ahead of an election. This was reflected in the figures for 2021/22 where a significant year on year increase was recorded ahead of the May 2022 local elections. There was a wide range of usage of the member enquiry process by different members with some using this very little and others using this significantly more. It was important to note that a significant number of member enquiries were related to the benefits system (housing benefit, council tax) which recorded a 6 fold increase in member enquiries which were mostly related to delays in dealing with the backlogs resulting from the cyber-attack.

4.12 The Cabinet member for Cabinet member for finance, insourcing and customer service noted that there was training available on the member enquiry process. As take up this training among members varied, there would be some merit in encouraging more members to engage with training to ensure that there was more effective use of all the casework systems. The cabinet member assured the panel that reform of casework systems was a priority for the council but this was not something that could be imposed from the centre and that members and staff would need to be consulted ahead of any changes given the council wide impact of any such change.

4.13 The Chair thanked officers for preparing the report on complaints and member enquiries. The Chair also noted the following:

- That in the future it would be helpful to tie in complaints to a systemic process of service improvement, particularly where there are high volumes of complaints (e.g. housing repairs);
- It was important that complaints for education and private sector housing are also included within the report as these are of growing concern and importance to a larger number of residents.

5 Chief Executive Question Time (7:35pm)

5.1 In each municipal year Scrutiny Panel holds a question time session with the Chief Executive to ask questions about strategic direction, performance and decision-making within the Council. This question time session coincides with the one year anniversary of the commencement of Chief Executive time in Hackney, and is therefore a helpful juncture for reflections of the first year in office.

5.2 Following the Panel's formal invite to this session, 3 topic areas were selected by members which will form the basis of the Q and A session. The areas selected were:

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

Chief Executive Officer (CEO)

5.3 The CEO started by commending the good work of Tim Shields (previous CEO) and the leadership team in maintaining a strong and stable organisation throughout and after the pandemic. Such was the strength of the organisation, it was apparent to the incoming CEO that there was no need for any wide ranging restructure of the Council. As the year has progressed however, a number of service areas have been identified for improvement:

- Performance management - where there is a need for a greater organisational understanding of how this drives improvement and vision to how services should look in 6 months / 12 months' time;
- Human Resources and Organisational Development - to give more support to inclusion and anti-racist action across the council;
- Climate action and net-zero target - to give greater priority and leadership to this work across the organisation.

5.4 The leadership team was already in transition with two of the Group Directors starting in their role months before the Chief Executive and one starting more recently. The Head of Legal and Governance was also invited to join the Hackney Leadership Team (HLT) and was very much focused on the work of the Council and the journey ahead. Both the corporate leadership team and the Cabinet team were now amongst the most diverse in London and across the country. The new leadership team had brought a wider range of skills and experience to HLT which was invaluable to the organisation. Further on from this, a more developed relationship was set up with the wider leadership team, including Directors and Head of Services.

5.5 In the first HLT meeting with the Cabinet, the CEO identified 5 key areas for the organisation:

- Visible Pride and Passion - that the senior leadership are present and prominent within the organisation and who are actively proud and passionate about the Council and Hackney as a place;
- Inclusive, open and transparent organisation - continuing its commitment address racism;
- Improving the metrics and data performance of the organisation - with an emphasis on improved outcomes for local residents rather than focus on services.
- To prioritise improvement in three service areas: adult social care, children's social care and housing;
- The need for service transformation to ensure that the council was modern outward looking.

5.6 Since this time, the cost of living crisis has come to the fore and there was now an expectation that this would impact a much wider group of residents. As a result the council would need to prioritise, plan and support residents, business and council staff through this challenging time. The cost of living crisis and more specifically the impact of high inflation, would also impact on local services and the council's ability to support them.

Trust and Confidence

5.7 This was important as it framed the response to many other concerns raised by members. The CEO noted that ward walks had been undertaken with most members and there was consistency in the themes raised which would help to improve trust and confidence with the council: improved housing repairs, improved contact and response times and restoring services impacted by the cyber-attack.

5.8 The CEO provided preliminary data from the (yet to be published) residents survey which indicated that overall satisfaction with the council remained consistent at 65% which was above the London and national averages. This level of satisfaction was slightly lower than recorded three years ago (68%) but was encouraging given the impact of Covid and cyber-attack on the council. The survey also reported high levels of trust with the council by local residents which was far higher in Hackney (67%) than the LGA average (48%). 51% of residents also believed that the Council provided value for money for the services it provided, which again was higher than the LGA average (45%).

