

Scrutiny Panel

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

Monday 4 December 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://youtube.com/live/T2AHqvt4dO8>

Back up live stream link:

<https://youtube.com/live/b2A065u-8KY>

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

Contact:

Tracey Anderson

☎ 0208 3563312

✉ tracey.anderson@hackney.gov.uk

Dawn Carter-McDonald

Interim Chief Executive, London Borough of Hackney

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

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1 Apologies for Absence**
- 2 Urgent Items / Order of Business**
- 3 Declarations of Interest**
- 4 Hackney Council Complaints and Members Enquires** (Pages 9 - 60)
Annual Report 2022-23
- 5 Quarterly Finance Update** (Pages 61 - 114)
- 6 Executive Response to the Council Tax Reduction Scheme** (Pages 115 - 178)
Review Report

7	Executive Response to the Net Zero Scrutiny Panel Report	(Pages 179 - 244)
8	Minutes of the Meeting	(Pages 245 - 264)
9	Scrutiny Panel Work Programme 2023/2024	(Pages 265 - 272)
10	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](#)



This page is intentionally left blank



Scrutiny Panel 4 December 2023 Item 4 – Hackney Council Complaints and Members Enquires Annual Report 2022-2023	Item No 4
----------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------

OUTLINE

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

Attached is the annual report of the service for 2022/23. It provides an analysis of the volume of complaints received, the performance of the service, and progress being made with improvement work and quality assessment from the complaints and Members enquiries received in order to ensure that there is learning from the service and that the learning is being adequately shared.

Purpose

One of the Scrutiny Panel's functions is to contribute to the continuous improvement in service delivery through the consideration of performance information. The purpose of this report is to give the Scrutiny Panel an overview of how the council is responding to complaints and to consider if they are being dealt with successfully at the first stage, thus reducing the numbers that proceed to later stages.

Reports in the agenda:

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

- Complaints and Enquires Annual Report
- Appendix - Housing Service Self-Assessment.

Invited Guests

London Borough of Hackney

- Bruce Devile, Head of Business Intelligence, Elections & Member Services
- Louise Humphreys, Acting Director of Legal, Democratic & Electoral Services and Monitoring Officer
- Cllr Rob Chapman, Cabinet Member

ACTION

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

This page is intentionally left blank

INTRODUCTION

- 1.1 This report provides an overview of Complaints, Member/MP and Mayor & Cabinet Member enquiries made to the Council between 1 April 2022 and 31 March 2023.

2. RECOMMENDATION(S)

- 2.1 The Scrutiny Panel is recommended to: -
 1. Note the report and attachments, trends and associated work.

3. BACKGROUND

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

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

- 4.1 There are no additional financial implications arising from this report. The cost of staff dealing with complaints across the Council is met from within the relevant revenue budgets, as are any compensation payments made. The cost of complaints monitoring is met within the approved revenue budget of the Business Analysis and Complaints Team (BACT).
- 4.2 Such costs, however, can be minimised by ensuring that complaints are dealt with successfully at the first stage, thus reducing the numbers that proceed to later stages.

5. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC & ELECTORAL SERVICES

- 5.1 In line with Article 7.1.(c) of the Council's constitution one of the functions of the Scrutiny Panel is to contribute to continuous improvement in service delivery through the consideration of service delivery performance. This report recommends the Scrutiny Panel note how complaints and enquiries were managed during 2022/23. The report is informative in nature and assists the panel in giving consideration to how the Council engages and supports its wider community.
- 5.2 There are no direct legal implications arising from the contents of this report.

APPENDICES

- 1 - Complaints and Enquiries Annual Report 2022/23
- 2 - Stage 1 & 2 Complaints Data 2022/23
- 3 - Housing Services Self Assessment (November 2023) against the Housing Ombudsman Service Complaint Handling Code

BACKGROUND PAPERS

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

Description of document	Location	Date

Report Author	Simon Gray Tel: 020 8356 8218 Email: Simon.Gray@hackney.gov.uk
Comments of the Group Director of Finance and Corporate Resources	Deirdre Worrell Interim Director, Financial Management Tel 020 8356 7350 Email: deirdre.worrell@hackney.gov.uk
Comments of the Director of Legal Services	Juliet Babb Tel: 020 8356 6183 Email: juliet.babb@hackney.gov.uk

Appendix 1

Complaints and Enquiries Annual Report 2022/23

1. Introduction

- 1.1 This report provides an overview of the Complaints & Enquiries received in 2022/23 covering volume and performance in managing and learning from them.

2. Volumes and Performance

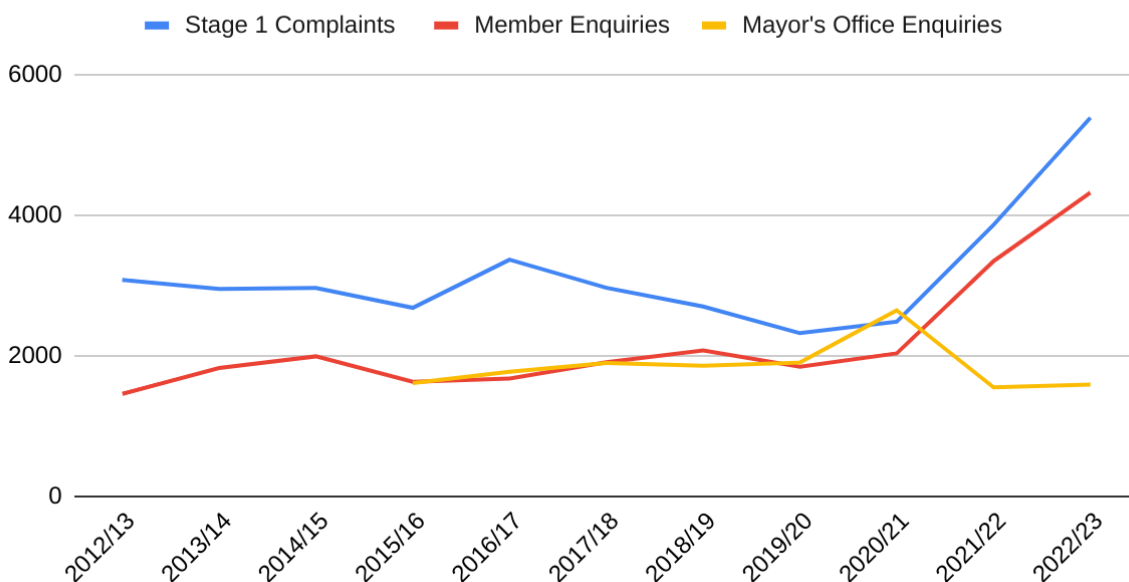
- 2.1 Detail on volumes of complaints and enquiries received in 2022/23, the way they are managed and the intelligence they provide are set out in this report. In summary, 2022/23 saw the number of stage 1 complaints rise by 39% (3,863 to 5,384) compared to 2021/22. The 2022/23 figure is a 116% increase on 2020/21 and historic norms. Although the overall number of stage 1 complaints continued to rise, there are some variances within services that have seen some increases and some reductions - para 3.10 below sets out more detail.
- 2.2 The volume of stage 2 complaints has increased 36% compared to 2021/22 (344 compared to 253) and is up 85% since 2020/21.
- 2.3 There has been a 10% increase (4,319 from 3,917) in the number of Members Enquiries compared to 2021/22 levels, which are now 112% higher than 2020/21 and historical norms.
- 2.4 In the two areas with statutory complaints procedures, volumes of stage 1 complaints rose in Adult Social Care to 85 from 68 in 2021/22 and rose to 57 from 17 in 2021/22 in Children's Social Care.
- 2.5 There has been a slight increase (1,593 from 1,552) in the number of Mayor & Cabinet Member Enquiries in 2022/23.
- 2.6 344 of the 5,384 stage 1 complaints were escalated to stage 2 giving an escalation rate of 6.4%, similar to the 6.5% in 2021/22 which is in line with complaints at both stages rising at similar percentage rates. The number of stage 2 investigations escalating to become formal investigations by the Local Government & Social Care Ombudsman (LGSCO) and the Housing Ombudsman Service (HOS), at 52 again is similar to the 53 in the previous year and equates to around 15% (21% in 2021/22) of cases exhausting the Council's complaints process. The support of services where stage 2 investigations agree with the conclusions of theirs at stage 1 and the challenge given where it does not, indicates, as well as the conclusion of those cases progressing to the Ombudsman, that the stage 2 process is working well.
- 2.7 Of the 52 formal investigations undertaken by both the LGSCO and HOS, 34 (65%) were upheld, down from 72% last year. It should be noted that at the

conclusion of the Council’s investigation of a complaint, there is either fault found or not. Regardless of whether fault is found or not, complainants can, and often do, still take their concerns on to the appropriate Ombudsman. As such, cases upheld by the Ombudsman are often cases where the Council also found fault but where they feel that the redress (actions/compensation) was insufficient and is increased.

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

3.1 As shown in the chart below, the number of stage 1 complaints received by the Council in 2022/23 rose by 39% compared to 2021/22 when and is now at the highest level in the 11 years since recording began. The number of Members Enquiries, including MP Enquiries, increased by 36% in 2022/23 and is now at the highest level in 11 years. Mayor & Cabinet Enquiry volumes rose 3%.

Stage 1 Complaints , Member Enquiries and Mayor's Office Enquiries 2012/13 to 2022/23



3.2 This report covers the period from April 2022 until March 2023 and whilst services were operating for most of this period at pre-pandemic levels, there was still an element of recovery underway as well as the residual impact of the cyber attack which affected many services and the associated ability to investigate complaints and respond to enquiries. This, along with other factors specific to the services concerned, have seen volumes of complaints and Member enquiries rise to unprecedented levels again in 2022/23. Across services receiving the highest numbers of complaints and Member Enquiries, total volumes have increased by over 1,900 cases compared to 2021/22 with for example the Housing Repairs receiving an additional 778 cases, Revenues an additional 292 and Environmental Services an additional 194 .

3.3 Whilst any complaint received means the Council have, in the opinion of our residents or service users, failed to provide an acceptable service, the numbers of complaints and those which are escalated should be viewed in the context of the size of the borough, the number of transactions and the complexity/nature of those transactions. Hackney has a population of c.259,200 living in c.106,000 households. Relevant to the areas with the highest volume of complaints we are the landlord for 21,575 homes and have an additional 9,671 leaseholders/freeholders/shared ownership and have a population with a significant reliance on the Benefits and Housing Needs system.

Type	2018/19	2019/20	2020/21	2021/22	2022/23
Stage 1 complaints	2,701	2,322	2,485	3,863	5,384
Stage 2 complaints	161	160	186	253	344
Escalation rate	6%	7%	7.5%	6.5%	6.4%
Members/MP Enquiries	2,077	1,847	2,035	3,917	4,319
Mayor & Cabinet Enquiries	1,859	1,904	2,647	1,552	1,593

Average Response Times	2018/19	2019/20	2020/21	2021/22	2022/23
Stage 1 complaints	20.9 working days	19.7 working days	23.7 working days	32.1 working days	23.9 working days
Stage 2 complaints	20.2 working days	20.2 working days	20.8 working days	23.5 working days	22 working days

3.4 The number of stage 1 complaints (see paras 3.8 to 3.10 for more detail) has increased for the third consecutive year but this year, by a further 39%. Despite this, the speed of response has improved by 8 days in the average time taken to respond compared to 2021/22 which should be commended. We do not set a rigid response standard, but do aim to respond on average within 15 working days, recognising some cases are more complex and will take longer to resolve. The only exception to this is the change in the standard made in September 2020 for Housing complaints which is now 10 working days in line with Housing Ombudsman scheme requirements.

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

Adult Social Care

Below are some learning and actions falling from complaints last year 2022/23;

- To address delays, in particular the delay in responding to referrals. The Access and Duty Team have worked with the Mosaic Project Team to develop the online referral form so that it moves from a manual system to an electronic system. The aim is to enable the referral form to come directly into Mosaic; this means it will reduce the amount of time it will take to process each referral.
- The Complaints Manager is a part of the Data and Insight Hub, where knowledge and insight across Adult Services is shared. We are working on how we can implement a more formal structure for ensuring we make the most out of our data and insight from complaints when developing transformation and improvement within our service
- Due to our delays in communication, members of staff were spoken to about the impact and the importance of following up on requests for information. We recognise the importance of communication with service users and their families, so that they are aware of what is happening with their case.
- As a result of a delay in an activity, a direct payment was backdated to three months and a payment was made to the family in compensation; this was for failing to provide the payment when it was first needed and a reassessment of an individual's needs was also carried out.
- Due to a lack of communication once referrals are sent in and while awaiting triage, our systems have now been updated and any referrals that are received are acknowledged with an automated response.
- Because of inadequate services provided by a contractor/third party, we have set up a duty pathway and now have a duty occupational therapist that is able to visit to resolve issues quickly.

Children's Social Care

- Findings on two complaints during 2022/23 determined that fathers were not sufficiently involved in and consulted about child and family assessments undertaken by social workers. As a result of complaints and other audits which have identified a similar issue CFS has made changes to social work practice to ensure that fathers are better involved in these assessments;
- A care leaver in higher education complained about inadequate support particularly around housing that resulted in her ending up without suitable accommodation. The complaint was upheld and resulted in a review of our support to care leavers entering higher education and the Children and Families Services' relationship with Housing Services.

- A complaint that included issues related to a failure to carry out actions identified in a Child and Family Assessment resulted in changes to the process of management sign off to ensure additional checks were in place to ensure that agreed actions were followed up

Streetscene

- Following many complaints surrounding Lime bikes not being parked/docked appropriately, the service have worked much closer with their contractor to solve the issues of bicycles on the pavement. A number of dockless parking spaces have been installed across the borough and the contractor is now more proactively ensuring the bikes are parked in the correct place with a fining system for the users. Results are showing a significant reduction in related complaints.
- There have been a number of complaints about CCTV cameras used to enforce the Low Traffic Neighbourhoods (LTNs) being constantly vandalised. As a result, the service is working more proactively with the Council's Parking and Enforcement services to ensure that immediate action is taken, for example using mobile units or lane watch units which also contribute to the enforcement of vehicles which are non compliant with the restrictions

Environmental Services

- To improve response times and minimise complaints the service have integrated 'Fix My Street' (FMS) with their mobile application for the majority of issues that users are able to report. For example, if a fly-tip is reported in FMS then it will be immediately sent to the correct crew based on the geography of the incident. The crew will deal with the issue and update the application.
- As a way of monitoring street cleanliness more closely with the aim of reducing complaints, and to supplement our external report carried out by Keep Britain Tidy, Area Managers began assessing and scoring street cleanliness using the NI195 methodology. Furthermore, the scoring is done using the Alloy application and any transects that fail are automatically referred to the service area that is responsible for that issue. For example, if a transect scores a C grade for littering, the app automatically sends a job to the correct supervisor based on the geography of the transect, which will see complaint numbers fall.
- In response to complaints and enquiries, the service has established targeted enforcement action days to tackle and prevent fly-tipping by residents and businesses in areas identified.
- In response to complaints, the service introduced time bands on a further two streets to address complaints about bins obstructing the pavements and overflowing litter and unregulated waste issues.

Housing

- In 2022/23, we began a journey to introduce a more scientific approach to how we learn lessons from the complaints and enquiries that we receive via the development of a suite of QlikSense dashboards that provide real time data from both our OneCase complaints management system and other in house data sources. This has allowed us to identify service improvement initiatives more easily.
- As was the case in 2021/22, the majority of new complaints received in 2022/23 related to leaks, damp and mould in properties. We have used the intelligence generated from the above real time dashboards to develop our self assessment of the Housing Ombudsman Service's 26 recommendations with regard to damp and mould.
- There was additional focus in 2022/23 on learning lessons from the surveyor inspection works process and developing improvement initiatives. The regular failure to provide residents with updates on the outcome of surveyor inspections and - more specifically - the works arising from them drove both complaint and enquiry demand throughout the course of the year.
- The Building Maintenance Customer Relationship Team tried an array of approaches (e.g. spreadsheet trackers, phone calls, visiting our contractor, Purdy's, offices on a weekly basis) to try and improve the flow of information to both us and residents. This included Purdy setting up a new admin team for their Hackney contract (with new staff) at their Romford Office. This went live on 7 November 2022. These visits delivered some improvements but as 2022/23 went on we delivered a number of technical projects designed to enhance this information flow, for example:
 - Development of a QlikSense dashboard that allows Building Maintenance managers to better monitor and manage the performance of the Area Surveying team. The first output from this work was the development of a screen that showed the number of surveyor inspections that had been raised and how many of those that have gone past their appointment date were still not showing as completed on Repairs Hub within the agreed service standard of 48 hours. This dashboard was provided to the Area Surveying managers and surveyors so that the latter could carry out the required outstanding administrative work on Repairs Hub and the former could manage performance going forward. This was critically important as the number of Stage 1 complaints we were receiving where the resident was chasing up the outcome of a surveyor inspection and associated remedial works was very significant.

- Moving the external contractors who carry out a lot of our surveyor inspection remedial works onto our main Repairs Hub system.
 - In tandem with that, the Housing Transformation Business Intelligence Analyst developed a visualisation for the number of estimates from our contractors for remedial works where we are currently awaiting approval so that the relevant officers can effectively performance manage the timely actioning of these items.
- Repairs Contact Centre (RCC): In the autumn/winter of 2022 we saw a high proportion of Repairs complaints include a section on the difficulties faced in talking to the RCC to either report repairs or get progress updates on them. We liaised with the RCC to address these issues via an improvement action plan. RCC performance has improved markedly since then.
 - Rehousing Requests: Failure to process changes of circumstances/new rehousing requests continued to be a significant driver of complaints and enquiries and will continue to be until the new Housing Register system is fully live. However, given the insight provided by the regular flow of complaints and enquiries on this topic, the Central Housing Complaints Team had extensive conversations with managers in both Housing Services and Housing Needs and agreed and circulated an agreed joint response that could be used by the Customer Services team. This helped to get rid of a backlog of cases and also to deal more quickly with new cases that came in, ensuring that affected residents were being called by officers to discuss rehousing options and being sent a weblink that allowed them to either apply to go on the Housing Register or submit change of circumstance documentation.
 - Lifts: Analysis of complaint escalations showed that a higher than average number of Stage 1 lift complaints were being escalated to Stage 2. The Central Housing Complaints team carried out a review of those cases and identified a number of improvement areas. For example, effective implementation of the Lift Protocol was shown to be a big issue for residents in a number of the Stage 2 escalations. A Customer Journey review project has been established to drive through these improvements.
 - Tell Us Once: We saw a number of complaints during the first half of the year which suggested that there was an issue with Housing Management not updating records when residents informed us of the death of a tenant. Work was therefore undertaken to get Housing Services better access to the Tell Us Once data in order to tackle this issue.

3.6 There were 343 stage 2 complaints in 2022/23, an increase of 90 cases compared to the year before. The Housing Service accounted for 213 (62%) of these. Further breakdown of the cases; shows the highest numbers in – Housing

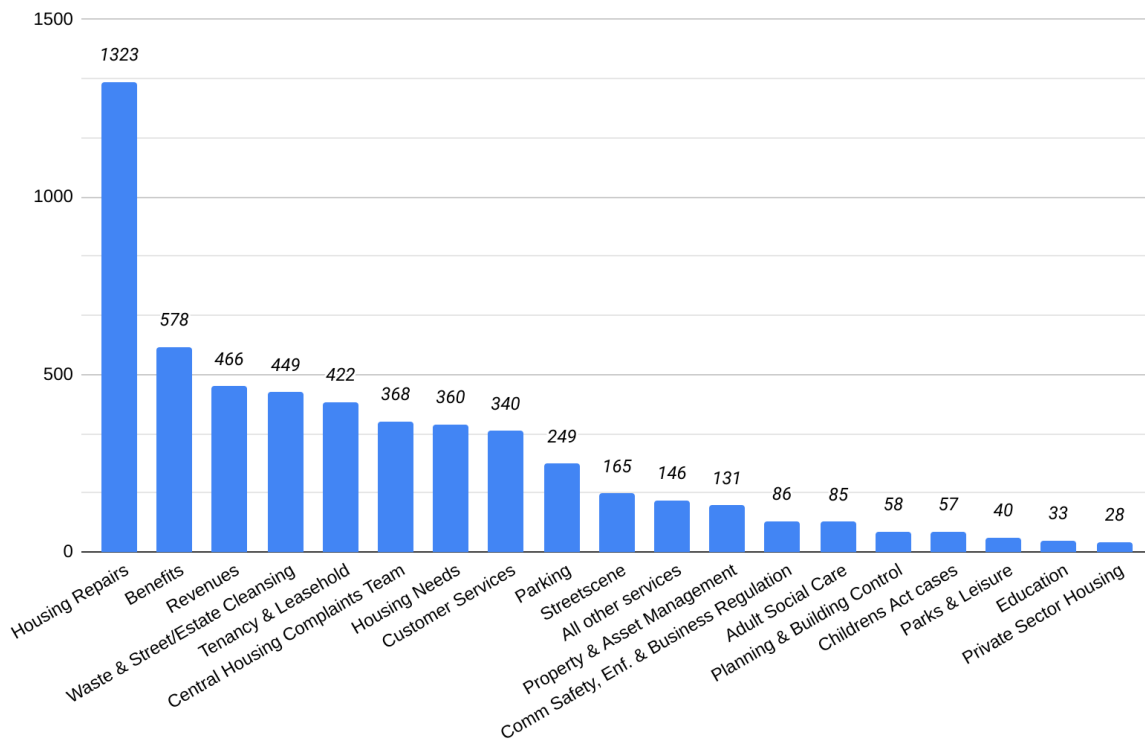
Building Maintenance 119 (up from 59), Benefits/Housing Needs 48 (up from 43), Housing Tenancy & Leasehold 39 (down from 59), Housing Transformation 35 (up from 14), Housing Property & Asset Management 19 (up from 8), Parking 16 (down from 19) and Customer Services 14 (up from 6).