5.9 The survey also noted that 4% of residents were dissatisfied with the council. It was suggested that this may be related to the impact of the cyber-attack where a small number of residents were greatly impacted by its effect on local services. It was also noticeable that certain groups of residents were consistently more dissatisfied with aspects of the council service than others these included; residents from Black and Global Majority background, social renters and those aged 55-64 years of age. In terms of complaints about the council the two most common complaints were Low Traffic Neighbourhoods (LTN) and contacting the council. This data provided insight as to where greater focus for improvement was needed most.

5.10 The Council had undertaken a range of responses to improve trust and confidence:

- Future working - expectation more officers would be present working in the council, especially managerial and supervisory staff;
- Customer service response had improved: 67% of calls now answered as compared to 53% immediately after the pandemic and the average waiting time for a response had fallen to 8 minutes from 33 minutes;
- 42% of all complaints were made by 5 just members and this was being looked into further.

Metrics and Performance Management

5.11 It was apparent even before the pandemic, that the neighbourhood office system to support housing repairs was not working effectively, as attendances were very low. Whilst a new model was introduced in 2021/22, this was not communicated effectively to members or residents. The new surgery model expected to operate over 100 surgeries a month and was being piloted to get feedback from Tenants and Residents Associations (TRA) and members. Directors were clear however, that this

new system must have the ability to actively resolve tenants' concerns for it to continue.

5.12 In relation to housing repairs, the CEO, Mayor and Cabinet member had been meeting with senior officers monthly to review performance data. Since November 2021, over 7,000 cases from the backlog have been cleared and currently 87% of work was being completed on time. Whilst it was encouraging that satisfaction with the repairs service had risen from 57% to 67%, this was some way off the target of 80% resident satisfaction. It was noted that other social landlords across London were experiencing similar levels of satisfaction with their repairs service, and that Hackney was far from an isolated case. There was however still a long way to go for some housing issues with further work needed in relation to:

- Void property turnarounds;
- Contract management;
- Timeliness and satisfaction for work completed
- Lifts - balance between capital management and ongoing repairs;
- Leaks and mould strategy.

5.13 The Panel noted that whilst dissatisfaction with the Council in relation to the cyber-attack was recorded to be low (4%) in the resident satisfaction survey, judged on their engagement and feedback from residents this was possibly an underestimate. Panel members noted that there many vulnerable groups of residents who were likely to have been greatly impacted by the cyber-attack, but perhaps were less likely to engage with the survey. Similarly, there were many hidden impacts of the cyber-attack which were less well known among residents (e.g. children's social care records).

- Rather than being Hackney wide, the impact of the cyber-attack has been felt more keenly by particular groups of people which engage with the Council. The impact on these different groups will of course be very different, depending on the nature of the interaction with the council and the services that they are using.
- For the resident survey itself, the researchers made sure that the correct weightings were applied to reflect local demographics (e.g. on age, ethnicity and tenure etc.) to ensure that results produced the best representation of Hackney. The survey was still being finalised but would provide a rich source of data to inform service planning and delivery.

5.14 In terms of benchmarking could further consideration be given to how the council assesses the impact of its spending and investments?

- This was critical as there were very important cross cutting issues for which the council needed to monitor and review the impact of its work which included climate change, inequality and inclusive growth. Current performance data presentation was generally limited to past performance comparisons rather on where the council needed to be in terms of its key policies and service objectives. It was a leadership priority that performance should be used to demonstrate the trajectories that services were on to reach their ambitions. There was also a need to improve comparative assessments of the council's performance with other boroughs through such data platforms as LGInform. It was noted however, that there is just a 0.5 w.t.e. officer in the council supporting performance management in the Council at present. It was emphasised however, that the issue was cultural to the organisation rather than one of resources.

- With such prominence given to housing repairs and benefits, other services tend to get lost in performance data and analysis. Children's Services were performing well, a position validated by a recent assessment by Ofsted which noted the quality of self-assessment process within the service. Similarly, the recent advancements made by Adult Services (doubling of care assessments made with the same resource and reduction of the backlog from 125 to 23) may also be lost against higher profile performance data.

Anti-racism

5.15 In terms of anti-racist action planning in relation to the outcomes of Child Q Safeguarding Practice Review (SPR) it was clear that local agencies needed to seize the moment and utilise the political consensus and community momentum to achieve necessary changes. The council was also mindful that it would need to embed any gains and ensure that progress was sustained. Within this it was important to understand that the experiences with Black and Global Majority community were very different and a more granular understanding was needed to progress.