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

3.8 Stage 1 Complaints breakdown

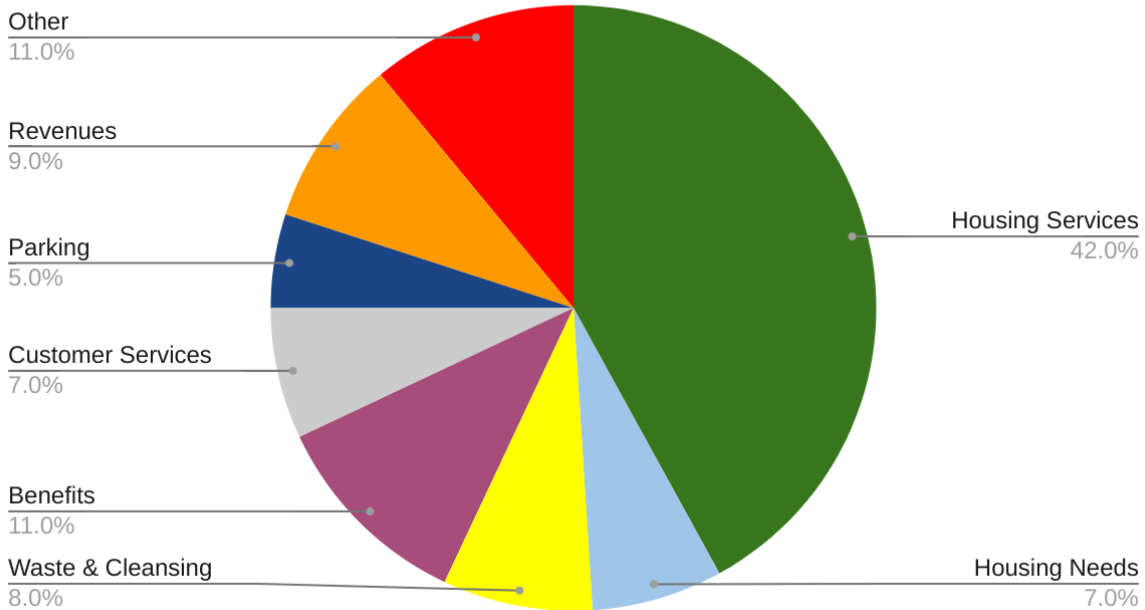
3.9 The chart below sets out the services in the Council that received the highest volumes of stage 1 complaints. It is based on 5,384 stage 1 complaints including those made under the statutory Adult Social Care and Children’s Act complaints processes.

Stage 1 complaints received 2022/23



3.10 The chart below also shows a 42% combined Housing Services share of stage 1 complaints along with other high generating areas of complaints.

Service share of stage 1 complaints 2022/23



3.11 The 39% total increase in complaints in 2022/23 is reflected by the services below receiving less or more complaints across all of the higher generating services and also shows a brief summary of the key 'drivers' of complaints.

Service	Team/function and issues driving complaints
Housing Repairs – up 97% (673 to 1323)	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ DLO 536 ○ Cust Relation Team 403 ○ Contractors 158 ● Issues <ul style="list-style-type: none"> ○ delays doing something works and communicating 757 ○ failure to deliver service/take action 298 ○ Poor info, advice, communication 50
Benefits – up 99% (290 to 578)	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Benefits 502 ○ Processing 32 ○ DHP Team 30 ● Issues <ul style="list-style-type: none"> ○ benefit decision/award 208 ○ CTRS 102 ○ payments 93 ○ suspension of claim 37 ○ DHP 29

<p>Revenues – up 115% (217 to 466)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Revenues 370 ○ Council Tax 74 ● Issues <ul style="list-style-type: none"> ○ Delays in service/doing something 113 ○ Financial dispute 91 ○ Failure to deliver service/do something 53
<p>Waste & Street/Estate Cleansing – up 35% (333 to 449)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Env Services (other) 189 ○ Refuse, recycling, bulky waste 119 ○ Street cleaning 60 ○ Estate cleaning 35 ● Issues <ul style="list-style-type: none"> ○ missed collection (all types) 75 ○ Street not swept 38 ○ Fly tipping 37 ○ Bins - location, lids not put back, etc 29 ○ Staff behaviour 25
<p>Housing Tenancy & Leasehold – up 6% (397 to 422)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Neighb. Offices 134 ○ TMOs 66 ○ Income Services 63 ○ Estate Safety/ASB 61 ○ Income Services 63 ● Issues <ul style="list-style-type: none"> ○ Communal issues on estates 58 ○ Noise/ASB 42 ○ Repairs 38 ○ Neighbour disputes/nuisance 35 ○ TMO services 31
<p>Central Housing Complaints Team (CHCT) - up 19% (310 to 368)</p>	<p>The Housing CHCT Team deals with cases that cut across multiple Housing departments and due to the OneCase system only allowing one team to be identified, these cases cannot be attributed to a particular service. Main cause of complaint;</p> <ul style="list-style-type: none"> ● Delay in doing something/communications 119 ● Failure to do something/deliver service 100 ● Poor communication, info or advice 53

<p>Housing Needs – down 5% (377 to 360)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Housing Register Team 134 ○ Housing Advice/Homeless 59 ○ Hostel Mgmt 37 ● Issues <ul style="list-style-type: none"> ○ Housing Register 67 ○ Issues with TA i.e. ASB, infestations 56 ○ Homelessness advice 36
<p>Customer Services – up 44% (236 to 340)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Repairs Contact Centre 172 ● Issues <ul style="list-style-type: none"> ○ Availability of service 67 ○ Delays 43 ● Team/function <ul style="list-style-type: none"> ○ Customer Service Ops 168 ● Issues <ul style="list-style-type: none"> ○ Quality of communication 70 ○ Responsiveness of service 66
<p>Parking – up 35% (185 to 249)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Parking (Other) 110 ○ PCNs 63 ○ Permit/Voucher 24 ○ Enforcement 22 ● Issues <ul style="list-style-type: none"> ○ Poor comms, info, advice 79 ○ Quality of work/service 60 ○ Service/staff availability 22 ○ Staff behaviour/customer care 16
<p>Streetscene – down 24% (217 to 165)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Highways 52 ○ Design/Engineering 33 ○ Street Works 28 ○ Sustainable Transport 28 ● Issues <ul style="list-style-type: none"> ○ Highway repairs 39 ○ low traffic neighbourhoods (LTN) 17 ○ Highway repairs 39 ○ green/sustainable travel 10
<p>Property & Asset Management – up 15% (114 to 131)</p>	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Planned Works 90 ○ Liaison 15 ○ Projects 10

	<ul style="list-style-type: none"> ● Main areas of complaint <ul style="list-style-type: none"> ○ Lifts 46 ○ Electrical 17 ○ Communal works 15
All other services - down from 235 to 146	Not applicable
Community Safety, Enforcement and Business Regulation – up 22% (70 to 86)	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Enforcement ASB/Noise 26 ○ Environmental Protection 20 ○ Environmental Enf 13 ○ ● Issues <ul style="list-style-type: none"> ○ noise/ASB 45
Adult Social Care (statutory complaints) - up 25% (68 to 85)	<ul style="list-style-type: none"> ● Issues <ul style="list-style-type: none"> ○ Standard of care delivered 3 ○ Outcome of an assessment/ care package implemented 14 ○ Communication i.e. delays or incorrect information given 31 ○ Delay in delivering service 23 ○ Standard of service delivered (non-care) 4 ○ Staff behaviour 6 ○ Disagree with policy/procedure 2 ○ Other i.e. finance/direct payments 2
Planning & Building Control – down 44% (102 to 58)	<ul style="list-style-type: none"> ● Team/function <ul style="list-style-type: none"> ○ Development Mgmt 35 ○ Enforcement 15 ○ Building Control 3 ● Issues <ul style="list-style-type: none"> ○ chasing decision 17 ○ enforcement 15 ○ consultation 14
Children’s Act cases (stage 1 complaints) – up 235% (17 to 57)	<ul style="list-style-type: none"> ● Issues <ul style="list-style-type: none"> ○ staff conduct ○ assessments

Ombudsman Complaints

3.12 Following conclusion of the Council's process, a complainant can approach one of two Ombudsman to ask for their case to be reviewed - the Local Government & Social Care Ombudsman (LG&SCO) or the Housing Ombudsman Service (HOS).

3.13 There were 52 formal investigations undertaken by both the LGSCO (28) and HOS (24), in 2022/23. 34 (65%) of these were upheld i.e. fault was found.

3.14 Of the 34 upheld Ombudsman investigations, 25 were LGSCO cases and 9 HOS.

- Of the 25 LGSCO cases;
 - 7 cases - they found fault where the Council found none
 - 11 cases - Council and LGSCO found fault but they offered more redress primarily by way of compensation
 - 7 cases - n/a i.e. case taken on by LGSCO with no Council investigation
 - The LGSCO awarded compensation in 9 of the 25 cases
- Of the 9 HOS cases,
 - 2 cases - HOS found fault where the Council found none
 - 7 cases - Council and HOS found fault but they offered more redress primarily by way of compensation
 - The HOS awarded compensation or additional compensation in all 9 cases.

3.15 The LG&SCO has published their [Annual Report](#) for 2022/23 and reports that they undertook 28 formal investigations in Hackney last year of which 25 (89%) were upheld. This compares to an average of 77% in similar organisations. The rate of upheld cases has risen from 79% in 2021/22 with the number of upheld cases increasing from 22 last year to 25.

The LG&SCO also report that there was 100% compliance with their recommendations by the Council and that there had been significant progress in the Council providing a satisfactory remedy before the complaint reached them, up to 32% from 0% in 2021/22 compared to an average of 15% in similar organisations

The LG&SCO have provided detail on the 25 upheld cases which are broken down as follows –

- 8 x Housing Needs (same as last year)
- 4 x Education & Children (up from 2 last year)
- 2 x Adult Social Care (down from 5 last year)
- 4 x Highways & Transport (up from 2 last year)
- 2 x Benefits & Tax (same as last year)
- 4 x Env. Services & Public Protection & Regulation (up from nil last year)
- 1 x Corporate & others (up from nil last year)

Total compensation offered by the LGSCO in cases determined in 2022/23 was £7,335 which is in addition to any compensation offered at stage 1 and 2.

3.16 The table below sets out benchmarking data from neighbouring boroughs based on 2022/23 reports published by the Local Government & Social Care Ombudsman on all local authorities and shows how Hackney compares.

Council	Detailed Investigations	Upheld (rate)	Public Reports in last 9 years (LGO benchmark)
Hackney	28	25 (89%)	*4
Haringey	39	31 (79%)	8
Islington	17	12 (71%)	3
Newham	45	37 (82%)	0
Tower Hamlets	30	22 (73%)	3
Waltham Forest	27	21 (78%)	0

*Last Public Report issued in April 2019

3.17 Following a relaxation of the requirement by the Housing Ombudsman Service, on Government instruction, the 'democratic filter' which forced complainants to approach a 'designated person' or wait eight weeks before being allowed to approach them was removed in October 2022.

3.18 The 2022/23 [Housing Ombudsman report](#) shows the Council were subject to 24 formal investigations by the HOS, down from 25 in 2021/22). Of the 24 cases determined, 5 found maladministration (9 in 2021/22), 4 found partial maladministration (7 in 2021/22), 5 found no maladministration (3 in 2021/22), 2 found reasonable redress had been made (1 in 2021/22), 1 went to mediation (1 in 2021/22) and 7 were determined to be out of jurisdiction (4 in 2021/22).

In the 9 cases finding fault i.e. maladministration/partial maladministration (down from 16 in 2021/22) the HOS issued 17 separate determinations (findings). These determinations relate to property condition (8), complaint handling (6), charges (1), housing management (1) and occupancy rights (1).

The HOS has advised they ordered total compensation amounting to £8,075 in 2022/23 (up from £5,450 in 2021/22) this is in addition to that offered at stage 1 and 2. However, this figure is currently in dispute, as Council records indicate that the HOS ordered £4,025 in 2022/23.

Members Enquiries

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

3.20 Average time taken to respond to Members Enquiries was 29.5 days in 2022/23, an increase of 3.2 days on the previous year with a 10% increase in volume compared to the year before as shown in the table below.

MP and Members Enquiries	2018/19	2019/20	2020/21	2021/22	2022/23
Members/MP Enquiries Received	2,077	1,847	2,035	3,917	4,319
Average time taken to respond	18 working days	24 working days	17.7 working days	26.3 working days	29.5 working days

3.21 There have been 4,319 ME/MP Enquiries this year of which 383 were MP Enquiries and 272 were Member Enquiries made to external organisations i.e. TfL, NHS, Police.

A headline breakdown of these cases is as follows;

- Casework raised
 - 3,936 made by Councillors
 - Of which 272 were to external organisations
 - 48% of Member Enquiries made by 21% of Councillors compared to 40% by just 10% of Councillors in 2021/22
 - 383 made by MPs
 - Diane Abbott, MP - 268
 - Meg Hillier, MP - 84
 - Other - 31

Diane Abbott and Meg Hillier also raise enquiries with the Mayor & Cabinet or direct with Council services, which are not reflected in these figures.

- Service breakdown of 3,724 Member/MP Enquiries
 - 545 (15%) Housing Building Maintenance up from 417 last year
 - 507 (14%) Housing Tenancy & Leasehold - up from 496 last year
 - 498 (13%) Benefits - down from 651 last year
 - 442 (12%) Housing Needs - up from 345 last year
 - 375 (10%) Streetscene - down from 383 last year
 - 217 (6%) Comm. Safety, Enf. & Bus. Reg. - down from 218 last year
 - 210 (6%) Environmental Services - up from 132 last year
 - 185 (5%) Planning - up from 160 last year
 - 166 (4%) Parking - down from 148 last year

- 115 (3%) Revenues - up from 72 last year
- 94 (3%) Adult Social Care - up from 91 last year
- 85 (2%) Private Sector Housing - up from 54 last year
- 83 (2%) Property & Asset Management - down from 110 last year

The Council has recently established a new Member Casework team that leads on all Council related Member and MP enquiries as well as enquiries to the Mayor and Cabinet. The new team has additional capacity to reflect the doubling of Member Casework volumes in recent years, and it is expected that this will lead to an improvement in the quality and timeliness of Member, MP and Mayor & Cabinet Enquiries in the year ahead. The team went live on 20 November and will be engaging with officers and Members to review existing processes over the coming months.

Mayor and Cabinet Member Enquiries

3.22 Each Mayor and Cabinet Member’s Enquiry represents a personal response sent from the Mayor or Cabinet member to what can be wide ranging and complex enquiries, involving multiple service areas.

Mayor’s & Cabinet Members Enquiries	2018/19	2019/20	2020/21	2021/22	2022/23
Enquiries received (inc referrals)	1,859	1,904	2,647	1,552	1,593
Average time taken to respond	27.9 working days	36.2 working days	31.5 working days	42.7 working days	24.3 working days

*It should be noted that these figures represent the mean average, and as such are disproportionately impacted by the closing of cases that have been, for example, with the relevant service area for an extended period. Were the median average employed, showing more accurately the typical resident’s experience, the average time taken to respond in 2022/23 would be 17 working days.

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

3.24 The total number of enquiries received in 2022/23 represented a very slight increase on the previous year with 1,593 enquiries received. However, the average response time fell significantly to 24.3 working days; this reduction was achieved

through a number of means, including changes in sign-off procedures for Mayor's Enquiries and more robust chasing and escalating of overdue cases.

Adults Social Care & Children' Social Care Complaints

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

Adult Social Care Statutory Complaints

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

Complaints	2018/19	2019/20	2020/21	2021/22	2022/23
Numbers Received	84	74	73	68	85
Average time taken to respond	55 working days	35 working days	26 working days	25 working days	29.5 working days

3.27 Whilst there has been an increase in complaints received when we look over the past three years, the average time taken to respond to complaints has also increased by nearly four working days and that was in the past year. Although there has been a slight increase in the time taken to resolve a complaint, Adult Social Care continues to be focused on improving processes to drive down response times.

From 2018/19 onwards we excluded the figures relating to pre-stage complaints, (simple complaints that could be dealt with quickly) which resulted in a fall in cases alongside an apparent decrease in response times. However, in 2022-23 these figures have been included which provides some explanation for the raise in complaints received. We believe that despite the fact that we can find an early resolution for a complaint, there are still lessons to be learned from these complaints and therefore should be recorded.

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

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

3.28 The complaints received in 2022/23 were raised in relation to:

- The standard of care delivered 4%
- The outcome of an assessment or the care package implemented 16%
- Communication i.e. delays or incorrect information given 37%
- Delay in delivering service 27%
- The standard of service delivered (non-care) 5%
- Staff behaviour 7%
- Disagree with policy/procedure 2%
- Other i.e. finance/direct payments 2%

3.29 In 2022/23, the LG&SCO contacted Adult Social Care about nine complaints in total. Following initial enquiries four were closed with no further action as the Ombudsman made a decision to not investigate the complaints. Three were upheld (fault was found). One was withdrawn by the complainant and one complaint is currently ongoing.

Children’s Social Care Complaints

3.30 The table below shows the data which for 2022/23 shows the number of complaints completed at each of the three stages of the statutory children’s procedure

Children’s Social Care Complaints	2018/19	2019/20	2020/21	2021/22	2022/23
Stage 1 Local Resolution	32	25	15	17	57
Stage 2 Investigation	9	8	3	1	18
Stage 3 Review Panel	5	6	1	0	10

3.31 As the figures clearly demonstrate, the Children’s Complaints Team received and determined significantly more complaints in the year 2022/23 than it has in any of the four preceding years. The number of complaints determined in the year 2022/23 is around double the highest previous number in 2018/19. We are as yet not clear whether this indicates a general increase in the number of complaints we are receiving or whether all or some of this increase is the result of delays and suspended investigations that were the result of the Cyber-attack in October 2020 or the impact of Covid-19. The trend for high numbers is however continuing into 2023/24 so it is possible this may reflect a longer term increase in the number of complaints being made.

3.32 In terms of the nature of complaints, as in previous years, issues related to staff conduct were the reason for most complaints together with complaints about assessments. Complaints about staff conduct includes, for example, complaints

about bias, poor communication, failure to take agreed action and failure to share reports. The majority of complaints were in relation to the Family Intervention and Support Service, which is the largest service area and correlates with previous years.

3.33 We also completed five complaints that did not qualify for consideration under the statutory process under the corporate complaints procedure.

Appendix 2

Stage 1 and 2 Complaints Data 2022/23

Stage 1

3.34 Based on the data we have from the OneCase system we have the following analysis against the 5,200 stage 1 investigations (excluding statutory Adults and Childrens complaints) received in 2022/23 with details as follows;

- 4,524 were determined of which;
 - 2,228 (49% compared to 41% in 2021/22) found fault (resolved by way of - 1,201 apology, 725 remedial action, 269 financial redress, 33 cyber attack)
 - 1,923 (43% compared to 48% in 2021/22) found no fault
 - 370 (8% compared to 11% in 2021/22) resolved upon receipt
- Total compensation awarded at stage 1 - £64,650.48
- Channel complaints were received through
 - 2,408 by email (46% - up from 40% in 2021/22)
 - 2,261 on-line self service (43% - down from 50% in 2021/22)
 - 420 by phone (8% - up from 7% in 2021/22)
 - 111 letter/complaints form/in person (2%)

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

- **Housing Building Maintenance** - 1323 stage 1 investigations
 - Main teams complained about (team)
 - DLO 536
 - Customer Relationship Team 403
 - Contractors 158
 - Surveyors 67
 - Legal Disrepair 48
 - Communal Works 52
 - Main function or service complained about (primary classification ID)
 - Communal works 539
 - CRT 333 - Main function or service complained about is hard to determine as this team deals with complaints across HBM
 - DLO 54
 - Gas 32
 - Plumbing 59
 - Main repair contractor 57
 - Main cause of complaint (primary cause)
 - failure to deliver service/take action 298
 - delays doing something/communication/answering 757

- Poor information/advice/communication 50
 - Quality of work/service 34
 - Fault was found in 69% (915) of cases, no fault found in 12% (158) cases and 5% (60) cases were resolved upon receipt, 14% (190) were not determined/blank
 - Where fault was found, it was resolved by
 - 53% (488) cases by remedial action i.e. putting it right
 - 23% (208) by way of apology
 - 24% (219) by financial redress i.e. compensation
 - Compensation was paid in 335 cases totalling £58,480

- **Benefits** - 578 stage 1 investigations
 - Main teams complained about
 - Benefits 502
 - DHP Team 30
 - Processing 32
 - Main cause of complaint
 - payments 93
 - benefit decision/award 208
 - CTRS 102
 - DHP 29
 - suspension of claim 37
 - Housing benefits/Benefits - other 74 (not meaningfully classified)
 - Fault was found in 35% (200) of cases, no fault found in 47% (270) of cases, 18% (103) were not determined and 1% (5) were resolved upon receipt
 - Where fault was found, it was resolved by
 - 10% (19) cases by remedial action i.e. putting things right
 - 75% (149) by way of apology
 - 2% (5) by way of financial redress
 - 13% (27) due to impact of cyber attack

- **Revenues** - 466 stage 1 complaints
 - Main teams complained about
 - Revenues 370
 - Council tax 74
 - Main cause of complaint
 - delays doing something 133
 - Financial dispute/issues 91
 - Failure to deliver service/do something 53
 - Customer service/staff issues 28
 - wrong/disagree with decision 24
 - Fault was found 45% (211) of cases, no fault found in 45% (213), 3% (12) were not determined, 7% (30) resolved upon receipt
 - Where fault was found, it was resolved by
 - 2% (4) cases by remedial action i.e. putting things right
 - 97% (205) by way of apology

- 1% (2) due to impact of cyber attack
- **Environmental Services** - 449 stage 1 investigations
 - Main teams complained about
 - Refuse, recycling, bulky waste 119
 - Strategy team 24
 - Street cleaning 60
 - Estate cleaning 35
 - Hygiene services 15
 - Environmental Services (other services) 189
 - Main function or service complained about
 - waste strategy inc recycling 19
 - missed collection (all types) 75
 - recycling product delivery 23
 - Street not swept 38
 - Bins - location, lids not put back, etc 29
 - Staff behaviour 25
 - Fly-tipping 37
 - Main cause of complaint
 - failure to deliver service/do something/take action 142
 - staff behaviour/inappropriate behaviour 52
 - quality of work 127
 - service/staff availability 43
 - Fault was found in 41% (182) of cases, no fault found in 37% (168) of cases, 13% (59) were not determined and 9% (40) were resolved upon receipt
 - Where fault was found, it was resolved by
 - 27% (50) cases by remedial action i.e. putting things right
 - 71% (129) by way of apology
 - 2% (3) by way of financial redress
- **Housing Tenancy & Leasehold** - 422 stage 1 investigations
 - Main teams complained about
 - Leasehold & RTB 47
 - Neighbourhood Offices 134
 - TMOs 66
 - Estate Safety & ASB 61
 - Income Services 63
 - Main function or service complained about
 - Communal issues on estates 58
 - Noise/ASB 42
 - Neighbour disputes/nuisance 35
 - Repairs 38
 - Tenancy agreement/succession 32
 - service charge disputes 20
 - TMO services 31
 - Rehousing 23
 - Rent accounting 16
 - Main cause of complaint
 - failure to deliver service/do something/take action 67

- no/poor communication/info/advice 172
 - Delays in doing something/answering calls, etc 87
 - Staff behaviour 16
 - Fault was found in 22% (93) of cases, no fault found in 67% (282) cases, 9% (37) were not determined and 2% (10) were resolved upon receipt
 - Where fault was found, it was resolved by
 - 78% (73) by way of apology
 - 20% (19) cases by remedial action i.e. putting it right
 - 1% (1) by financial redress i.e. compensation
 - Compensation was paid in 4 cases totalling £375
- **Central Housing Complaints Team (CHCT) - 368 stage 1 investigations**
 - The Housing CHCT Team deal with cases that cut across multiple Housing departments and due to the OneCase system only allowing one team to be identified, these cases cannot be attributed to a particular service
 - Main cause of complaint
 - Delay in doing something/communications 119
 - Failure to do something/deliver service 100
 - Poor communication, info or advice 53
 - Fault was found in 33% (121) of cases, no fault found in 26% (97) of cases, 31% (115) were not determined/blank and 10% (35) were resolved upon receipt
 - Where fault was found, it was resolved by
 - 26% (31) cases by remedial action i.e. putting things right
 - 51% (62) by way of apology
 - 23% (28) by financial redress i.e. compensation
 - Compensation was paid in 10 cases totalling £1,440
- **Housing Needs - 360 stage 1 investigations**
 - Main teams complained about
 - Temporary Accommodation 23
 - Housing Register Team 134
 - Housing Advice/Homelessness 59
 - TA Placement & Visiting 34
 - Hostel Management 37
 - Housing Needs other 15
 - Main function or service complained about
 - Housing Register 67
 - Issues with TA i.e. ASB, infestations 56
 - Homelessness advice 36
 - Banding 26
 - Main cause of complaint
 - delays 74
 - poor communication/information/advice 72
 - poor customer service 46
 - disagree/unhappy with decision 46

- Fault was found 16% (58) of cases, no fault found in 73% (263) cases, 7% (25) were not determined and 4% (14) were resolved upon receipt
- Where fault was found, it was resolved by
 - 45 by way of apology
 - 9 case by remedial action i.e. putting it right
 - 1 by financial redress i.e. compensation
 - 3 due to impact of cyber attack
- **Customer Services - 340 stage 1 investigations**
 - Main teams complained about
 - Repairs Contact Centre 172
 - Customer Service Operations 168
 - Main cause of complaint
 - RCC availability of service 67
 - RCC poor information/communication 10
 - RCC poor customer care/staff behaviour 13
 - RCC delay 43
 - CSO quality of communication 70
 - CSO responsiveness 66
 - Fault was found in 55% (188) of cases, no fault found in 19% (63) of cases, 9% (29) were not determined and 18% (60) were resolved upon receipt
 - Where fault was found, it was resolved by
 - 4% (8) cases by remedial action i.e. putting things right
 - 93% (174) by way of apology
 - 3% (6) by way of financial redress i.e. compensation
 - Compensation was paid in 3 cases totalling £125

Stage 2

3.36 The Council investigated 344 complaints at stage 2 in 2022/23

- Of the 344 stage 2 investigations,
 - 220 (64%) found fault, up from 53% in 2021/22
 - 69 resolved by way of apology
 - 26 resolved by way of remedial action
 - 114 resolved by way of financial redress
 - 114 (33%) no fault found, down from 43% in 2021/22
 - 11 (3%) not determined/withdrawn
 - Total compensation offered at stage 2 £35,700.36 - this is in addition to that offered at stage 1
 - *119 (35%) saw additional fault found at stage 2 compared to stage 1

* Fault was found in 220 (64%) of cases investigated at stage 2 but in 119 of those cases, the fault found at stage 2 was additional to that found at stage 1

The 5 highest generating areas of stage 2 complaints are Building Maintenance (120 - 35%), Tenancy & Leasehold Service (40 - 12%), Housing Needs (36 - 10%),

Housing Transformation (36 - 10%) and Property & Asset Mgmt (20 - 6%). A breakdown of detail covering these 5 areas is as follows;

- Housing Building Maintenance, 120 investigations (up from 54 in 2021/22)
 - Main function or service complained about - Communal works 53, Customer Relationship Team 18, Contractors 17, Trades (gas, electrical, plumbing, etc) 14
 - Main cause of complaint - delays 92, failure to deliver service 16, work not to quality expected 5
 - Fault found 109, no fault found 10, undetermined 1
 - Fault addressed by financial redress 50, apology 19 and remedial action 40
 - Compensation awarded across 50 stage 2 cases in 2022/23 totalling £27,240 compared to £5,301 across 23 cases in 2021/22
 - 40 (33%) saw additional fault found at stage 2 compared to stage 1
- Housing Tenancy & Leasehold Services, 40 investigations (down from 55 in 2021/22)
 - Main function or service complained about - Service charges 8, neighbour dispute/ASB 11, re-housing/change of tenancy/succession 5
 - Main cause of complaint - failure to deliver service/do something 14, no/poor communication 8, delays 7
 - No fault found 28, fault found 12
 - Fault addressed by apology 10 and remedial action 2
 - Compensation awarded in 9 stage 2 cases totalling £1,269
 - 13 (33%) saw additional fault found at stage 2 compared to stage 1
- Housing Needs, 36 investigations (up from 34 in 2021/22)
 - Main function or service complained about - banding/bidding/decisions - 11, housing register 9, size/suitability of accommodation 3,
 - Main cause of complaint - disagree with decision 11, communication/info/advice 10, delay doing something 11
 - No Fault found 30, fault found 6
 - Fault addressed by apology 5, fault due to cyber attack 1
 - 11 (31%) saw additional fault found at stage 2 compared to stage 1
- Central Housing Complaints Team, 36 investigations (up from 14 in 2021/22)
 - Main function or service complained about is hard to determine as this team deals with complaints that cross more than one housing service/function
 - Main cause of complaint - failure to do something/take action 17, delay doing something 10,
 - No fault found 19, fault found 17
 - Fault addressed by apology 8, financial redress 3 and remedial action 6
 - Compensation awarded in 8 stage 2 cases totalling £4,080
 - 16 (44%) saw additional fault found at stage 2 compared to stage 1
- Housing Property & Asset Mgmt, 20 investigations (up from 8 in 2021/22)

- Main function or service complained about - lifts 9, electrical 3
- Main cause of complaint - delay doing something 13
- No fault found 5, fault found 15
 - Fault addressed by apology 8 and remedial action 7
- Compensation awarded in 2 stage 2 cases totalling £440
- 9 (45%) saw additional fault found at stage 2 compared to stage 1

Appendix 3 - Housing Services Self Assessment (November 2023) against the Housing Ombudsman Service Complaint Handling Code

Section 1 - Definition of a complaint

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
1.2	A complaint must be defined as: <i>'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.'</i>	Yes	As per Corporate complaints policy - wording differs slightly as corporate policy covers all council functions, including housing.
1.3	The resident does not have to use the word 'complaint' for it to be treated as such. A complaint that is submitted via a third party or representative must still be handled in line with the landlord's complaints policy.	Yes	As per Corporate complaints policy
1.6	... if further enquiries are needed to resolve the matter, or if the resident requests it, the issue must be logged as a complaint.	Yes	As per Corporate complaints policy
1.7	A landlord must accept a complaint unless there is a valid reason not to do so.	Yes	As per Corporate complaints policy
1.8	A complaints policy must clearly set out the circumstances in which a matter will not be considered, and these circumstances should be fair and reasonable to residents.	Yes	As per Corporate complaints policy
1.9	If a landlord decides not to accept a complaint, a detailed explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman.	Yes	As per Corporate complaints policy

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
1.4	Landlords should recognise the difference between a service request , where a resident may be unhappy with a situation that they wish to have rectified, and a complaint about the service they have/have not received.	Yes	As per Corporate complaints policy
1.5	Survey feedback may not necessarily need to be treated as a complaint, though, where possible, the person completing the survey should be made aware of how they can pursue their dissatisfaction as a complaint if they wish to.	No	Should the council receive communication through a survey or directly, they will pass on any complaints to the Complaints Team - as per the complaint procedure defines. In light of a consultation the council will provide an email and/or telephone of a contact should anyone want to request assistance or to raise any concerns directly with the council.

Section 2 - Accessibility and awareness

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
2.1	Landlords must make it easy for residents to complain by providing different channels through which residents can make a complaint such as in person, over the telephone, in writing, by email and digitally. While the Ombudsman recognises that it may not be feasible for a landlord to use all of the potential channels, there must be more than one route of access into the complaints system.	Yes	As per Corporate complaints policy
2.3	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the number of stages involved, what will happen at each stage and the timeframes for responding.	Yes	As published on the council website
2.4	Landlord websites, if they exist, must include information on how to raise a complaint. The complaints policy and process must be easy to find on the website.	Yes	As published on the council website
2.5	Landlords must comply with the Equality Act 2010 and may need to adapt normal policies, procedures, or processes to accommodate an individual's needs. Landlords must satisfy themselves that their policy sets out how they will respond to reasonable adjustments requests in line with the Equality Act and that complaints handlers have had appropriate training to deal with such requests.	Yes	As per Corporate complaints policy

2.6	Landlords must publicise the complaints policy and process, the Complaint Handling Code and the Housing Ombudsman Scheme in leaflets, posters, newsletters, online and as part of regular correspondence with residents.	Yes	Partial - The council currently publicise the complaints policy, process, Housing Ombudsman scheme online & in newsletters and as part of regular correspondence if it is relation to a complaint and stage of complaint, the Council will begin to publicise through leaflets and posters
2.7	Landlords must provide residents with contact information for the Ombudsman as part of its regular correspondence with residents.	Yes	
2.8	Landlords must provide early advice to residents regarding their right to access the Housing Ombudsman Service throughout their complaint, not only when the landlord's complaints process is exhausted.	Yes	Advice regarding accessing the HOS provided at conclusion of stage 2 investigation and publicised on council website.

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
2.2	Where a landlord has set up channels to communicate with its residents via social media, then it should expect to receive complaints via those channels. Policies should contain details of the steps that will be taken when a complaint is received via social media and how confidentiality and privacy will be maintained.	Yes	

Section 3 - Complaint handling personnel

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
3.1	Landlords must have a person or team assigned to take responsibility for complaint handling to ensure complaints receive the necessary attention, and that these are reported to the governing body. This Code will refer to that person or team as the "complaints officer".	Yes	As detailed in the Housing Complaint Handling Procedure.
3.2	...the complaint handler appointed must have appropriate complaint handling skills and no conflicts of interest.	Yes	

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
3.3	Complaint handlers should: <ul style="list-style-type: none"> • be able to act sensitively and fairly • be trained to handle complaints and deal with distressed and upset residents • have access to staff at all levels to facilitate quick resolution of complaints • have the authority and autonomy to act to resolve disputes quickly and fairly 	Yes	As detailed in the Housing Complaint Handling Procedure.

Section 4 - Complaint handling principles

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
4.1	Any decision to try and resolve a concern must be taken in agreement with the resident and a landlord's audit trail/records should be able to demonstrate this. Landlords must ensure that efforts to resolve a resident's concerns do not obstruct access to the complaints procedure or result in any unreasonable delay. It is not appropriate to have extra named stages (such as 'stage 0' or 'pre-complaint stage') as this causes unnecessary confusion for residents. When a complaint is made, it must be acknowledged and logged at stage one of the complaints procedure within five days of receipt.	Yes	As per Corporate complaints policy
4.2	Within the complaint acknowledgement, landlords must set out their understanding of the complaint and the outcomes the resident is seeking. If any aspect of the complaint is unclear, the resident must be asked for clarification and the full definition agreed between both parties.	Yes	Acknowledgements are sent to complainants but these do not set out the full understanding of the complaint. This matter is considered through a phone call to the complainant as part of the initial assessment of the complaints with notes added to the account.
4.6	A complaint investigation must be conducted in an impartial manner.	Yes	

4.7	<p>The complaint handler must:</p> <ul style="list-style-type: none"> • deal with complaints on their merits • act independently and have an open mind • take measures to address any actual or perceived conflict of interest • consider all information and evidence carefully • keep the complaint confidential as far as possible, with information only disclosed if necessary to properly investigate the matter. 	Yes	
4.11	Landlords must adhere to any reasonable arrangements agreed with residents in terms of frequency and method of communication	Yes	
4.12	<p>The resident, and if applicable any staff member who is the subject of the complaint, must also be given a fair chance to:</p> <ul style="list-style-type: none"> • set out their position • comment on any adverse findings before a final decision is made. 	Yes	
4.13	A landlord must include in its complaints policy its timescales for a resident to request escalation of a complaint	Yes	As per Corporate complaints policy
4.14	A landlord must not unreasonably refuse to escalate a complaint through all stages of the complaints procedure and must have clear and valid reasons for taking that course of action. Reasons for declining to escalate a complaint must be clearly set out in a landlord's complaints policy and must be the same as the reasons for not accepting a complaint.	Yes	As per Corporate complaints policy
4.15	A full record must be kept of the complaint, any review and the outcomes at each stage. This must include the	Yes	As per Onecase corporate casework management system

	original complaint and the date received, all correspondence with the resident, correspondence with other parties and any reports or surveys prepared		
4.18	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives when pursuing a complaint.	Yes	As per " Guidance on managing unreasonable and unreasonably persistent customer behaviour."

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
4.3	Landlords should manage residents' expectations from the outset, being clear where a desired outcome is unreasonable or unrealistic	Yes	As per Corporate complaints policy
4.4	A complaint should be resolved at the earliest possible opportunity, having assessed what evidence is needed to fully consider the issues, what outcome would resolve the matter for the resident and whether there are any urgent actions required.	Yes	As per Corporate complaints policy
4.5	Landlords should give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord where this is reasonable.	Yes	As per Corporate complaints policy
4.8	Where a key issue of a complaint relates to the parties' legal obligations landlords should clearly set out their understanding of the obligations of both parties.	Yes	Based on the covenant of the lease or terms and conditions of the tenancy agreement.
4.9	Communication with the resident should not generally identify individual members of staff or	No	The council does not have a policy with sharing officers names with

	contractors.		complainants.
4.10	Landlords should keep residents regularly updated about the progress of the investigation.	Yes	
4.16	Landlords should seek feedback from residents in relation to the landlord's complaint handling as part of the drive to encourage a positive complaint and learning culture.	No	The council intends to install a resident complaint panel User Group.
4.17	Landlords should recognise the impact that being complained about can have on future service delivery. Landlords should ensure that staff are supported and engaged in the complaints process, including the learning that can be gained	Yes	
4.19	Any restrictions placed on a resident's contact due to unacceptable behaviour should be appropriate to their needs and should demonstrate regard for the provisions of the Equality Act 2010.	Yes	As per " Guidance on managing unreasonable and unreasonably persistent customer behaviour."

Section 5 - Complaint stages

Mandatory 'must' requirements

Stage 1

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.1	Landlords must respond to the complaint within 10 working days of the complaint being logged. Exceptionally, landlords may provide an explanation to the resident containing a clear timeframe for when the response will be received. This should not exceed a further 10 days without good reason.	Yes	As per Corporate complaints policy
5.5	A complaint response must be sent to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue, are completed. Outstanding actions must still be tracked and actioned expeditiously with regular updates provided to the resident.	Yes	As per Corporate complaints policy
5.6	Landlords must address all points raised in the complaint and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	As per Corporate complaints policy
5.8	Landlords must confirm the following in writing to the resident at the completion of stage one in clear, plain language: <ul style="list-style-type: none"> • the complaint stage • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions • details of how to escalate the matter to stage two if the resident is not satisfied with the answer 	Yes	As per Corporate complaints policy

Stage 2

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.9	If all or part of the complaint is not resolved to the resident's satisfaction at stage one it must be progressed to stage two of the landlord's procedure, unless an exclusion ground now applies. In instances where a landlord declines to escalate a complaint it must clearly communicate in writing its reasons for not escalating as well as the resident's right to approach the Ombudsman about its decision.	Yes	As per Corporate complaints policy
5.10	On receipt of the escalation request, landlords must set out their understanding of issues outstanding and the outcomes the resident is seeking. If any aspect of the complaint is unclear, the resident must be asked for clarification and the full definition agreed between both parties.	Yes	As per Corporate complaints policy
5.11	Landlords must only escalate a complaint to stage two once it has completed stage one and at the request of the resident.	Yes	As per Corporate complaints policy
5.12	The person considering the complaint at stage two, must not be the same person that considered the complaint at stage one.	Yes	As per Corporate complaints policy
5.13	Landlords must respond to the stage two complaint within 20 working days of the complaint being escalated. Exceptionally, landlords may provide an explanation to the resident containing a clear timeframe for when the response will be received. This should not exceed a further 10 days without good reason.	Yes	As per Corporate complaints policy
5.16	Landlords must confirm the following in writing to the resident at the completion of stage two in clear, plain language:	Yes	As per Corporate complaints policy-council Stage 2 Process

	<ul style="list-style-type: none"> • the complaint stage • the complaint definition • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions <p>and</p> <ul style="list-style-type: none"> • if the landlord has a third stage, details of how to escalate the matter to stage three • if this was the final stage, details of how to escalate the matter to the Housing Ombudsman Service if the resident remains dissatisfied. 		
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

Stage 3

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.17	Two stage landlord complaint procedures are ideal. This ensures that the complaint process is not unduly long. If landlords strongly believe a third stage is necessary, they must set out their reasons for this as part of their self-assessment. A process with more than three stages is not acceptable under any circumstances.	N/A	

5.20	<p>Landlords must confirm the following in writing to the resident at the completion of stage three in clear, plain language:</p> <ul style="list-style-type: none"> • the complaint stage • the complaint definition • the decision on the complaint • the reasons for any decisions made • the details of any remedy offered to put things right • details of any outstanding actions • details of how to escalate the matter to the Housing Ombudsman Service if the resident remains dissatisfied 	N/A	
------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----	--

Best practice 'should' requirements

Stage 1

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.2	If an extension beyond 20 working days is required to enable the landlord to respond to the complaint fully, this should be agreed by both parties.	Yes	As per Corporate complaints policy
5.3	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response.	Yes	As per Corporate complaints policy
5.4	Where the problem is a recurring issue, the landlord should consider any older reports as part of the background to the complaint if this will help to resolve the issue for the resident.	Yes	

5.7	Where residents raise additional complaints during the investigation, these should be incorporated into the stage one response if they are relevant and the stage one response has not been issued. Where the stage one response has been issued, or it would unreasonably delay the response, the complaint should be logged as a new complaint.	Yes	As per Corporate complaints policy
-----	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----	------------------------------------

Stage 2

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.14	If an extension beyond 10 working days is required to enable the landlord to respond to the complaint fully, this should be agreed by both parties.	Yes	As per Corporate complaints policy - beyond 10 working days at stage 1 and beyond 20 working days at stage 2.
5.15	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response	Yes	

Stage 3

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
5.18	Complaints should only go to a third stage if the resident has actively requested a third stage review of their complaint. Where a third stage is in place and has been requested, landlords must respond to the stage three complaint within 20 working days of the complaint being escalated. Additional time will only be justified if related to convening a panel. An explanation and a date for when the stage three response will be received should be provided to the resident.	N/A	

5.19	Where agreement over an extension period cannot be reached, landlords should provide the Housing Ombudsman's contact details so the resident can challenge the landlord's plan for responding and/or the proposed timeliness of a landlord's response.	N/A	
-------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----	--

Section 6 - Putting things right

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
6.1	Effective dispute resolution requires a process designed to resolve complaints. Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right.	Yes	As per Corporate complaints policy and complaints handling guidance issued to relevant staff.
6.2	Any remedy offered must reflect the extent of any service failures and the level of detriment caused to the resident as a result. A landlord must carefully manage the expectations of residents and not promise anything that cannot be delivered or would cause unfairness to other residents.	Yes	
6.5	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes	
6.6	In awarding compensation, a landlord must consider whether any statutory payments are due, if any quantifiable losses have been incurred, the time and trouble a resident has been put to as well as any distress and inconvenience caused.	Yes	As per the council's internal Housing compensation guidance.