5.16 In response to Child Q, the CEO chaired a weekly cross council meeting to support the implementation of the SPR and system wide issues it identified. It was clear that the council had an important system leadership role in the response to the Child Q. The key themes for oversight were on Child Q and her family, the community, the police and education services. There were a number of priorities within this work:

- Holding local systems to account;
- Protection and Prevention;
- Addressing Bias and Discrimination;
- Leadership.

5.17 In terms of leadership, there was some instability within local systems with a number of high profile job changes in recent months at the Homerton Hospital and BCU Met Police Command. It was clear however that the Council had set the systems and framework to address racism across the local partnership and was actively leading in this work. It was acknowledged however that this approach was new territory for some agencies within the local partnership.

5.18 Against a backdrop of key race milestones (Scarman Report and Macpherson Report) and given that racism still exists even in such a diverse and welcoming place such as Hackney, the Panel enquired how the leadership was going to measure progress against tackling racism locally and how local agencies would be held to account?

- Racism exists at both the individual and organisational level. Progress always leads to further questions, for example from the Stephen Lawrence case, one of the areas of focus was why proportionally fewer children from Black and Global majority backgrounds were accessing university but this subsequently reoriented to why was there such high levels of Black graduate unemployment. Professional curiosity was intrinsic to this process and the same can be applied locally, for example, why is the permanent exclusion rate in Hackney so high? This curiosity will be important to the approach of the local leadership team.

5.19 Are local agencies sufficiently joined up to address racial disparities in local services? For example, are children's social care working with local health partners to address the disproportionate number of black and global

majority children which are taken in to care locally which may in part be a result of poor perinatal mental health outcomes?

- As the case example highlighted, it was apparent that there were a number of foundation areas where it was necessary to achieve change to ensure progress in other areas. It was important therefore that the organisation is reviewing and monitoring the performance of the right areas. It was also suggested that the council has focused on the experiences of black people using other services rather than its own and this balance needed to be addressed.

5.20 The Chair thanked the CEO for attending and responding to questions from members of the Panel.

6 Quarterly Finance Update (8:25pm)

6.1 The council's budget update to scrutiny is a fixed item on the agenda of the Scrutiny Panel. The Group Director for Finance and Corporate Resources presented to panel members, highlighting the following key issues (slides are available to view in the meet recording).

- The latest OFP and HRA forecast is predicting an overspend of £7.8m for the former and £9.6m for the latter;
- There were significant cost drivers for local authorities (contracts, pay aware, energy costs, pension increases) which were adding to financial pressures;
- London boroughs were predicted to make cumulative savings of around £600-700m per annum through to 2025-2026;
- The 2022/23 pay award of £1,950 will result in cost pressure in excess of £13m for the council overall (HRA and GF);
- The mini-budget provided no additional funding for local government to cope with inflationary pressures;
- Rates of interest for loans through the PLWB have increased significantly to local government resign from 1.58% to 5.12% over a 1 month period which will impact on borrowing;
- Council's energy is purchased collectively through a LASER framework operated by Kent County Council over a 6 month period - currently 70% of gas and 50% of electricity has already been purchased and these are below the current CAP rates.

6.2 The Panel requested further information on what the council was doing in response to the Cost of Living Crisis. The presentation to Panel members noted the following:

- The Poverty reduction Framework set out the approach of the council prioritising 4 areas: simplifying access to support; maximising income, building existing partnerships and equipping front line services to better support residents in need. Additional funding has been secured for Integrated Care Funding.
- In terms of impact: 48% of children were living in poverty after housing costs, households not in work (or one working adult), with a disabled adult or carer or low formal qualifications were also identified to be at greater risk of poverty.
- Financial support provided by the council included £638k to Discretionary Housing Payments, £57k to Discretionary Crisis Support Scheme, £150 fuel rebate paid to over 98,352 residents;

- Household Support Fund has allocated £2.8m to Hackney to redistribute to children and families 0-19 years, Pensioners and help with housing costs and risk of homelessness. The scheme has now been extended to March 2023.
- A centralised information suite has been developed to help residents experiencing financial difficulties;
- In terms of debt, the council is now issuing notices to residents but instructed to work with residents to develop affordable repayments (extending arrangements);
- Similarly, officers are working with tenants in relation to rent arrears and eviction continues to be a last resort.

6.3 Whilst members of the Panel welcomed the range of help and support that has been in place for local residents and tenants, there was some concern over the accessibility of the support available. There were also instances of people being encouraged to apply but then being told they were not eligible. What are officers doing to ensure that help is getting to those who most need it? Could there be greater transparency around the Discretionary Housing Payment for instance? How is this DHP benign evaluated?