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
6.3	Landlords should look beyond the circumstances of the individual complaint and consider whether anything needs to be 'put right' in terms of process or systems to the benefit of all residents.	Yes	
6.7	In some cases, a resident may have a legal entitlement to redress. The landlord should still offer a resolution where possible, obtaining legal advice as to how any offer of resolution should be worded.	Yes	

Section 7 - Continuous learning and improvement

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
7.2	Accountability and transparency are integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints in their annual report and more frequently to their residents, staff and scrutiny panels.	Yes	

Best practice 'should' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
7.3	A member of the governing body should be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This role will be responsible for ensuring the governing body receives regular information on complaints that provides insight to the governing body on the landlord's complaint handling performance.	Yes	The council has a Cabinet lead Member responsible for complaints.

7.4	<p>As a minimum, governing bodies should receive:</p> <ul style="list-style-type: none"> • Regular updates on the volume, categories and outcome of complaints, alongside complaint handling performance including compliance with the Ombudsman's orders • Regular reviews of issues and trends arising from complaint handling, • The annual performance report produced by the Ombudsman, where applicable • Individual complaint outcomes where necessary, including where the Ombudsman made findings of severe maladministration or referrals to regulatory bodies. The implementation of management responses should be tracked to ensure they are delivered to agreed timescales. The annual self-assessment against the Complaint Handling Code for scrutiny and challenge. 	Yes	<p>There is an established performance feedback loop which means that at regular intervals there is a slot at Corporate Leadership Team (CLT) which looks at complaints data and learning as one part of a set of data discussed. The councils Complaints Annual Report goes to Scrutiny Panel (Members) and joint Cabinet/CLT meetings ensuring that there is good sight across officers and Councillors at a senior leadership level. This self assessment also goes before Scrutiny Panel as an appendix to the Council's Annual Report.</p>
7.5	<p>Any themes or trends should be assessed by senior management to identify potential systemic issues, serious risks or policies and procedures that require revision. They should also be used to inform staff and contractor training</p>	Yes	<p>As per 7.4 above and in addition, specific review meetings take place where learning is extracted and taken forward by the Housing Service.</p>

7.6	<p>Landlords should have a standard objective in relation to complaint handling for all employees that reflects the need to:</p> <ul style="list-style-type: none"> • have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments • take collective responsibility for any shortfalls identified through complaints rather than blaming others • act within the Professional Standards for engaging with complaints as set by the Chartered Institute of Housing. 	Yes	Partial - Whilst there is a requirement for compliance and adherence to policy and procedure, there are no specific objectives for each employee.
-----	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----	---------------------------------------------------------------------------------------------------------------------------------------------------

Section 8 - Self-assessment and compliance

Mandatory 'must' requirements

Code section	Code requirement	Comply: Yes/No	Evidence, commentary and any explanations
8.1	Landlords must carry out an annual self-assessment against the Code to ensure their complaint handling remains in line with its requirements.	Yes	As per the HOS self assessment checklist.
8.2	Landlords must also carry out a self-assessment following a significant restructure and/or change in procedures.	Yes	
8.3	<p>Following each self-assessment, a landlord must:</p> <ul style="list-style-type: none"> • report the outcome of their self-assessment to their governing body. In the case of local authorities, self- assessment outcomes should be reported to elected members • publish the outcome of their assessment on their website if they have one, or otherwise make accessible to residents • include the self-assessment in their annual report section on complaints handling performance 	Yes	The HOS Self assessment goes before Member Scrutiny Panel on 4 December 2023. Publishing outcome - Post the Scrutiny Panel.

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>4 December 2023</p> <p>Item 5 – Quarterly Finance Update</p>	<p>Item No</p> <p>5</p>
------------------------------------------------------------------------------------------------------------	--------------------------------

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. The reports and updates below are provided for members to review:

The finance update will also include a verbal update about the following:

1. The Council's communication / engagement plans with residents about the Council's budget
2. Update on the budget setting progress and budget gap
3. Update on the Audit Committee work looking at Section 114 notices
4. Update on the Audit Committee Task Group for Fees and Charges.

Report in the agenda:

To support this discussion the following finance budget reports are included.

- Overall Financial Position as of August 2023
- Capital Update and Property Disposals and Acquisitions Report (October 2023)

Invited Guests

London Borough of Hackney

- Jackie Moylan, Group Director Finance and Corporate Resources
- Cllr Rob Chapman, Cabinet Member
- Cllr Anna Lynch, Chair of Audit Committee

ACTION

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

This page is intentionally left blank

Title of Report	2023/24 Overall Financial Position - August 2023	
Key Decision No	FCR S205	
For Consideration By	Cabinet	
Meeting Date	23 October 2023	
Cabinet Member	Cllr Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service	
Classification	Open Report	
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 October 2023	
Group Director	Jackie Moylan, Interim Group Director, Finance	

1. **Cabinet Member's Introduction**

- 1.1 This is the third Overall Financial Position (OFP) report for 2023/24. It shows that as at August 2023, the Council is forecast to have an overspend of £9.300m on the General Fund, an increase of £0.231m 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 (Environmental Operations); Children and Education (Corporate Parenting, Looked After Children and Leaving Care, Disabled Children and Safeguarding and Quality Assurance); F&CR (staffing pressures in Revenues and Benefits and web based computing costs in ICT).
- 1.3 The financial year in a very challenging position, and, as set out in paragraph 2.5 below, but one which is not unique to Hackney. The Council must, of course, deal with its own position and the Corporate Leadership Team will continue to work on actions to mitigate and contain the forecast, reporting back here on actions taken.

- 1.4 The Council continues to face serious financial challenges, challenges which we need to continue to address head on if we are to remain financially stable over the longer term.
- 1.5 Despite the recent small reduction in inflation, and provision in the budget for increases in energy and fuel costs, it will still significantly impact on the Council's services. Hackney's residents will also continue to face significant financial pressures as the inflation surge continues; we set out below details of what the Council is doing to assist residents to manage the impact of the cost of living crisis.
- 1.6 I commend this report to Cabinet

2. Interim Group Director's Introduction

- 2.1 The OFP shows that the Council is forecast to have an overspend of £13.924m after the application of reserves but before the application of the set aside as provided for in the budget. The application of this and the additional in-year savings set out in the July OFP reduces the overspend to £9.300m.
- 2.2 The main areas of overspend are: -

Children's and Education - £2.536m primarily in the areas of Corporate Parenting (i.e. looked after children placements), Looked After Children and Leaving Care, Disabled Children and Family Intervention Support Services.

Adults, Health and Integration - £8.736m primarily in the areas of Care Support Commissioning, Provided Services and Mental Health.

Climate, Homes and Economy - £0.853m primarily in Environmental Operations with smaller overspends in Community Safety, Enforcement and Business Regulation, and Streetscene

F&CR - £2.176m - primarily in Benefits, Revenues and ICT. In Benefits and Revenues the primary cause of the overspend is £1.24m of costs associated with additional staff working on debt recovery, demand caused by the cost of living crisis and manual processes which are required while automation software is restored post cyber. The primary cause of the £823k overspend in ICT relates to the costs of cloud computing, which is being reviewed and will be in part mitigated by work that has recently completed to exit the Council's legacy data centre.

SEND - there is also uncertainty around the DSG high needs deficit and the treatment of any deficit post 2025/26. The brought forward SEND deficit in 2023/24 is circa £17.1m, based on current forecasts this will increase to circa £22.0m by the end of this financial year. The statutory override which allowed this deficit balance to be carried in the Council's accounts has 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. As stated earlier in this report 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/mitigations through a grant of up to £1m, rather than provide direct funding to address the deficit, hence the potential risk to the Council. The grant application has been successful and will be received in October 2023.

- 2.3 There will also be further pressure as a result of the 2023/24 pay award. This will be met from the use of one-off reserves this year but will need to be factored in the budget on an ongoing basis from next year.
- 2.4 Given the direction of travel of the forecast towards the end of 2022/23 the fact that we have a considerable forecast overspend is not a surprise. It is also worth noting that this overspend, with the exception of the Chief Executive's directorate, is Council-wide.
- 2.5 While these pressures are not unique to Hackney, and indeed in areas such as homelessness other boroughs are reporting much more extensive pressures, we have to look to address our own position. There is a concern that if action is not taken the forecast overspend will increase as the year progresses. We need to address this as a leadership team. We have undertaken measures to mitigate the overspend as reported in the July OFP and the leadership team will continue to identify further actions to mitigate the overspend.
- 2.6 The General Fund financial position for August is shown in the table below.

Table 1: Overall Financial Position (General Fund) August 2023

Revised Budget £000	Service Area	Forecast Variance Before Reserves £000	Appropriation to Reserves £000	Reserves Usage £000	Forecast Variance After Reserves £000	Change in Variance from last month £000
		£k	£k	£k	£k	£k
94,995	Children and Education	6,476	45	-3,985	2,536	135
126,025	Adults, Health and Integration	13,194	160	-4,618	8,736	205
33,679	Climate, Homes & Economy	2,746	23	-1,916	853	-105
25,118	Finance & Corporate Resources	4,861	241	-2,925	2,176	3
15,062	Chief Executive	846	0	-1,223	-377	-7
60,556	General Finance Account	0	0	0	0	0
355,435	SUB TOTAL	28,123	469	-14,667	13,924	231
	Less the budget provision for demand pressures, cost pressures and the ongoing impact of Covid and Cyber				-3,500	
	Less Corporate Savings				-1,124	
	GENERAL FUND TOTAL	28,123	469	-14,667	9,300	231

2.7 We are forecasting a significant but not full achievement of the 2023/24 budgeted savings. Climate, Homes and Economy (CHE) has achieved £2.508m of the 2023/24 savings plans of £2.858m. The Hackney Commercial Services company saving of £0.350m is being forecast as not being achieved given the company is a year behind schedule and this was a saving expected in year three of operations. The company has not established its market share base yet to deliver the 2023/24 savings target.

2.8 We are also on course to achieving a significant proportion of the 2023/24 vacancy savings. In CHE, the vacancy factor savings agreed as part of the 2021/22 budget are not being achieved in two of the directorate services, Environmental Operations and Community Safety, Enforcement & Business Regulation (CSEBR). The total of non delivery is £753K. The Heads of Service are reviewing services and budget lines to mitigate the impact of this non delivery.

Cost of Living Crisis

2.9 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 worsened during the pandemic and now poverty is entrenching and more people are falling into difficulty. The cost of living crisis

disproportionately impacts lower income groups, as more of their income goes on essential costs.

- 2.10 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 continued to work 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.
- 2.11 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.
- 2.12 The Council has established the Money Hub - a 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 £475k of Household Support Fund monies (see below for detail on the Housing Support Fund).
- 2.13 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. So far:
- Over 7,000 residents have requested support since the team launched in November 2022. More than half of applicants are already in rent or Council Tax arrears.
 - The team has distributed £845.5k of discretionary funds, and delivered £1.147m worth of increased incomes through benefits uptake work, mainly through the Council Tax Reduction Scheme (CTRS), Housing Benefit, Universal Credit and Pension Credit. The team is now focusing on outbound campaigns helping residents who are missing out on State Retirement Pension and CTRS.

- The team is delivering positive in year Return on Investment: £1.49 worth of increased incomes for every £1 invested in staffing. This rises to £1: £2.47 over a three year period. We will be continuing to monitor the Return on Investment and we expect that this will rise further.

2.14 On funding distributed from the various funds, thus far we have made the following payments:

- *CTRS Discretionary Hardship Scheme - £13k paid out*
- *Discretionary Housing Payments - £264k paid out*
- *Hackney Discretionary Crisis Support Scheme - £104k paid out*

2.15 Government has awarded a total of £5.6m of Household Support Funding from April 2023 to March 2024. The focus remains on emergency support although there is now some ability to fund the following initiatives:

Children and families 0-19

Total allocation: £3,099,000

Rationale:

- An estimated 32,786 (48%) children in Hackney are living in poverty (on households incomes of £14,000) after housing costs are deducted.
- An estimated 49% of children in poverty live in families where the youngest child is aged 4 or under (total population estimated 20,000)
- There are an estimated 25,000 people in the Orthodox Jewish community and 11,000 (44%) are under 14 and 6,600 (60%) live in households in receipt of benefits, although a very low number claim free school meals even in maintained schools (1% compared with 32% overall).

Vulnerable people known to the Council

Total allocation: £879,900

Rationale:

There are groups of people identified in the Poverty Reduction Framework and analysis of risks and needs who the Council is able to reach directly. These groups include: residents in temporary and supported accommodation (TA/SA), disabled adults and their unpaid carers, foster carers, Special Guardians, Shared Lives Carers and Children in Need.

Breaking down the barriers to reach a wider group of vulnerable residents who are at risk of poverty

Total allocation: £1,406,946

Rationale

There are a wide range of groups identified in the Poverty Reduction Framework and analysis of risks who we need to reach, and, in some cases, they face multiple barriers to accessing help, such as learning disability or language needs, or they would not access help from the Council because of stigma or lack of trust in statutory services.

We need to ensure that a mixed economy approach is taken so we can maximise reach into diverse communities. This means that a range of routes are being employed to reach residents with a financial help offer, as outlined below:

Money Hub £450,946 Government requires us to maintain an open application route to local Household Support Fund (HSF) spend - we are delivering this through Money Hub. This is being spent on food and fuel vouchers to residents in need - 12% of those who have received a voucher have also increased their benefits income through support from the Money Hub.

Income maximisation advice £80,000 The Money Hub team employs two advice workers to enable residents to maximise their incomes by claiming benefits they are entitled to.

Trusted referral partners £241,000 - The **direct referral route for frontline workers from across sectors enables us** to reach residents in need who are least likely to contact a Council helpline, and offer timely support.

Hackney Giving £240,000 - Grant funding community organisations who are set up to deliver financial help to residents enables us to tap into the community reach that grassroots organisations have and offer timely support on the ground.

Community infrastructure organisations £75,000

Grant funding community organisations who will be able to deliver food/fuel help as well as advice to the community.

Citizens Advice £70,000 - Citizens advice will deliver help with fuel costs through the scheme they have already been running in HSF 2 and HSF 3. Residents will be able to top up their metres with a voucher or get a cash alternative if not using a metre.

Food Banks and low cost shops £200,000

We are also retaining 6% toward administration, management, grant management and monitoring, as this is becoming more difficult to sustain across Here to Help (Income Maximisation) and the Policy and Strategic Delivery Teams.

2.16 Our November 2022 Overall Financial Position report 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. In summary resources will support:

- £300k - Tackling Food Poverty in Schools: A task group **has reviewed food poverty affecting children in schools**. The task group has listened to schools and community organisations to inform thinking about how we might expand the FSM offer in a financially sustainable way to a wider group of children and look at models that reduce unit cost, improve quality, but do not simply rely upon Councils picking up the funding. The task group produced a report outlining practical measures for use of the £300k allocation [Commission report - Tackling Food Poverty in Education](#). The announcement that the Mayor of London will be funding universal free school meals for the 2023/24 academic year in primary schools is welcomed and will compliment our work
- Money Hub support: topping up grant funding support for in home appliances and investing further in income maximisation officers
- Hardship support and preventative help for those who have no recourse to public funds - this £65k scheme will be launched in September.

2.17 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. For example:

- We worked in partnership with Food Hubs to bring in £170k over three years. We supported the Hackney Food Bank to apply for GLA funding to employ a Co-ordinator for the Hackney Food Network and are now supporting further fundraising to make the best use of surplus food.

3. Recommendations

3.1 **To note the overall financial position of the Council as at August 2023 as set out in this report.**

4. Reasons for Decision

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

5.0 Details of Alternative Options Considered and Rejected

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

6.0 Background

6.1 Policy Context

This report describes the Council's financial position as at the end of August 2023. Full Council agreed the 2023/24 budget on 1st March 2023.

6.2 Equality Impact Assessment

Equality impact assessments are carried out at budget setting time and included in the relevant reports to Cabinet. Such details are not repeated in this report.

6.3 Sustainability and Climate Change

As above.

6.4 Consultations

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

6.5 Risk Assessment

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

7. Comments of the Interim Group Director of Finance

7.1 The Interim Group Director of Finance financial considerations are included throughout the report.

8. Comments of the Acting Director of Legal, Democratic and Electoral Services

8.1 The Interim Group Director of Finance 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 (Part Two) states that key decisions can be taken by the Elected Mayor alone, the Executive collectively, individual Cabinet Members and officers. Under the Mayor's Scheme of Delegation financial matters are reserved to Cabinet, therefore, this report is being submitted to Cabinet for approval.

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

9. Children and Education

Revised Budget	Service Area	Forecast Variance After reserves
£k		£000
93,388	Children and Education	2,536

9.1 CFS are forecasting a £2.5m overspend as at the end of August 2023 after the application of reserves totalling £4m and after the inclusion of the Social Care Grant allocation of £13m. The forecast has increased by £0.3m since July driven mainly within Corporate Parenting due to an increase in client numbers.

9.2 As has been the practice since the grant was announced in 2019/20, the Social Care Grant for both children's and adult social care has been split equally across both services. In 2023/24 the grant was increased by a further £1.5bn nationally, Hackney's allocation is a total of £26.7m this year, which represents a £9.7m increase from 2022/23. Except for a specific Independent Living Fund element of £0.7m which has been allocated to Adult Social Care the remaining £26m has equally shared between Children's Services and Adult Social Care.

9.3 There is a gross budget pressure in staffing across Children and Families Services (CFS) of £1m. In 2023/24 corporate savings of £500k have been agreed with a further £500k to be delivered in 2024/25. The service is working towards implementing these proposed changes to the structure from January 2024 via a review of services that will achieve the following:

- Provide best outcomes for children and families
- Enhance the development of the service
- Protect front line practice
- Simplify and provide clearer management oversight
- Creating career development opportunities for staff
- Ensure service resilience and meet business continuity requirements
- Provide cost savings

9.4 The main areas of pressure in CFS continue to be in Corporate Parenting which is forecast to overspend by £1.2m after the use of £1.2m commissioning reserves. Since 2019/20, we have monitored unit costs in different placements types and have seen them significantly increase during this period. This is illustrated in the table below.

Unit Costs	LAC Residential Average		Independent Fostering Average		LAC Semi Independent Average		LC Semi Independent Average	
	Per Week	No. of Young People	Per Week	No. of Young People	Per Week	No. of Young People	Per Week	No. of Young People
2019-20	£3,725	32	£967	143	£1,211	41	£390	104
2020-21	£3,979	35	£987	126	£1,309	36	£529	103
2021-22	£5,399	35	£1,080	131	£1,667	40	£515	166
2022-23	£6,346	30	£1,241	114	£1,996	35	£558	162
2023-24 (at period 5)	£6,122	29	£1,348	114	£2,618	43	£543	96
% increase over 5 year period	64%		39%		116%		39%	

9.5 The increase in unit costs has been coupled with a relative increase in the profile of placements linked to the complexity of care for children and young

people coming into the service. For example children with very complex mental health needs, which can carry a constant risk of self harm and require round the clock supervision. In addition restricted supply nationally coupled with higher demand results in an extremely competitive market for placements, which drives up costs. At the start of 2023/24 we saw a reduction in residential placements, however placement costs are increasing in residential care and semi-independent placements due to care providers being faced with the challenges of rising inflation linked to the cost of living crisis. The forecast has increased by £0.3m since July due to an increase in client numbers and in some individual placements. The forecast generally increases over the summer period due to education provisions finishing for the year leading to children and young people having less structured times. This, combined with carers having holiday plans makes finding new care arrangements particularly challenging leading to the use of more expensive residential homes rather than foster care. As care arrangements settle and as schools resume we would expect the forecasting to shift downwards in the autumn, and this shift downwards has already been factored in and will be monitored during the next few months. The forecast is susceptible to variation due to the demand led nature of the service, depending on the complexity of the arrangement new clients can add a considerable cost.

- 9.6 The Family Intervention Support Services is showing an overspend of £0.35m which is related to over established posts and agency staff, as well as higher spend in LAC incidental costs.
- 9.7 The Access and Assessment and Multi Agency Safeguarding Hub have a forecast overspend of £0.2m primarily related to increased staffing costs from over established staff and agency.
- 9.8 Looked After Children & Leaving Care Services are expected to overspend by £0.4m, and this relates to an increase in commissioning costs and some staffing costs pressures linked to additional posts and agency staff usage to respond to increasing demands in the service.
- 9.9 The Workforce Development Board has a rolling Social Worker recruitment process which should address the agency premium costs, providing successful permanent appointment of candidates. Competition for social workers, particularly in London, is challenging. This applies both in permanent and agency recruitment. Local authorities are now frequently offering 'golden handshakes' and 'retention bonuses' along with promises of competitive salaries, career development opportunities and a variety of other benefits.
- 9.10 The Disabled Children Services is showing an overspend of £0.35m, and this primarily relates to the demand in short break services which is a statutory requirement.
- 9.11 The Safeguarding and Quality Assurance services are showing an overspend of £0.3m. The quality assurance and improvement team and the safeguarding and reviewing team both have staffing overspends primarily

related to agency premium, maternity and long term sickness cover pressures.

- 9.12 **Hackney Education (HE)** is forecast to overspend by around £4.926m in 2023/24. The underlying overspend across the service is £6.015m, and this is partially offset by mitigating underspends of £1.130m. The main driver is a £5.386m pressure in SEND as a result of a continuing increase in recent years of children and young people with Education and Health Care Plans (EHCPs), and this increase is predicted to continue in 2023/24. Discussions with Newton Europe/CIPFA, who are working on behalf of the Department of Education (DfE) and the development of a grant application to secure £1m through the SEND Developing Better Value (DBV) programme have continued in 2023/24. The process started in February 2023 and the now approved grant application includes an action plan to spend the £1m allocation towards targeted workstreams which may help to mitigate some elements of the high needs budget pressures which have contributed towards year on year overspends.
- 9.13 **SEND** Transport is forecasting a £975K budget pressure in 2023/24 due to increased activity coupled with continuing increases in fuel prices and transport costs. Given the volatility seen in fuel prices since last financial year, this area will continue to be monitored closely. Other areas of overspend are within School Standards and Performance (£5k) and Children's Centres (£624K), reduced income levels are expected to continue within our Early Years service as a result of lower activity levels within services that has been the pattern post-pandemic. There has also been a change in legislation which means previously traded services for attendance and specialist intervention provided to schools are now required to be delivered free of charge.
- 9.14 Outcomes, Business Intelligence & Strategy (OBIS) directorate - the OBIS directorate has been formed with a mandate to drive transformation across Children and Education. There are two main service areas in OBIS – the Education Operations team and the OBIS Transformation team. There are four priority programmes currently in place which are planned to yield significant benefit for the organisation. These include:
- Creating a universal practice model informed by STAR principles, the aim of this work is to develop and embed a new practice model across Children & Education teams.
 - Transforming our existing monitoring, supporting and improving services across C&E.
 - Reviewing our traded services and increasing revenue generation.
 - Realising the benefits of the recent restructure across our Education Operations team Ensuring that the short, medium and long term operational support that is provided to schools, settings and the Education directorate is of a consistently high quality

The OBIS directorate is expected to break even after the use of £0.5m reserves specifically set aside for the transformation programme. Funding for beyond 2023/24 needs to be identified from existing resources within Children and Education.

- 9.15 **The Savings/Vacancy Factor** for Children's Services and Education in 2023/24 include £250k through the consolidation of the Children, Education and Health commissioning functions which will allow more effective market engagement and more effective joint commissioning and £500k from a review of the Children and Families staffing structure which is expected to be in place from January 2024. A further £650k has been delivered through a wide-range of targeted and specialist interventions for young people that need extra support, as well as a range of play and sports opportunities on a universal basis, including through Youth Hubs and adventure playgrounds. The £650k is an addition to £350k of savings in 2022/23 from our early help services. All savings are currently forecast to be delivered this year.
- 9.16 A vacancy rate savings target of £1.7m has been set for the directorate in 2023/24 (£0.9m for Children and Families and £0.8m for Education) and the forecast assumes that this will be achieved or mitigated within respective service budgets. Progress against the target is carefully monitored and tracked by the C&E Senior Management Team and this will continue to be monitored closely and reported through this monthly finance report.
- 9.17 Many of the **financial risks** to the service that were present in 2022-23 have continued into 2023-24.

One of the main risks for the directorate is the cost of living and fuel price crisis, and the potential impact that it will have on the cost of service delivery going forward. It is difficult to estimate the impact that the cost of living crisis will have across services, however we can expect care providers to seek greater inflationary uplifts to care placements than in previous years. In Education, the trend data does illustrate that taxi fares within SEND transport are experiencing increased rates for journeys.

SEND - there is also uncertainty around the DSG high needs deficit and the treatment of any deficit post 2025/26. The brought forward SEND deficit in 2023/24 is circa £17.1m, based on current forecasts this will increase to circa £22.0m by the end of this financial year. The statutory override which allowed this deficit balance to be carried in the Council's accounts has 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. As stated earlier in this report 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/mitigations through a grant of up to £1m, rather than provide direct funding to address the deficit, hence the potential risk to the Council. The grant application has been successful and will be received in October 2023.

Early Years - The National reform of the free early years entitlement is expected to have a significant impact on demand for childcare placements, with the greatest shift expected to be for two year olds 30 hour care. There is likely to be significantly more demand for childcare through the proposed reform, specifically for two year olds. Further funding details are awaited and implementation of the reforms will commence from September 2024, the scale of the potential impact is to be assessed when further details are available.

- 9.18 In addition to budgeted savings further cost reduction measures have been developed for 2023/24.

For CFS, management actions of £1.5m have been identified and these have been factored into the forecast. These include reductions in the number of high cost placements (£0.5m); review of the top 30 high cost placements (£0.3m); a Foster First Approach (£0.5m); and review of agency spend through maximising permanent recruitment and greater challenge through the workforce development board (£0.2m).

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. Detailed plans continue to be developed for these proposals, and these will be part of discussion alongside the deficit recovery plans being developed with DfE and CIPFA.

10. Adult, Health and Integration

Revised Budget	Service Area	Forecast Variance After reserves
£k		£000
126,025	Adults, Health and Integration	8,736

- 10.1 Adult Social Care is forecasting an overspend of £8.7m (2022/23 outturn position was £7.7m) after the application of reserves of £4.7m and the inclusion of the Social Care Grant allocation of £13.7m.

- 10.2 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 £1.5bn nationally and this has meant the Council has received a total of £26.7m, which represents a £9.7m increase on the previous year. Children's Services have been allocated £13m and Adult Social Care have each been allocated £13.7m (including the Independent Living Fund £0.7m, now rolled into Social Care grant in 23/24) respectively, and this has been fully factored into the current forecast.

- 10.3 In 2023-24, the Government introduced the Market Sustainability and Improvement Fund (MSIF) designed to support local authorities to make improvements in adult social care capacity, services and market

sustainability. The MSIF Grant is payable in 2023-24 and 2024-25. In total, the fund amounted to £400 million of new funding for adult social care in 2023-24. There is a further £683 million expected in 2024-25. In 2023-24, the MSIF funding was combined with £162 million of continued Fair Cost of Care funding rolled forward from 2022-23 to yield a total allocation of £562m. Hackney's 2023-24 MSIF grant allocation was £3.3m. The Government has now announced that an additional £600m will be provided to adult social care across 2023-24 and 2024-25. £570m will be payable in 2023-24 and 2024-25 through the new MSIF Workforce Fund (£365m in 2023-24 and £205m in 2024-25). The remaining £30m of the announced funding will be paid to "local authorities in the most challenged health systems". Hackney's share of the £365m grant in 2023-24 is £2.1m.

- 10.4 Local authorities will be able to decide how they choose to focus the funding, in line with local circumstances and priorities but the Statement does draw attention to the same target areas of improvement that are set out for the MSIF.

These are:

- increasing fee rates paid to adult social care providers in local areas
- increasing adult social care workforce capacity and retention
- reducing adult social care waiting times

- 10.5 Adult Social Services in Hackney is already taking action and pursuing initiatives to support the workforce and provide more capacity within the adult social care sector. The current MSIF funding has been used primarily to support provider fee uplifts based on the Fair Cost of Care exercise completed in 2022, as well as allocating funding towards helping to reduce social care waiting times. This additional round of MSIF funding will continue to help fund these initiatives and any necessary expansion.

- 10.6 The forecast continues to be adversely impacted by the challenging situation on a number of fronts. Firstly, there has been increased demand seen particularly from hospital discharge for people requiring ongoing social care, and also due to mitigations required to be in place to manage the risk to vulnerable adults as a result of recent and upcoming strike action by NHS staff. This includes significant increases in care package costs to allow care agencies to manage increased risk in the community, additional funding invested in securing taxi transportation for clients to and from hospital in the place of ambulance services, additional commissioned step down and care home placements to help the hospital manage flow, and an increase in staffing to support the hospital with discharge. This increase in demand, and consequent increase in cost to ASC is predicted to continue for at least the next quarter. The Discharge Fund from the DLUHC has provided a grant of £2.3 million for the 23/24 period. However, it's important to note that this funding is specifically designated for additional initiatives aimed at facilitating discharges. It does not address the substantial rise in expenses and demand associated with ongoing care packages. Secondly, there is increasing demand and complexity coming from the community, including new adults

requiring long term care, due to deterioration in health or circumstances, higher prevalence of severe mental ill health in Hackney compared to other authorities, and multiple intersecting complexities, including substance use and trauma.

10.7 **Care Support Commissioning** is the service area with the most significant budget pressure in Adult Social Care with a £6m budget pressure (after reserve usage of £2.7m) against an overall budget of £47m. The forecast has moved adversely by £0.4m compared to July position, due to increases in Residential (£0.5m), Supported Living (£0.2m) and Nursing (£0.5m) care costs, partially offset by use of MSIF grant funding (£0.8m) this month. The increased care costs are primarily driven by growth in clients activity (11 new clients) and increased complexity of care needs for existing service users. This service records the costs of long term care for service users including their primary support reason, and the budget overspend reflects both the growth in client activity and increasing complexity of care provision being commissioned. The service has seen a 30% increase in the total number of people receiving care and support since 2019/20. For some services such as home care, the increase is even more significant (43%). In addition to rising demand, unit costs have also increased significantly since 2019/20 due to inflationary pressures including LLW coupled with greater complexity of care in care packages. The ASC budget faces mounting challenges due to both escalating demand and growing costs, which together exert significant pressure on the overall service budget. The tables below illustrate both the rise in demand, and increase in unit costs:

Table 2: ASC Demand 2019/20 v 2022/23

	2019/20	2022/23	% increase
Overall number of ASC service users	2610	3390	30%
Home care provided (hours)	915,297	1,312,959	43%
Residential care (number of placements)	619	626	1%
Supported living (number of placements)	305	398	30%

Table 3: Snapshot Unit costs trend

	2019/20			2022/23			
Service type	# of Service Users/ Hours	Avg unit cost (£)	Total cost (£m)	# of Service Users/ Hours	Avg unit cost (£)	Total cost (£m)	% Change in Unit Cost
Home care*	915,297	17.97	16.45	1,312,959	19.16	25.16	7%
Supported Living	279	911	13.79	342	1,241	21.83	36%
Residential	347	970	18.75	388	1,068	21.56	10%
Nursing	157	766	6.72	155	879	7.83	15%

10.8 The council and NEL ICB were allocated discharge funding (£2.3m and £1.1m respectively) for 2023-24 for Hackney. From this overall allocation, £1m of discharge funding has been allocated to support the cost of care packages and enable the efficient discharge of people from hospital, of which £0.4m is currently in the forecast. The overall funding received in relation to supporting care package costs from discharge funds has reduced by £0.8m compared to the previous year. The ICB also contributes a total of £9.2m of funding towards health care costs for service users with learning disabilities as part of the integrated commissioning arrangements with the council.

10.9 **Provided services** are forecast to overspend by £1.8m against a £10.3m budget. The £1.8m overspend is made up primarily of an overspend on Housing with Care (HwC) scheme costs of £2.5m, offset by underspends on day services of £0.7m. This HwC forecast overspend of £2.5m reflects both the impact of £1m of undelivered savings from 21-22 and 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 the service. The service is currently undertaking a number of management actions to address both the high level of sickness and agency staff usage, this includes working closely with HR, and Occupational health to reduce sickness levels, medically retiring staff that are no longer able to work, addressing the issues relating to staff members who are on reduced capacity due to medical conditions, as well as offering fixed term contracts to long term agency staff to reduce the dependency on agency usage. 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 the ventilation at the premises. A capital bid for the work required at Oswald Street was submitted, and agreed in the June 23 cabinet. Currently there is a delay in the maintenance work commencing due to the planning application submitted has yet to be approved, once approved works should commence in the latter part of the year.

10.10 **Mental health** is forecast to overspend by £1.2m against a £8.6m budget, an adverse movement of £0.2m on the previously reported position. The

adverse movement is primarily as a result of increased Mental Health care costs due to growth in client activity. The Mental Health budget overspend is primarily 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.

- 10.11 **Preventative Services** reflects a £0.2m budget underspend against a budget of £7.6m. Primarily due to the Interim bed facility at Leander Court (£0.2m) and Carers services (£0.05m) experiencing lower than expected demand for these services.
- 10.12 **Care Management and Adult Divisional Support** budget position has moved favourably by £0.2m compared to the previous report position, to an overall budget underspend of £0.4m. The overall budget underspend is primarily due to staff vacancies across the ASC management team, as result of delays in recruitment.
- 10.13 The **ASC commissioning** budget position is a £0.2m budget overspend, which is unchanged from the previous report position. The ASC commissioning position also includes one-off funding of £0.8m which is supporting various activities across commissioning. This includes additional staff capacity across the Brokerage Team, Direct Payment teams, and funding of extracare services at Limetrees and St Peters. The forecast also includes £1.4m of Discharge Funds (£2.3m LBH, £1.1m ICB), which is supporting the funding of various hospital discharge facilities including interim accommodation and nursing care block placements.
- 10.14 This directorate is coordinating the council response for the support required for Refugees, Migrants and Asylum Seekers, including the Homes for Ukraine scheme which enables Hackney residents to offer a home to people fleeing Ukraine. There is Government support for the costs being incurred under these schemes and so no cost pressure is currently forecasted. However there is uncertainty about the level of funding we will receive to support Refugees (including Ukrainians), Migrants and Asylum Seekers in future years.
- 10.15 **Public Health** is forecasting a breakeven position. The Public Health Grant funding allocation for local authorities in 2023/24 has risen to £3.5 billion nationally, representing a 3.3% cash terms increase compared to the previous year's allocation. Hackney's share of the increased allocation is £1.1 million. The 2023/24 grant includes an adjustment to cover the cost of implementing the Botulinum Toxin and Cosmetic Fillers (Children) Act 2021 (our allocation is £15k). The 2023/24 grant will continue to be subject to conditions, including a ring-fence requiring local authorities to use the grant to deliver public health outcomes. This may include public health challenges arising directly or indirectly from the legacy impact of the COVID-19 pandemic.

To ensure the allocated Public Health budget is managed effectively, demand-led services, such as sexual health, are carefully monitored by the service. This monitoring process aims to maintain service provision within the allocated budget for the current and future financial years.

The Hackney Mortuary position reflects £0.2m budget overspend, primarily attributable to ongoing cost pressures in relation to the council's contribution for the coroner's costs.

- 10.16 Adult Social Care has **Savings** £1.4m to deliver in 2023/24. Savings related to efficiencies of housing related support contracts (£650k), housing related support review (£194k), ASC commissioning (£100k), increased care charging (£250k) and Daycare review (£200k). All of these savings are on track to be delivered this financial year, and are factored into the forecast. There still remains £1m of undelivered savings from previous years in relation to the Housing with Care service 2021/22 (£0.5m) and 2022/23 (£0.5m). Previous years these savings have been mitigated by efficiencies across our Housing related Support contracts, but currently there is real cost pressure of £1m. The service is confident that mitigations will be identified throughout the year.
- 10.17 **A vacancy rate savings** target of £0.3m has been set for the directorate in 2023-24. The forecast assumes that this will be achieved or mitigated within respective service budgets. Progress against the target is carefully monitored by the AH&I Senior Management Team and reported through this monthly finance report.
- 10.18 Many of the **financial risks** to the service that were present in 2022-23 continue into 2023-24. The cyberattack continues to have a significant impact on a number of key systems across the local authority. Following the recovery of the basic social care system (Mosaic) in November 2022, further work is ongoing to develop the system including improving important case management functionality. Further to this, Mosaic has not been in place as the primary Social Care Finance system for Adult Social Care for over two years, and further significant improvements are required. The majority of care package information has now been loaded on to Mosaic and the service teams are following up to ensure that all information is up to date and correct. However, until this task is completed and the data verified we cannot be certain that we are fully capturing and monitoring the cost of any additional demand for care. The service is working proactively to ensure that packages are loaded accurately and in a timely manner.
- 10.19 One of the main risks for the directorate is the ongoing 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 currently 6.7% as at August 2023, and this not only presents challenges to the Council but also to care providers.
- 10.20 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. Actual care costs have risen by £7m per year on average over the last 5 years. The table below illustrates the year on year increase on external commissioned care spend.

Gross Outturn - External care commissioned services

	2018-19 (£m):	2019-20 (£m):	2020-21 (£m):	2021-22 (£m):	2022-23 (£m):
Total Outturn	58.9	65.3	72.5	77.9	87.8
Movement on Previous Year	5.8	6.4	7.2	5.4	9.9
% Increase on Previous Year	11.0%	10.9%	11.1%	7.5%	12.7%

10.21 Management Actions to reduce the overspend

In addition to budgeted savings, further cost reduction measures have been developed for 2023/24.

For Adult Social Care, management actions of £1.25m have been identified and these are factored into the forecast. These include continuation of the multi-disciplinary panel process (£0.25m); double-handed care package review (£0.2m); direct payment monitoring of accounts (£0.1m); review of agency spend through tighter controls with Head of Service and greater challenge through the Workforce Development Board (£0.1m); working with ELFT to manage the Mental Health overspend (£0.35m) and a commissioning review team (£0.25m).

11.0 Climate, Homes and Economy

Revised Budget	Service Area	Forecast Variance After reserves
£k		£000
33.679	Climate, Homes and Economy	853

11.1 The directorate is showing a £0.853m overspend after use of £1.916m in reserves, which is a positive movement of £0.105m from the July 2023 reported position. The directorate's main areas of underlying overspend are Environmental Operations, Community Safety, Enforcement and Business Regulation (CSEBR) and Streetscene.

11.2 The last OFP report to Cabinet detailed how the Directorate Leadership Team has worked with the finance teams to take actions to reduce spending and increase income. This yielded an in-year cost reduction of £1.2m reflected last period which arose from holding uncommitted budgets on non staff budget lines, factoring income which is exceeding budgets into the forecast and forecasting underspend on budgets to deliver manifesto and other commitments due to delays in recruiting staff.

- 11.3 All possible levers to call underspends have been considered. This is a continually moving picture and the position will change over the coming months. We are introducing monitoring processes to ensure that the saving forecast this month can be fully delivered but accept that there are items of expenditure that are essential, such as equipment replacement, which will need to happen to deliver services that may well reduce the forecast saving. In the same way a downward trend in income will impact what we have forecast this month. All Heads of Service in the directorate are aware of the financial challenge facing the Council and will use their best endeavours to deliver the cost reductions.
- 11.4 The net overspend for **Environmental Operations (EO) and Environment Strategy & Recycling (EWS)** is £1.338m. The projected overspend in EO of £1.427m which is offset by an underspend of £0.089m in EWS, is due to a range of demand-driven challenges, including housing growth, population increases (including temporary influxes), responding to the aftermath of ASB, and emergency responses, all of which have put strain on current resources. Inflation and the cost of living crises have had an additional impact on the service, particularly in the areas of vehicle maintenance and increased consumable expenses, such as PPE and receptacles (sacks and bins).
- 11.5 Other priorities in terms of addressing the climate emergency have also had an influence on the service budget, which has implications for the operation of our street cleaning function. 5,000 street trees, which impact not only the leafing season but also the spring and summer with blossom, seed, and fruit; LTNs, which impact drive time and fuel usage; e-bikes, scooters, and bike hangers, which cause impediments to cleaning; and Sustainable Drainage Systems (drainage solutions that provide an alternative to the direct channelling of surface water through networks of pipes and sewers to nearby watercourses), which require litter picking and, in some cases, take longer to clean. In addition, the Service responds to emergency calls in the event of flash flooding. When this occurs, services are diverted from their regular duties to respond.
- 11.6 The principal cost pressures within the service are as follows:
- £0.687m - overspend relating to the impact of increased demand on the service; Since 2013 Hackney has seen household numbers rise by 13,530; this increase in households and the waste they produce has, up until last year, been absorbed into existing rounds and other services as far as possible. This demand pressure has also resulted in non-funded services, such as responsive cleansing of the highways and estates, night time economy cleansing, being delivered to maintain our cleanliness standards across the public realm. However, this increased pressure on services for both refuse collection and street cleansing can no longer be contained within the existing budgets.
 - £0.562m - non delivery of previously approved vacancy factor savings. This saving approved in 2021/22 is proving increasingly difficult to deliver especially given the increased pressure on the services as outlined above.