- The Cabinet member for finance, insourcing and customer service noted that the teams dealing with these range of benefits and applications for help were under intense pressure and were working to capacity. Whilst the Cabinet member was not aware of any cases which had been treated unfairly,, it was recommended that councillors referred suspected cases through to Cabinet members for investigation.
- The Group Director indicated that both the Housing Needs and Housing Benefits teams had put on dedicated training for members to enable them to support and refer residents appropriately for support. Further sessions could be held if needed.

6.4 Following up from above, Panel members noted that there were over 5,000 cases of under or overpayment of Housing Benefit which was causing considerable hardship in the community. Residents are being encouraged to move into private sector housing and need to know that their rent is going to be paid otherwise they could end up homeless, and the council would be required to deal with them through another service. Therefore a small payment from the DHP fund might help keep residents secure in their property and reduce the likelihood of eviction which may be more costly for the council to resolve.

- The Group Director responded that Hackney had the highest caseload of Housing Benefit claimants and the impact of the cyber-attack has been far reaching across this service. Whilst many of these cases were not straightforward and did take some time to resolve, the Group Director reassured members of the Panel that caseworkers were working hard to resolve all these as quickly as possible. Where there has been a risk of eviction, the council has always looked for a way to intervene to prevent this if possible. There may have been some cases where eviction has taken place, but these were minimal.

6.5 In terms of the MTFs, a budget gap of £24.3m was anticipated for 2023/24 (assuming a 2%) rise in Council Tax. The mid case projection was (cumulatively) £38.8m deficit for 2024/25 and £53.6m for 2025/26. Extensive meetings had been held with Cabinet Members and Group Directors to help identify ways to close the financial gap for 2023/24. Scrutiny Chairs would consider the first tranche of savings

proposals shortly. Similar processes were being deployed to identify savings in the HRA.

6.6 The CEO noted that the financial position would require difficult decisions and would welcome input from scrutiny in this matter, particularly in helping to frame the decision making process with new members.

6.7 The Chair thanked officers for attending and responding to questions from Panel members.

7 Improving Engagement and involvement of Children and Young People in Scrutiny (9:05pm)

7.1 The new administration for 2022-2026 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.'

7.2 The scrutiny function is therefore 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. An options paper was presented for the Panel to discuss.

7.3 The short report Improving Engagement and involvement of Children and Young People in Scrutiny in the agenda 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.
- Several suggested proposals to improve children and young people's engagement with scrutiny are put forward for members to discuss and agree.

7.4 Panel members noted and agreed the principles for engaging young people set out in the paper (summarised below):

- 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.

7.5 The Panel agreed to take this work forward and to ensure that this was properly resourced.

8 Minutes and Matters Arising (9:20pm)

8.1 Panel members noted and agreed on the minutes of the 14th July 2022.

9 Scrutiny Panel Work Programme 2022/2023 (9:25pm)

9.1 The Panel noted and agreed the work programme for the remainder of the municipal year 2022/23.

10 Any Other Business (9:30pm)

10.1 There was no other business and the meeting closed at 9.30pm

10.2 The date of the next meeting was 20th February 2023.

Duration of the meeting: 2hrs 30min



Scrutiny Panel 20th February 2023 Item 8 - Scrutiny Panel Work Programme 2022/23	Item No 8
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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
Thurs 14th Jul 2022 Papers deadline: Mon 4 th 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.
Mon 3rd Oct 2022 Papers deadline: Wed 21 st 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 Mark Carroll, Chief Executive	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.
Mon 20th Feb 2023 Papers deadline: Wed 8 th Feb	Update on Scrutiny Panel's Council Tax Reduction Scheme Task and Finish Group	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	Update and report back about the work and proposed recommendations from the Scrutiny Panel Council Tax Reduction Scheme Task and Finish Group.
	Constitution Update - Review of Overview & Scrutiny Sections	Chief Executive's Directorate Overview and Scrutiny Tracey Anderson	This item is to review the O&S sections in Constitution and propose any amendments to the Constitution Committee.
	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Ian Williams	Finance Update Budget reports <ul style="list-style-type: none"> • Overall Financial Position • Capital Update Report • An overview on the proposed council budget for 2023/24.
Mon 24th Apr 2023 Papers deadline: Wed 12 th Apr	Poverty Reduction Work	Chief Executive's Directorate Policy and Strategic Delivery Sonia Khan	Update on the Council's poverty reduction work and right to food manifesto commitment.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
		Head of Policy and Strategic Delivery	
	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.

To be scheduled

- Mayor Philip Glanville Cabinet Question Time - CQT session with the Mayor of Hackney.