- £0.350m - non delivery of the saving relating to the establishment of the Commercial Waste company. Due to the impact of the pandemic there was a delay in establishing the company and this saving was to be delivered in year 3 following the establishment of the Company. We are just entering year 2 and therefore this saving will not be achieved until 2024/25.
- £0.259m - due to the impact of inflation on material purchasing such as refuse bins and refuse sacks and the cost of a route optimisation system

- 11.7 The overall overspend of £1.922m can be mitigated in part by steps offered by the Head of Service, which will result in £0.496m in savings to lower the predicted overspend. This position is reflected in the forecast. These recommendations should have little effect on service delivery and performance. The Head of Service will continuously analyse service budgets to seek cost-cutting possibilities in order to reduce overspend while maintaining existing levels of service.
- 11.8 **Community Safety, Enforcement and Business Regulation** is projected to overspend by £0.207m. This is a £0.012k improvement on the July 2023 position. The overspend relates to the service's continued need to generate vacancy factor savings, which is proving difficult in this vital front-line service. The Head of Service continues to evaluate budget lines in order to uncover opportunities to contain spend.
- 11.9 **Leisure, Parks & Green Spaces** are forecasting to come in on budget, but there is a risk that the water charges may be a problem where the utilities companies are trying to locate the exact position of an underground water leak on Hackney Marshes.
- 11.10 **Economy, Regeneration & New Homes** There is currently a £0.223m underspend saving forecast for the service. The forecast underspend is due to the actions taken by management to hold unspent non staff budgets, mainly within the Area Regeneration and Economic Development, to mitigate the Council's forecast overspend. Private Sector Housing (PSH) is forecasting an underachievement in income arising from enforcement notices and inspection fees, £0.140m and licence fee income, £0.072m which has been mitigated by an underspend in staffing budgets due to the delay in appointing Environmental Health Officers to deliver the commitment to enhance the Council's response to Damp and Mould in the private rented sector. There is a further risk relating to PSH licensing income, with the old scheme coming to an end in October 2023 and a new scheme not expected to be rolled out until the 2024/25 financial year. There currently appears to be enough in the PSH licensing reserve to cover this gap, but this also depends on what income is received for the last few months of the current scheme. This risk will be mitigated by use of the reserve funding.
- 11.11 **Employment, Skills and Adult Learning** are forecasting a small underspend of £0.040m as the majority of expenditure in Adult Learning is covered by grants.
- 11.12 **Markets** are forecasting a balanced position. There is a risk that the Indoor Markets won't meet their target income for this financial year due to delays in getting the market site fully prepared and operational. The team responsible

for the markets is actively engaging with both the contractor and the legal services to explore options for compensation due to the missed deadline.

- 11.13 **Parking** Is showing an underspend of £0.158m. While parking revenue is projected to broadly balance, a significant concern is the possible inability to generate expected revenue from Penalty Charge Notices (PCNs). There are two primary reasons for this decline. Firstly is the continuous acts of vandalism directed at CCTV cameras in the Low Traffic Neighbourhoods and School Streets. This situation is aggravated by the high costs of fixing and maintaining these cameras. A secondary cause is the maturation of existing CCTV schemes (where compliance has improved), and a reduction in new moving traffic restrictions being implemented. As a result, income from PCNs has dropped by approximately 30% compared to last year. Another area of concern that is emerging is parking suspension. Income over the first 5 months is down by 9% compared to the first 5 months of last year, despite inflationary price increases having been applied. The Head of Service has proposed a number of solutions to mitigate the risk posed by recurring acts of vandalism; these proposals are awaiting approval. The estimated impact and risk to the revenue projections is £1.4m which is being closely monitored.
- 11.14 **Streetscene** is projecting an overspend of £0.07m with a positive movement of £0.051m from July 2023 position due to delays in recruitment. The challenges posed by inflation and the prevailing cost of living crisis have brought about notable changes in the utilisation of services, consequently diminishing the demand for licences and associated fees. This trend is particularly evident in the context of contributions from companies such as G Network, which has reduced activity across the borough, and a reduction in the issuance of Highways Act Licences. This marked decline in activity across the Service is due to the broader economic challenges in the wider economy.
- 11.15 **Planning and Regulatory Services** is forecast to underspend by £0.255m due to increased income collection, recovery of income from Proceeds of Crime Act (POCA) as well the non essential spend reviews.
- 11.16 **Savings/Vacancy Savings.** The directorate has achieved £2.508m of the 2023/24 savings plans of £2.858m. The Hackney Commercial Services company saving of £0.350m is being forecast as not being achieved given the company is a year behind schedule and this was a saving expected in year three of operations. The company has not established its market share base yet to deliver the 2023/24 savings target. The vacancy factor savings agreed as part of the 2021/22 budget is not being achieved in two of the directorate services, Environmental Operations and CSEBR. The total of non delivery is £753K. The Heads of Service are reviewing services and budget lines to mitigate the impact of this non delivery.
- 11.17 **Management Actions to reduce the overspend in 2023/24.** Heads of Services are continually 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. A review of non-essential spend last period resulted in forecasts being reduced by £1.2m.

11.18 Risks

	Amount £'000
Decline in TfL funding impacting capitalised salaries in Streetscene - we are keeping a watching brief on	TBA
Vehicle Maintenance cost in Environment Operations - based on expenditure 22/23 exceeding the budget significantly. This is due, in part, to more extensive maintenance work to lengthen the life of vehicles. This is being closely monitored to pick up trends early.	510
Assumed savings from operational changes in Environmental Operation - close monitoring of the mitigating actions will be undertaken to track delivery of the savings.	500
NLWA levy for non household waste -increase in tonnage projections reported show an increase in the estimated cost for 23/24.	500
Parking Income - reduction in PCN and parking suspension income due to acts of vandalism and reduced activity from companies in requesting parking bay suspensions to carry out work.	1.400
	2,910

12.0 Finance and Corporate Resources

Revised Budget	Service Area	Forecast Variance After reserves
£k		£000
25,115	Finance & Corporate Resources	2,176

- 12.1 Finance and Corporate Resources are currently forecasting an overspend of £2.176m after a reserve drawdown of £2.68m. This is an adverse movement of £3k on last month's forecast. The service continues to be impacted by the Cyberattack with significant overspends in Revenues, Benefits and ICT totalling £3.2m
- 12.2 **Financial Management and Control** are currently forecast to budget after a reserve drawdown of £56k.
- 12.3 **Education Client** are currently forecast to budget after a reserve drawdown of £14k. The reserve funding is being used to offset the costs associated with the legal fees for the withdrawal of lifecycle funding to the VA schools. Currently, there are 4 schools that have been impacted by this decision and an external legal team has been procured to ensure that there is a resolution. It is anticipated that the costs could change and as a result, we will continue to monitor and report any changes. The overall impact is unknown, and the total overspend will be supported by reserves.

12.4 **Strategic Property Services** are forecasting to break even for the 2023/24 financial year after reserve movements. Commercial Property continues to be affected by the under recovery of income, this being the main budgetary pressure on the service. The Head of Commercial Estates has expressed concerns about the high risk associated with income collection and deferred rents, considering the current fragility of the market. We continue to monitor this however, it is anticipated that the pressure in this area could potentially increase. Other budgetary pressures include additional security services expenditure at the Englefield Road site and Wally Foster Community Centre in order to prevent squatting. These pressures will be mitigated by reserves set aside last year for the fluctuations in commercial property income.

12.5 **Housing Benefits** are currently forecasting an overspend of **£1.24m** after reserve drawdown of £604k. There has been no movement on the previous month's forecast.

- The agency forecast is currently £2m, of which £750k can be either 1) funded by specific grant funding or 2) absorbed by the underspend on permanent staff due to vacancies. The remaining £1.24m pressure is a result of the additional agency staff required to work on the backlog of work as part of Cyber recovery and additional demand in the service.
- The NCOB forecast is not currently included in the above table. Eligible error continues to be significantly higher than pre-cyber levels which poses a financial risk however it is too early to provide an accurate forecast. Once the figures have been refined the overspend will be included in the forecast.

12.6 **Customer Services** are currently forecast to budget.

12.7 **Revenues** are currently forecasting an overspend of £643k. This relates to the following:

- £0.5m 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.
- The remaining overspend 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 and business rates collection.

There is a possibility that additional grant funding will be awarded to help fund new burdens within the service. If awarded, this will reduce the following month's forecasts.

12.8 **Soft Facilities Management** is currently forecast to budget.

12.9 **Support Services** is currently forecast to budget.

12.10 **Registration Services** are currently forecast to underspend by £113k. There is no movement on last month and the underspend is as a result of overachieving on income targets.

12.11 **Housing Needs** are currently forecast to budget after a reserve drawdown of £836k. There has been no movement on last month's forecast. The reserve drawdown relates to grant funding received in advance.

There is an £850k agency staffing pressure as a result of the increased demand for temporary accommodation (TA) service. Since 2017/18 the number of TA approaches has increased by 65%.

Currently, this can be offset by reductions in temporary accommodation rental spend as a result of:

- 1) Higher levels of TA placements in hostels which are the most cost effective type of accommodation within our portfolio.
- 2) Greater focus on prevention work and the reduction in supply of temporary accommodation (especially private sector lettings) which currently means that only 30% of new TA placements will be placed in temporary accommodation.

This will be reviewed on an ongoing basis and the forecast will be updated to reflect any changes in the availability of TA properties.

12.12 **ICT** are forecasting an overspend of £823k after a reserve drawdown of £726k. The primary cause of the overspend can be attributed to the on-demand cloud computing platforms provided by Amazon Web Services (AWS). Recognising the need to address this cost pressure, management is actively working to identify strategies that will help alleviate the overspend. One such strategy involves discontinuing the utilisation of some legacy data centres. By doing so, the service aims to reduce the annual costs associated with data centre hosting and network connectivity. This step will lead to cost reductions and optimise the service's cloud infrastructure. Furthermore, a comprehensive assessment is underway to evaluate data migration and recovery efforts following the cyberattack. This assessment aims to identify areas where expenditure related to cloud hosting can be minimised without compromising data security and operational efficiency.

By implementing these measures, the service anticipates a decrease in the overspend and a more cost-effective utilisation of cloud computing resources. Additionally, it is worth noting that the service is already mitigating the overspend in the current position due to holding a number of vacant posts resulting from a recent restructure. These vacant positions are planned to be fully occupied within the last quarter of the financial year.

12.13 **The Audit and Anti-Fraud** service is forecasting an underspend of £129k. The overall underspend is due to the service holding vacant posts and a reduction in agency expenditure.

- 13.14 **Directorate Finance Support** Teams are forecasting an underspend of £159k. This is an adverse movement of £20k on last month's forecast and is as a result of additional agency staff required to cover vacant posts on an interim basis whilst permanent recruitment takes place.
- 12.15 **Procurement** is currently forecast to overspend by £9k, which is an adverse movement of £9k on last month's forecast.
- 12.16 **HR & OD** is currently forecast to underspend by £140k. There is no movement on last month's forecast and the forecast underspend is due to holding posts vacant for an extended period of time.
- 12.17 All of F&CR **Savings** and the **Vacancy Savings** are forecast to be achieved
- 12.18 The main areas of potential financial risks within F&R, where the forecast may see increases in the coming months are :
- Net Cost of Benefits - Loss of subsidy from Local Authority (LA) error & increase in the Bad Debt Provision (BDP).
 - Customer service costs depending on the level of demand.

13.0 Chief Executive

Revised Budget	Service Area	Forecast Variance After reserves
£k		£000
15,126	Chief Executive	-377

- 13.1 The Chief Executive's Directorate is forecasting an underspend of £0.377m following the use of £1.2m of reserves. This is an improvement of £0.007m and continues to reflect the impact of cost reductions actions taken by the directorate to support the Council's forecast overspend.
- 13.2 **Communications, Culture & Engagement** is forecasting an underspend of £0.15m, an improvement of £0.022m from the July forecast. This underspend is arising from a forecast overachievement in venues and film location income. All the income streams are monitored closely to identify trends and pick up any potential fall in activity which reduces income so that mitigating actions can be taken to respond.
- 13.3 **Legal, Democratic & Electoral Services** Legal, Governance & Elections is forecasting an underspend of £0.24m, a deterioration of £0.017m from the forecast as at July. The small revision arises from updated staffing forecasts. The remaining underspend reflects the directorate's response to the Council's overall overspend which arises from underspends from the delay in filling posts to improve member casework (the forecast for this service assumes full implementation by 1st October); and holding unspent non staff budgets across the service. In addition the forecast underspend reflects a number of vacancies across the services, the service is achieving its

vacancy factor and will be recruiting to vacant posts over the coming months. This is reflected in the forecast.

13.4 **Libraries & Heritage** Libraries & Heritage is currently forecasting a £0.044m overspend, in line with the July position. The main drivers for the overspend position are non delivery of income targets with very little take up for room bookings, along with additional premises operational costs. Increased NNDR costs are being met with additional reserve support. There is a small risk of non achievement of vacancy factor savings detailed below.

13.5 The directorate is on target to deliver the approved **Savings**.

13.6 A summary of **risks** to the service going forward are:

- There is a risk of not achieving the £0.108m vacancy savings in the Library Services due to the time it is taking to recruit to all the new posts in the restructured service and the need to retain some old unbudgeted posts during the transition period to keep this frontline service open.
- Not achieving the external income target of £0.563m in legal services is a risk. Income was £67K (13%) below target in 2022/23 and this may continue into 2023/24. The income risk is due to the slowdown in the development activity across the borough. The income generated from capital recharges, property and S106 agreements has reduced in the last couple of years. This forecast shows achievement to budget and a review of activity will be carried out to inform the forecast for the end of financial quarter two. We continue to monitor this risk closely.
- Whilst we are currently forecasting an overachievement of income from our venues and film location service the non delivery of income remains a risk. The cost of living crisis and high inflation continues and these income streams are particularly sensitive to the impact of the current economic situation. We will continue to monitor income streams closely as part of our OFP reporting.

13.6 **Management Actions to reduce any overspends.** The Directors and Heads of Service will continually review their budgets to identify opportunities to reduce reserve use and mitigate any potential income shortfalls.

14.0 **HRA**

The HRA is forecasting to draw down £1m from reserves in order to breakeven for 2023/24. This reflects the decision taken in April to phase the increase to the Council's district heat networks over two years. The forecast outturn position and future performance remain subject to the risk factors described in this report.

Income

A review of HRA income was undertaken based on the Housing Finance system report, this has led to variances across all income categories. Further refinement of the income forecasts was undertaken during the period.

- **Dwelling rents** Although dwelling rent income is forecast to come in on budget there are variances within the income streams. The rental income forecast for temporary accommodation, reflecting the use of vacant homes across our housing regeneration programme estates, has reduced which reflects the decanting of properties for the next phases of the developments. This has been offset by an increase in the forecast for rent which is due to the new permanent tenancies starting in-year reflecting an improvement in void turnaround times.
- **Non-dwelling rent** is forecast to be £817k above budget as a result of increased income from garages and community halls generated by the new online booking system, along with a forecast increase in commercial rent income.
- **Income from Tenant Charges** is forecast to be £959k over budget as a result of increased income collected within the Housing Finance System, which largely relates to Landlord lighting reflecting increased costs of energy.
- **Other Charges for Services and Facilities**, the reduction in forecast income of £717k is mainly due to the management fee collected as part of major works billing. A review of major works bills is currently being undertaken by the homeownership team to establish the level of income expected for 2023/24.

Expenditure

- **Housing Repairs Account** - Overall there are significant changes from last month to the forecast mainly driven by Reactive Repairs £2m forecast overspend and Repairs Contact Centre (RCC) £200k forecast overspend.

Reactive Repairs have been significantly high in terms of both number of jobs and value of jobs. In total the year to date spend is around £6.3m after 5 months of the year. If the current trend continues through the rest of the year reactive repairs spend for the full year is forecast to be around £15m to £16m. This is driven by lack of capital programme, damp and mould works, increase in the number of complaints and the cost of our response, and increases cost of labour and materials.

RCC is forecast to overspend by £200k but this could increase during the rest of the year. The volume of phone calls is still significantly high, whereas we would expect a dip in the summer period. This is being driven by the increase in the number of reactive repairs and complaints associated with them.

- **Special Services** - the overspend of £2.689m mainly relates to gas and electricity. Energy prices have significantly increased for 2023/24 which has been reflected in the forecast. Also, there is an overspend on lifts due to works required on maintenance and renewal. The lift procurement contract has been delayed resulting in a forecast overspend. There is also a forecast overspend on ground maintenance due to additional agency staff and forecast increased spend on hardware maintenance fees.
- **Supervision and Management** - there is an underspend (£784k) due to a reduction in allowances to be paid to TMO's as service responsibilities were handed back to the Council after the 2023/24 budget was set. Also there are a number of vacancies within Asset Management, a recruitment drive is currently underway and staff are expected to be in place for the last quarter of the year. There are also some additional forecast overspends in other areas including £200k on the call centre.
- **Rents, Rates, Taxes and Other Charges** - the favourable variance is due to a confirmation that Christopher Addison House is no longer a HRA asset and therefore the budget has been moved accordingly. There is also an increase in the forecast for business rates on Community Halls and HM Offices.

Risks

Area	Amount £000's
Gas and Electricity prices have more than doubled compared to 2022/23 and so there is a significant risk that the gas and electricity charged to the HRA will be substantially above the current forecast. The estimated charge is yet to be verified by the Energy Management Team.	TBC
The 2023/24 pay award is yet to be agreed by trade unions, however the current award would add an additional £3.2m to the cost of the HRA. There are currently a number of areas of spend under review within the HRA, unless additional efficiencies can be identified the additional cost may need to be funded from Reserves.	2,000
DLO - the forecast overspend could increase up to £1.9m, this will be offset against the capitalisation of revenue works.	0
	2,000

There remain several other risks within the HRA budgets which could have a further financial impact as detailed in the commentary above. These will be continuously monitored and communicated to Senior Management as the year progresses. In addition, these risks will be fed into the HRA 30 Year Business Plan. The Business Plan is being reviewed and updated over the next few months and will then set a strategic level budget for 2024/25 to inform detailed budget setting.

Appendices

None

Background documents

None.

Report Author	Russell Harvey, Senior Financial Control Officer Tel: 020 8356 2739 russell.harvey@hackney.gov.uk
Comments of the Interim Group Director for Finance	Jackie Moylan, Interim Group Director of Finance Tel: 020 8356 3003 jackie.moylan@hackney.gov.uk
Comments of the Acting Director of Legal, Democratic and Electoral Services	Louise Humphreys, Acting Director of Legal, Democratic and Electoral Services Tel: 0208 356 4817 louise.humphreys@hackney.gov.uk

Title of Report	Capital Update and Property Disposals and Acquisitions Report	
Key Decision No	FCR S204	
For Consideration By	Cabinet	
Meeting Date	23 October 2023	
Cabinet Member	Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service	
Classification	Open with exempt appendices	
Ward(s) Affected	All	
Key Decision & Reason	Yes	Spending or Savings
Implementation Date if Not Called In	30 October 2023	
Group Director	Jackie Moylan, Interim Group Director, Finance	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2023/24 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 Strategic Plan.
- 1.3 This month we are proposing an agreement to lease for the Old Fire Station (OFS) for up to 25 years. The OFS is host to a diverse range of community organisations supporting childcare and refugees and asylum seekers in the borough as well as arts and sporting activities for our residents. The OFS are seeking grant funding to carry out refurbishment works which will enable increased usage at the site and improve energy efficiency. The agreement to lease for the extended period proposed in this report, subject to the conditions set out in the recommendations, would help them to secure this funding.

- 1.4 We continue to prioritise investing in our assets to ensure they are fit for purpose in delivering vital services to our residents in an efficient and effective way. In this vein we propose £897k of investment in Millfield Waste Depot to address latent ground defects at the site which are impacting on the day-to-day operations of the Depot.
- 1.5 Finally, we are investing £391K to improve road safety outside The Olive School on Lower Clapton Road. Our improvements will change the existing parallel crossing to a signal controlled "Toucan Crossing " and carry out other works such as, decluttering street furniture, relocating a CCTV pole and a listed phone box. This project will improve road safety for the local community and especially for the 600 primary school students who attend The Olive School. The works will have wider benefits, through lowering the likelihood of road collisions, improving traffic flow and encouraging more sustainable means of transportation such as walking and cycling.
- 1.6 I commend this report to Cabinet.

2. INTERIM 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 lease of The Old Fire Station, 61 Leswin Road N16 7NX:** The Old Fire Station in Stoke Newington at 61 Leswin Rd N16 is a community building managed by the Old Fire Station (OFS). The OFS (the organisation) is a charitable incorporated organisation (CIO). The property is held in the Council's Voluntary and Community Sector (VCS) property portfolio and the asset is a locally listed building. The OFS has been providing services to local communities for many years and they currently accommodate six other voluntary and community sector organisations; Growing Communities, Hackney Migrant Centre, Jamboulay Carnival Arts, Hackney Children's Theatre, the Fire Station Community Nursery, and SkatePal (charity). They also have halls and meeting space, where local organisations and people run and access services and events including exercise and wellbeing classes, social events and parties.
- 2.3 The Council works proactively with VCS organisations to improve the quality of and utilisation of our VCS assets, so that they can help us to address local priorities and meet community needs. The Voluntary and Community Sector (VCS) Strategy (2019) recognised the need for significant investment in some properties in order for them to become vibrant community assets that are better placed to meet community needs. The OFS has developed detailed project plans to secure funding and invest in the site in order to modernise and improve the premises. The planned improvements will enable the charity and their tenants and partners to enhance the services they offer to the community and will also aid their longer term financial viability and sustainability.

2.4 Currently the OFS caters for approximately 20,000 visits per year by residents who use the building. The OFS, its sub-tenants, hirers and partners provide the following services and benefits for local communities:

- Growing Communities – is a food growing and food distribution organisation with a strong commitment to ethical and sustainable food production. They pack and despatch organic vegetable boxes which are delivered to 6,000 Hackney residents every week.
- The Fire Station Community Nursery provides 50 places for 0-5 year olds, 50% of which are provided free to parents.
- Hackney Migrant Centre – is a charity which supports refugees, asylum seekers and other migrants through the provision of free advice on immigration, welfare and health.
- Hackney Children’s Theatre - The project provides professional affordable theatre and theatre arts projects for children in Hackney.
- Jamboulay Carnival Arts - is a Voluntary Community led organisation which aims to assist local people in accessing cultural & creative skills in the field of theatre and carnival arts.
- SkatePal - is a non-profit organisation supporting communities throughout Palestine, promoting the benefits of skateboarding to enhance the lives of local youth.
- A wide range of hirers who access and deliver services and activities for the OFS on a regular basis. Groups and services provided include the following:
 - a wide range of exercise and health and wellbeing activities: fitness, yoga, QiGong, mixed martial arts classes for children and pilates;
 - arts, theatre and music classes;
 - social activities for older residents and other groups;
 - Eritrean women and children's group.

2.5 The OFS is also regularly hired by organisations, groups and individuals on an ad hoc basis for meetings, studio space, social activities and events. The proposed scheme could see an increase in usage of the building from the current 20,000, to a projection of over 36,000 annual visits once the refurbished site is fully operational. This would result from enhanced facilities and accessibility, increased usage by hirers and the benefits of bringing the currently unused third floor into use as a co-working space. The OFS’ business plan projects that annual income would rise from £91k in the first year to £145k once the new premises are fully operational, which would provide a surplus of around £7.5k per annum compared with the current small loss making position. The financial position is likely to be more favourable than that as the improved facilities and increased usable floor space would enhance the prospects of successful grant applications and fundraising activities.

2.6 This report seeks approval to enter into an agreement to grant the Old Fire Station (OFS) a lease of up to 25 years at a nominal rent to cover any ongoing costs for the Council, on land they currently occupy. The completion of the lease will be subject to the conditions set out in the recommendations section of this report below.

- 2.7 The Council is undertaking a review of its non-core commercial properties including those held in its VCS Property Portfolio. Many of the assets in this portfolio are leased on a short-term basis at discounted rents. In such cases the Council retains responsibility for many aspects of repairs, maintenance and health and safety compliance. The cost of maintaining these assets, particularly older buildings where significant investment is required, is high. The strategy and approach the Council has adopted for some complex and high-cost assets, is to work collaboratively with tenants (where viable and appropriate), to support them to raise their own capital funding to invest in premises. A key factor is the agreement to grant longer leases which meet the requirements of funders and enable tenants to apply for capital grants. The Council recently undertook essential works costing £785k at 61 Leswin Rd repair or replace roofs, windows and masonry to ensure that the building is safe, watertight and externally in good repair. However, the OFS's premises still require significant investment in order to modernise the building, improve accessibility and energy efficiency, and to extend and enhance services to the local community.
- 2.8 The OFS (the tenant) has progressed their capital plans over the last 2 years and have already commissioned and completed project feasibility and detailed design work. This work was managed by OFS and carried out using architects and other professional and technical consultants. They now have a detailed and cost preferred capital scheme. OFS has held formal pre-planning application discussions with the Council's Planning Department and addressed the feedback given in their Design and Access Statement. The OFS development plans include: Sensitive renovations to existing historic features. Improving accessibility with a redesigned ground floor, a new reception area and entrance, and the addition of a lift serving all floors. Enhanced energy efficiency with new heating, solar panels and insulation. The currently unused third floor will be updated into new community spaces and additional outdoor terraces will provide a new area for children's play. Other improvements include better storage, flooring, lighting, new toilets and a communal kitchen. Estimates from OFS' design and technical team show that a budget of approximately £2.3m will be needed to implement these plans.
- 2.9 OFS have already secured and invested £130k in the feasibility and design work undertaken to date. They have also applied for £80k to the The London Legacy Development Corporation (LLDC) Carbon Offset Fund for solar panels and heat source pumps. For the additional capital funding they require, they are exploring a number of different funding opportunities, but in the main focusing on 'heritage funders' such as the National Lottery Heritage Fund and the Architectural Heritage Fund. At the level of funding OFS want to secure, most funding bodies will typically require them to have a lease of up to 25 years as a condition of any grant agreement. An Agreement for Lease of this length between the Council and OFS would therefore satisfy funder requirements.

3. RECOMMENDATION(S)

- 3.1 **That the scheme for Finance & Corporate Resources as set out in section 11 be given approval as follows:**

Millfield Waste Depot Rectification Works: Resource and spend approval of **£897k (£65k in 2023/24, £772k in 2024/25 and £60k in 2025/26)** is requested to enable Council officers to proceed with the rectification works associated with various long standing, latent ground defects at the site.

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

Olive School: Resource and spend approval of **£391k (£274k in 2023/24 and £117k in 2024/25)** is requested to enable Council officers to carry out Highway Works at this school site.

3.3 That the **s106 Capital** scheme summarised below and set out in section 11 be approved:

S106	2023/24 £'000	2024/25 £'000	Total
Capital	0	44	44
Total Capital S106 for Approval	0	44	44

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

S106	2023/24 £'000
Capital	140
Total Capital S106 for Noting	140

3.5 That the capital adjustments of the budgets outlined in section 12 be noted and summarised below be noted:

Current Directorate	Budget 2023-24	Change	Updated Budget 2023-24	Budget 2024-25	Change	Updated Budget 2024-25	Budget 2025-26	Change	Updated Budget 2025-26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non Housing	2,624	1,900	4,524	8,674	(1,454)	7,220	6,512	(446)	6,066
Total	2,624	1,900	4,524	8,674	(1,454)	7,220	6,512	(446)	6,066

3.6 Authorise entering into an agreement to lease (“the Agreement”) with the **Old Fire Station Stoke Newington CIO** to grant a lease of up to 25 years for 61 Leswin Rd, London, N19 7NX (“the Property”) as is shown edged red on the plan attached at Appendix 1.

3.7 To agree that the terms of the agreement be that, prior to the grant of the lease, the **Old Fire Station Stoke Newington CIO** should:

- a) **Submit a viable project plan which details the development plans and the associated fundraising strategy, to be agreed by the Council, within 6 months from the date of the Agreement.**
- b) **Submit a business plan setting out how the OFS will operate for the benefit of local residents, which includes provision for full maintenance of the premises, to be agreed by the Council.**
- c) **Provide evidence that planning permission has been granted for the proposed scheme within 18 months from the date of the Agreement.**
- d) **Provide written confirmation from funders, within 18 months from the Agreement, that all finance for the development is available to proceed to a start on site.**
- e) **Submit final construction plans to the Council for approval prior to commencement of works.**
- f) **Submit relevant documents certifying the practical completion of construction works within 2 months of completion.**
- g) **Enter into a Community Agreement with the Council which will set out services and benefits to be delivered to local residents and include provision for ongoing monitoring and reporting.**
- h) **To commence and complete the works and meet all terms and conditions of the agreement to lease within 4 years of the date of that agreement.**
- i) **To authorise the Acting Director of Legal, Democratic and Electoral Services to terminate this agreement for lease if the conditions above are not met within the specified deadlines.**

3.8 To authorise the Acting Director of Legal, Democratic and Electoral Services and the Director of Strategic Property Services to agree all commercial terms of the Agreement to Lease and lease on the basis of these conditions and to incorporate a covenant that a lease will be granted upon the full performance of these terms.

3.9 To delegate authority to the Interim Group Director, Finance and the Acting Director of Legal, Democratic and Electoral Services to agree all necessary documentation and enter into a lease of up to 25 years, and to agree all other terms of the lease provided that the requirements of S123 Local Government Act 1972 are met.

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 lease of The Old Fire Station, 61 Leswin Road N16 7NX:** The purpose of entering into an agreement for a long lease is to enable OFS to secure significant capital funding for improvements to the premises. For the level of capital investment OFS are seeking, approximately £2.3m, funders will usually require them to have secured a lease of 25 years.

- The approach adopted for the OFS's development plans for this site is consistent with the strategy the Council has adopted moving forward as a potential option for complex and high-cost non-core assets. A conditional agreement to grant a 25 year lease will enable OFS to apply for capital funds to invest in this asset.
- Where longer term leases are agreed, these would typically be on full repairing and insuring terms with the tenant being responsible for repairs and maintenance during the term of the lease.
- If the tenant successfully delivers their own capital improvement plans at the site, this will enhance the scope, scale and quality of services to the local community, and support the viability and sustainability of the Old Fire Station CIO.
- The services provided by the OFS deliver environmental, economic and social benefits for the area and to local communities. For example; Growing Communities grow and distribute sustainably grown and sourced food to local residents, OFS contributes to local economic objectives by providing employment opportunities, training, volunteering opportunities and support working parents through the provision of nursery places and co-working space for local organisations, OFS is a also local community hub providing spaces for events, community meetings, social activities and a wide range of health and wellbeing and information and advice services.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.1 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** The Council has considered and rejected a number of alternative options as set out below. It is important to note, however, that if the OFS is not able to meet the conditions set out in the Agreement to Lease, these options will have to be reconsidered.

5.2 **Continue Current arrangement:** The option to continue to lease the premises on the current basis - standard VCS lease terms would not enable the tenant to secure the significant investment the building requires. If we proceeded on this basis the asset would not be upgraded and modernised, services to local residents would not be enhanced, and the Council would continue to bear the annual maintenance and repair cost (approximately £20k) of this complex asset. The current rent paid by the tenant does not cover these costs so the building would continue to run at a loss. It is unlikely that the rent could be increased without putting the operation at risk. It is anticipated that within the next 3 - 5 years the Council would have to invest a significant capital sum to address further repairs, Minimum Energy Efficiency Standards (MEES) and other statutory obligations in order to continue to let the building. There is also a risk in the medium to longer term, that the OFS would find it challenging to

continue operating the building if there was no agreement from the Council to grant a longer term lease to facilitate investment. If the building is not improved this will affect the future income, viability and sustainability of the OFS. This could leave the Council with a very challenging asset management issue, with the 6 sub occupiers expecting to remain in situ.

- 5.3 **Letting on Commercial Terms:** The current operation of the building, i.e. being used by not-for-profit organisations and community groups, would not be sustainable on a commercial rent. The only way a commercial rent option could be implemented would be to terminate the current arrangement and the occupation of existing users, and re-let to commercial operators. This would present a number of significant challenges, including legal and practical implications of getting vacant possession; planning restrictions; and financial viability of converting the building to suit modern, commercial occupier needs, such as Minimum Energy Efficiency Standards (MEES) obligations, upgraded mechanical and electrical services and a lift. This option is therefore not likely to be practically or financially viable.
- 5.4 **Development for residential use:** This option presents similar challenges; the legal and practical implications of getting vacant possession; lack of financial viability to convert to affordable housing in line with Council Policies; and planning restrictions.
- 5.5 **Freehold Disposal of the Asset:** This is a locally listed heritage asset that is a unique and longstanding asset in the Council's portfolio and is considered to be a landmark building by local residents and wider community and also a key part of the wider VCS portfolio. A freehold disposal would likely attract residential developers and, whilst the organisation in occupation may well want to bid, it is likely that they would struggle to raise the capital to fund a purchase and the renovations they would like to undertake. A freehold disposal would in all probability mean the end of the tenure of the current organisation, the loss of the services they provide to local residents and the conversion of the premises to residential use. A disposal of the freehold to the current occupiers in an 'off market' transaction is another option that has been discounted as, in all probability, it would have to be at a substantial discount to market value, as indeed is the approach recommended in this report. This would be without the control that a leasehold transaction allows at the end of the lease, ultimately, the premises returning to the Council.

6. BACKGROUND

6.1 Policy Context

- 6.1.1 The report to recommend the Council Budget and Council Tax for 2023/24 considered by Council on 27 February 2023 sets out the original Capital Plan for 2023/24. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.
- 6.1.2 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** This lease disposal recommendation aligns with the strategic plans of the Council

particularly with regard to creating safe, vibrant, and successful neighbourhoods and fostering strong, cohesive communities and a more inclusive economy as well as keeping children safe and investing in their mental health and wellbeing, providing access to outstanding play, culture, and sport, and opportunities; tackling child poverty, and supporting those families who need us most. The project supports the Council's Community Strategy 2018-2028 which recognises the importance of community resilience and that accessible community spaces can help promote healthy lifestyles and provide routes into volunteering. The Council's Voluntary and Community Sector (VCS) Strategy recognises the need for significant investment in some properties in order for them to become vibrant community assets that are better placed to meet community needs and notes that short term leases can create barriers in securing additional funding streams. The grant of a longer lease as described in the report is consistent with the VCS Property Portfolio Lettings Policy adopted by cabinet in March 2022 (Key Decision No - FCR S059). The Policy states that the Council will consider proposals from VCS organisations who wish to secure a longer lease if:

- A longer lease is required in order to satisfy conditions set by a funder or investor, so that the VCS tenant can secure significant investment in the asset (the property).
- The planned investment is appropriate to the site and location and will result in significantly enhanced services and benefits for the local community.

6.2 Equality Impact Assessment

6.2.1 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** An Equalities Impact Assessment (EIA) was undertaken for the VCS Property Portfolio Lettings Policy which was adopted by Cabinet in March 2022 (Key Decision No - FCR S059).

6.3 Sustainability and Climate Change

6.3.1 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** OFS' plans include enhanced energy efficiency with new heating, solar panels and insulation. As one element of their capital project they have applied to the LLDC Carbon Offset Fund for solar panels and heat source pumps. The OFS is also home to Growing Communities who are a local food growing and fresh food distribution charity.

6.4 Consultations

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

6.5 Risk Assessment

6.5.1 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 INTERIM GROUP DIRECTOR, FINANCE

7.1 The gross approved Capital Spending Programme for 2023/24 currently totals **£248.118m (£134.275m non-housing and £113.842m 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 2023/24 of **£250.496m (£136.654m non-housing and £113.842m housing)**.

Current Directorate	Revised Budget Position	Capital Adjustments	Oct 2023 Cabinet	Updated Budget Position
	£'000	£'000	£'000	£'000
Chief Executive's	749	0	0	749
Adults, Health & Integration	2,447	0	0	2,447
Children & Education	18,633	0	0	18,633
Finance & Corporate Resources	73,245	0	65	73,310
Climate, Homes & Economy	39,201	1,900	414	41,515
Total Non-Housing	134,275	1,900	479	136,654
Housing	113,842	0	0	113,842
Total	248,118	1,900	479	250,496

7.4 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** This report seeks approval to grant an Agreement for Lease of 25 years, on VCS terms, subject to the recommendations mentioned above, to Old Fire Station (OFS) who are a charitable incorporated organisation (CIO) and the current lessee occupier of The Old Fire Station in Stoke Newington at 61 Leswin Road.

- 7.5 Following recent essential works carried out by the Council it has been identified further investment is required to modernise and improve accessibility to this locally listed building. Providing OFS with an Agreement for Lease for a 25 year lease will facilitate their efforts to secure grant funding to cover the resources required to modernise the building, improve accessibility and energy efficiency, and to extend and enhance services to the local community.
- 7.6 Should the lease be granted OFS will be responsible for all repairs and maintenance to the property as well as all existing rates, utility bills and costs and other outgoings for the property. OFS will surrender their existing lease and the new long lease will be granted. However, in the scenario where OFS encounters difficulties in securing the necessary funding or falls short in executing the required improvements, the extension of the new lease will not proceed, thereby allowing OFS to retain their existing short-term lease arrangement.

8. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS

- 8.1 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** On the basis that the variation will include an extension to the length of the tenancy, from a VAT perspective this will be treated as a surrender of the old lease and the grant of a new lease. Any consideration received for this will be exempt from VAT unless the Council have opted to tax. If there is no monetary consideration, no supply is seen as taking place if the variation merely extends the term. If the longer lease is granted, then on the basis that the tenant will be responsible for the works that will be carried out to the site, any VAT incurred on the works will be a matter for them, not the Council. However, assuming that consideration will be received, and no option to tax has been made, the Council will still need to take into account in the partial exemption calculation any exempt input tax that is incurred by the Council.

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

- 9.1 The Interim Group Director, Finance 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 Proposals for capital spending shall be submitted to Cabinet for acceptance into the capital programme recommended to Full Council for adoption (paragraph 2.17, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 9.4 Once the capital programme has been approved, Cabinet exercises control over capital spending and resources and may authorise variations to the capital programme provided such variations are within available resources and are consistent with Council policy (paragraph 2.18, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 9.5 Section 106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation which is then enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. Frequently such obligations require the payment of a financial contribution to compensate for the loss or damage created by the development or mitigate against the development's impact. Local authorities must have regard to the legal tests laid down in Regulation 122 of the Community Infrastructure Levy Regulations 2010 prior to requiring a developer to enter into a s106 obligation. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured. Once completed, s106 agreements are legally binding contracts and financial contributions can only be used for the purposes specified within the obligation itself.
- 9.6 The Council also receives payments under the Community Infrastructure Levy Regulations 2010 based upon the Council's adopted charging schedule adopted in 2015 (this is separate to the Mayor of London's CIL). The Council's adopted Regulation 123 list details the infrastructure that the payments received will be spent upon. In addition, there is a neighbourhood element to CIL and areas where development is taking place will receive a proportion of the receipts to be spent in local neighbourhoods, this includes the Hackney Community Fund.

- 9.7 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** The approval of the grant of a lease for more than seven years is a decision to be made by the Mayor and Cabinet pursuant to the Mayor's Scheme of Delegation. This report seeks authority by Cabinet and the Mayor as the lease to be granted is for a term of 25 years.
- 9.8 Section 123(2) and (7) of the Local Government Act 1972 ("LGA") provides that the Council cannot dispose of land for a term of years in excess of 7 years where that disposal is for consideration at less than best value that can reasonably be obtained on the open market without the consent of the Secretary of State. In the event that the undervalue will be less than £2 million and the disposal will yield an economic, social or environmental benefit for the area then the disposal will fall within the parameters of the LGA General Disposal Consent Order (England) 2003 (available to local authorities) and disposal can proceed. The comments from the Director of Strategic Property Services confirms that the grant of the lease falls within the parameters of the General Disposal Consent Order (England) 2003.
- 9.9 The recommendation to grant a long-term lease of this property is further supported by Section 1 of the Localism Act 2011 which provides that a local authority has power to do anything that individuals may generally do, subject to certain exceptions which do not apply here.
- 9.10 The resultant lease will be drafted to contain all covenants required to protect the Council's interest and there is evidence to illustrate that the agreement meets the best value threshold, there is no legal impediment to the grant of the lease for the required term.

10. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES

- 10.1 **Proposed lease of The Old Fire Station, 61 Leswin Road N16 7NX:** Where the Council enters into a lease of more than 7 years this constitutes a disposal for the purpose of Section 123 of the Local Government Act 1972 and the Council is required to demonstrate that it has achieved best consideration or seek the consent of the Secretary of State for disposal at an undervalue.
- 10.2 The General Disposal Consent 2003 grants Secretary of State permission for disposals at an undervalue of less £2m if it can justify the disposal on environmental, social or economic grounds.
- 10.3 The valuation report at appendix 2 (Exempt) states that the unrestricted value of the property is £760k and the restricted value is £200k, which is an undervalue of £560k. This report sets out the economic, social and environmental benefits of making this transaction at this undervalue and therefore the conditions of the General Consent have been met and the Council's obligation under Section 123 of the Local Government Act discharged.

11. CAPITAL PROGRAMME 2022/23 AND FUTURE YEARS

11.1 Finance & Corporate Resources

11.1.2 **Millfield Waste Depot Rectification Works:** Resource and spend approval of **£897k (£65k in 2023/24, £772k in 2024/25 and £60k in 2025/26)** is requested to enable Council officers to proceed with the rectification works associated with various long standing, latent ground defects at the site. This follows the £65k approved by Cabinet on Monday 18 July 2022 (Key Decision FCR S084) to enable Council officers to carry out Phase 1 of the project which was to appoint technical consultants to draft the documentation required to proceed to tender. There is also a legal agreement with Transport for London (TfL), signed in 2022, in which TfL agrees to contribute £300k towards the cost of the project. There are a number of latent ground defects which are impacting on the day-to-day operations of the Millfield Waste Depot. These works will allow the depot to function as designed and mitigate the risk of more serious disruption arising if and when the defects deteriorate further.

The project has been split into 2 phases:

- Phase 1: The appointment of professional advisers to draft the technical documentation required to go out to tender
- Phase 2: Comprises the tender process, the appointment of a competent contractor and the works themselves.

The works will repair at the depot:

- The sinking and breakup of a significant area of the surface at the entrance to the depot
- Rutting/sinking of the surface in the heavy vehicle parking area along the eastern edge of the site
- Long continuous cracks in the heavy vehicle parking area, significant cavities in the subsurface, and the buckling of the boundary palisade fence, all of which are occurring along the eastern boundary.

There are significant project risks which could impact the cost estimate dependent on the extent they may, or may not, manifest themselves. These include geotechnical conditions, ground contamination, access issues along the eastern boundary, ecological issues and unforeseen complications arising when digging out the existing retaining wall along the eastern boundary. The cost estimate will be reviewed as the design progresses and when relevant information becomes available.

The proposed works will help ensure that the facilities are in place to support the services required to deliver on the following areas of focus:

- We will continue to work with residents to encourage them to take greater responsibility for their waste - to reuse goods and materials, reduce waste, increase recycling and to stop littering the streets and fly tipping.

- The Council will improve recycling facilities and support on Hackney's estates and in all types of flats to help achieve this.
- We will work across the borough to reduce the use of plastic, including by expanding the number of public water fountains; we will also encourage business and local organisations to do the same.

The proposed works are primarily to help ensure that Millfields Waste Depot is fit for purpose both now and in the future whilst ensuring that the £300k that TfL has agreed to contribute to the works is claimed and offset against the total cost to the Council. This demonstrates the Council's ambition to increase more residents to recycle and shape a circular economy, which will ultimately seek to reduce consumer waste by changing attitudes to consumption and waste. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will be part funded by capital contribution from TfL and borrowing.

Project milestone	Estimated completion date
Invitation to Tender	November 2023
Start on Site	April 2024
Construction	August 2024
12 Months Defects (Retention Release)	August 2025

11.2 Climate, Homes & Economy

11.2.1 **Olive School Public Realm:** Resource and spend approval of **£391k (£274k in 2023/24 and £117k in 2024/25)** is requested to enable Council officers to carry out Highway Works at this school site. A Section 278 agreement was signed between the Council and Secretary of State as part of granting approval for permitted development of Olive School. The Section 278 agreement provided funding amounting to the sum of £390,740 to convert the existing parallel crossing to a 'Toucan Crossing'. The funding has been received by the Council and this approval is to release the funding to enable highway works to take place. The design, stakeholder engagement, and modelling of the signals have already commenced, and the Council will need this funds to pay these costs and install the signals, as well as to complete its obligations under the Section 278 agreement. The project requires the existing parallel crossing outside The Olive School on Lower Clapton Road to be converted into a signal controlled 'Toucan Crossing'. The project involves decluttering street furniture, relocating a CCTV pole and a listed phone kiosk, installation of traffic signals, reprofiling the existing speed table and completing road markings to suit the new layout.

The project will fulfil the Section 278 agreement's need to create an appropriate crossing point for the local school. Up to 600 primary school students will be

able to cross Lower Clapton Road in a safer and more controlled manner, lowering the likelihood of road collisions. With timed signals, bus travel times will be better regulated, and traffic flow will be smoother. Better crossing facilities will encourage sustainable means of transportation such as walking and cycling. These improvements and advancements will bring about the following outcomes and benefits:

- Reduced potential for traffic collisions
- 200m² of the public realm (crossing area) will be improved
- 1 new tree replanted as a replacement.

The Council's Streetscene's Design and Engineering team design and implement all traffic schemes in the borough. Schemes will be investigated, designed and implemented by this team. The Council's Streetscene has a term contractor who will carry out the implementation of the scheme on site. Schemes will be completed by the end of the financial year.

This capital expenditure will go towards the Council's ambition to address climate change and work towards a net zero Hackney, with cleaner air, less motor traffic, and more liveable neighbourhoods. It will also ensure every child and young person in Hackney has the best start in life and will be kept safe by investing in the borough's Highways infrastructure. This capital project supports the Council's 2018-2028 Sustainable Community Strategy 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 Section 278 grant funding.

11.3 S106 Capital for Approval

Capital Resource and Spend approval is requested for **£44k in 2024/25** 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	2023/24 £'000	2024/25 £'000	Total
2020/4110	Hoxton Street Upgrade	209-223 Hoxton Street, London, N1 5LG	0	34	34
2012/3792		Shoreditch High Street 187-193 London E1 6HU	0	10	10
Total Capital S106 for Approval			0	44	44

These transformative public realm improvements will be to support local residents, market traders, businesses and organisations on and in the vicinity of Hoxton Street. It introduces green infrastructure where there currently is none on the street, between Nuttall Street and Shoreditch Library. This includes 20 new trees and Sustainable drainage systems (SuDS) within build outs that will calm traffic. Wayfinding measures will be designed with the local community

and will embed heritage and art; these will improve access to community assets such as the market, library and community garden. The funding will also cover access improvements to the Hoxton Street community garden. Lighting and pedestrian improvements will be introduced on routes off Hoxton Street, improving the safety and environment for walking between Kingsland Road, Hoxton Street and Pitfield Street. Modular planting, cycle stands and public art will be introduced on Myrtle Street, in collaboration with immediate residents.

12. FOR NOTING

12.1 S106 Capital for Noting

The s106/CIL Corporate Board Meeting dated 19 December 2022 considered and approved the following bids for resource and spend approval. As a result **£140k in 2023/24** was approved to spend in accordance with the terms of the appropriate s106 agreements.

Agreement No.	Project Description	Site Address	2023/24 £'000
2016/0901	Highway Wk 28 Powell Road, E5 8DJ	28 Powell Road, London, E5 8DJ	29
2016/1354	Highway Wk 2A Forest Road, E8 3BY	2A Forest Road, London, E8 3BY	17
2015/3317	Highway Wk 168-178 Shoreditch High Street	168-178 shoreditch High street London E1 6HU	23
2017/2123	Highway Work 17-33 Westland Place	17-33 Westland Place London, N1 7LP	72
Total Capital S106 for Noting			140

12.2 Capital Adjustments For Noting

That the capital programme adjustments in 2023/24, 2024/25 and 2025/26 set out in the table below be noted:

Current Directorate	Budget 2023/24	Change	Updated Budget 2023/24	Budget 2024/25	Change	Updated Budget 2024/25	Budget 2025/26	Change	Updated Budget 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pembury Circus & Amhurst Rd	2,024	2,000	4,024	4,048	0	4,048	4,048	0	4,048
Town Hall Square	500	0	500	1,172	2,000	3,172	1,114	0	1,114
Morning Lane	100	(100)	0	3,454	(3,454)	0	1,350	(446)	904
Total	2,624	1,900	4,524	8,674	(1,454)	7,220	6,512	(446)	6,066

APPENDIX

Appendix 1 - Site Plan of The Old Fire Station, 61 Leswin Road N16 7NX

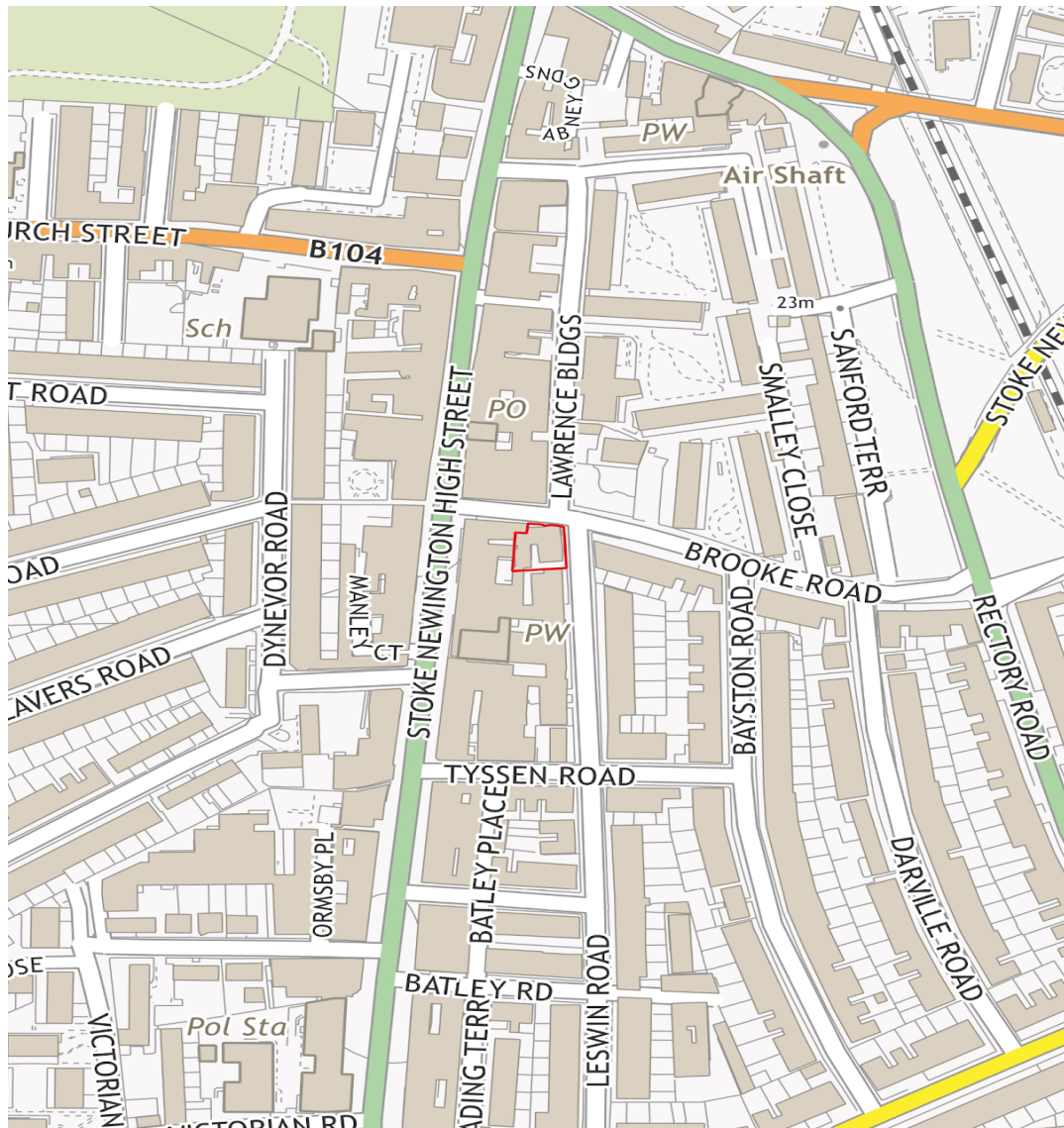
BACKGROUND DOCUMENTS

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 the Interim Group Director, Finance	Jackie Moylan, Interim Group Director, Finance Tel: 020 8356 3003 jackie.moylan@hackney.gov.uk
Comments for the Acting Director of Legal, Democratic and Electoral Services	Louise Humphreys, Acting Director of Legal, Democratic and Electoral Services Tel: 020 8356 4817 louise.humphreys@hackney.gov.uk

Appendix 1: Site plan



The Old Fire Station, 61 Leswin Road N16

Produced by: Strategic Property Services This product includes mapping data licensed from Ordnance

Survey with the permission of HMSO © Crown Copyright 2023.

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>4 December 2023</p> <p>Item 6 – Executive Response to the Council Tax Reduction Scheme Review Report</p>	<p>Item No</p> <p>6</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------

OUTLINE

The 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 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.

The draft report and recommendations were finalised and agreed by Scrutiny Panel in April 2023 and the Executive response was agreed by Cabinet in July 2023.

Purpose

The Scrutiny Panel to note the Executive response. The Scrutiny Panel to discuss the tracking and monitoring of the recommendations.

Reports attached for this item

- Executive response to the Scrutiny Panel working Group for the Council Tax reduction scheme
- Council Tax Reduction Scheme Review Report.

ACTION

Members are asked to consider the Executive response and agree if a further update on the recommendations is required.

This page is intentionally left blank

Title of Report	Cabinet Response to the Scrutiny Panel Task and Finish Group review of the Council Tax Reduction Scheme
Key Decision No	Non Key Decision
For Consideration By	Cabinet
Meeting Date	24 July 2023
Cabinet Member	Cllr Rob Chapman, Cabinet member for Finance, Insourcing and Customer Service
Classification	Open
Ward(s) Affected	All
Key Decision & Reason	No
Implementation Date if Not Called In	31 July 2023
Group Director	Ian Williams, Group Director Finance and Resources

1. **Cabinet Member's introduction**

- 1.1. Since April 2013 Hackney Council put in place a local Council Tax Reduction Scheme (CTRS) to provide financial assistance to those Council Taxpayers on a low income who have difficulty with paying their Council Tax. This scheme replaced Council Tax Benefit which was a national scheme administered by the Department for Work and Pensions (DWP).
- 1.2. However, while funding for the local scheme was initially provided by way of a grant by the then Department for Communities and Local Government (DCLG), the level of funding was considerably below the actual and projected costs of providing a scheme that replicated the national scheme.
- 1.3. After considerable deliberation and following a full consultation, the Council agreed at that time that the fairest way to deal with the Government's reduction was by spreading it across the claims of Hackney's working-age claimants. It should be noted that the Council were legally proscribed from adjusting Council Tax Support for pension age applicants within the provision of the new scheme.
- 1.4. The Scrutiny Panel established the Council Tax Reduction Scheme (CTRS) Task and Finish Group to investigate the impact of CTRS on households in Hackney and the options open to the Council to achieve a zero minimum

contribution CTRS model which ensures the lowest income households have nothing to pay. The report from the Task and Finish Task Group is attached.

- 1.5. The report has highlighted widespread concern about the burden of contributions to Council Tax on some of our most financially vulnerable households. This concern has been amplified by the current cost of living crisis.
- 1.6. The report also recognises that changes in the wider welfare benefit system, particularly the introduction of Universal Credit, has meant that administration of a local scheme is less straightforward. We are less able to rely on shared datasets and information held by the Department for Work and Pensions. Previously the calculations for Council Tax support were linked to housing benefit and the Council could obtain all the information they needed to make the assessment. With Universal Credit not linked to the traditional housing benefit system and many people in work on Universal Credit the Council receives less information.
- 1.7. I welcome the work of the Task and Finish Group, and their review recommendations. Working with Council Officers and other partners, the Task and Finish Group has made a number of helpful recommendations as to the design, consultation and operation for the updated scheme and how the changes to the scheme are communicated to residents. The Council's response to these recommendations is attached at Appendix 1.
- 1.8. The Council's current scheme requires all Council Tax Reduction Scheme claimants who are of working age to pay at least 15% of their weekly Council Tax charge. Recognising the increasing economic pressures on Hackney residents and the effect of government cuts to council funding passing an increasing burden onto Council Tax payers, the Mayor and the administration's election manifesto for 2022-26 commits that every time we are forced to increase Council Tax, we will also give low-income households a bigger discount on their Council Tax bill, despite receiving no support from the Government for this. We committed to provide low-income households with a 90% discount on their Council Tax bill by 2026 and a full 100% discount by 2030.
- 1.9. Proposals now being taken forward will see the first stage of this commitment (a 90% discount) implemented for April 2024. The intention is to put these proposals out for consultation in August 2023, prior to the amended scheme being put in place for April 2024.
- 1.10. It is the Council's intention to continue to work to develop other changes to the scheme that will simplify the scheme, improve access and make the scheme more straightforward and easier to understand for residents. For example, we would like to allow the Council to treat those awarded Universal Credit as automatically applying for Council Tax Support without the necessity of making a separate application. We are also seeking to both

simplify how we treat household earnings and nondependants living within the household.

- 1.11. The Council will continue its work to model options for making further reductions in the maximum contribution and the other proposed changes to identify the costs and potential impacts on residents.
- 1.12. I thank the Scrutiny Task and Finish Group, and all the Council officers involved, for all their work in preparing the report and the response to it.

2. **Group Director's introduction**

- 2.1. The Local Government Finance Act 2012 required local authorities in England to design and implement their own localised Council Tax Support Schemes from April 2013. These local schemes replaced Council Tax Benefit, a national social security benefit administered for the DWP by local councils.
- 2.2. Local authorities were nominally given the freedom to design their own schemes, however there were a number of conditions placed on councils including the requirement to ensure that the level of Council Tax Support for pension age applicants was not to be reduced as a result of the introduction of the new scheme.
- 2.3. When introduced in 2013/14, our scheme required that all current Council Tax Benefit claimants of working age paid at least 15% of their weekly Council Tax charge to offset, at least in part, the shortfall in funding provided by Central Government.
- 2.4. The Council has expressed the ambition to move to a fully funded scheme by 2030 to provide additional financial support to our poorest residents, but funding cuts means the options available at this time are limited. The Council therefore needs to strike a balance between the need to provide extra support to residents who we think need it, while maintaining a scheme that is financially sustainable for the Council's wider budget and limits the impact on our ability to deliver essential front line services that our residents depend on.
- 2.5. The Council is seeking to reduce the maximum contribution to 10% for 2024/25 and to move to a fully funded scheme by 2030. Officers have begun the process of modelling the projected costs of these changes.
- 2.6. Officers are in the process of modelling changes to the scheme that are intended to make the scheme more straightforward and reduce the administrative burden on the Council through future development of the scheme. This could include easements to the application process and simplifying the rules related to both earnings disregards (i.e. the amount of

earned income taken into account) and non-dependant deductions (i.e. the assumed contribution of other adults living in the household).

- 2.7. The Council has a statutory requirement to consult on a new scheme. It is our intention to launch a consultation on our proposals to increase the amount of support provided to those struggling to pay their Council Tax in August 2023.

3. **Recommendations**

- 3.1. **That Cabinet is asked to approve the Executive response, found in Appendix 1, to the Scrutiny Panel Task and Finish Group Review of the Council Tax Reduction Scheme.**
- 3.2. **That Cabinet notes that the Council will be shortly undertaking a consultation exercise with Hackney Residents on the proposal to reduce the maximum contribution to 10% for 2024/2025.**

4. **Reason(s) for decision**

- 4.1. The Council has recognised the continued impact of the cost of living crisis and welfare reform on some of our poorest communities. Some households with the least financial resources have been hardest hit by government cuts, changes to benefits, and increases in everyday living costs such as food, rent, and utilities. As a result some of our poorest residents are facing financial hardship and have found it difficult to pay contributions towards their Council Tax.
- 4.2. Whilst seeking to provide additional financial support to low income households the scope for amending the scheme is constrained by the need to manage ongoing cuts in Central Government funding.
- 4.3. The Council's task and finish group have recognised this pressure on the Council and the intention to decrease the minimum contributions from 15% to 10% balances both the increasing financial pressures that our low income households face, against the ongoing cuts in government funding. The change will affect working age households only as the Council is legally prevented from making any changes to the scheme for pension age households.

5. **Details of alternative options considered and rejected**

- 5.1. Not applicable

6. **Background**

Policy Context

- 6.1. The Task Group was formed following a commitment by the Mayor and Cabinet to review the rate of contribution for working age adults eligible for Council Tax support for their Council Tax bill. The Scrutiny Panel established the Council Tax Reduction Scheme (CTRS) Task and Finish Group to investigate the impact of CTRS on households in Hackney and the options open to the Council to achieve a zero minimum contribution CTRS model which ensures the lowest income households have nothing to pay.
- 6.2. The Task group looked at the design and impact of localised Council Tax support schemes in Hackney and elsewhere and considered proposals by Hackney to reduce the contributions paid by households eligible for Council tax reduction support to 10% by 2024 and to a zero minimum contribution by 2030
- 6.3. Hackney's CTRS scheme was designed with the local population with the most vulnerable residents in mind. But it was also evident that they could not meet the needs of all residents and that there would be winners or losers and even with no minimum contribution some claimants will be worse off than others.
- 6.4. The CTRS scheme is a means tested benefit: any award of financial support is calculated by comparing the needs of the household with the actual income received. Where there is a shortfall between the income and the established needs, additional support is provided; a discount is made in respect of the household Council Tax charge. To establish the needs of a household a number of factors related to living costs are identified to establish how much money the household reasonably requires to live on and whether they have the means to pay their Council Tax liability. Within the CTRS scheme, these parameters are normally referred to as applicable amounts.
- 6.5. When the government handed responsibility for administering CTRS to local government, it did so with a significant funding shortfall, on top of a huge reduction in overall funding for councils. And since 2013, the effective level of funding the Council has received to support those entitled to support has reduced significantly. The CTRS is not funded on actual expenditure, instead the Council receives a fixed grant as part of the Revenue Support Grant (RSG).

Equality impact assessment

- 6.6. There are around 26,400 households in Hackney receiving some level of support through the current CTRS, this fluctuates throughout the year and we have experienced a reduction in caseload over recent months. Equalities data on CTRS recipients is extremely limited; we are able to derive the age, and, to a certain extent, disability of those getting assistance from the

application process, but no record is made of marital/civil partnership status, sexual orientation, religion, gender reassignment or pregnancy. Some data is available on household gender but this is fragmented. There is an option for applicants to record their ethnicity, but this detail is completed by relatively few people so the data recorded does not provide statistically significant details.

- 6.7. The Council currently utilises data gathered through the support application, as well as ethnicity data gathered through other sources such as the national census and the Council's own shared evidence base (<https://hackney.gov.uk/statistics-evidence-plans-and-strategies>), to ensure that global majority households are not excluded from accessing the information, advice and support their needs.
- 6.8. This data is also used to model any potential impact on residents from changes made to the current CTRS scheme and where appropriate mitigate these impacts.

Sustainability and climate change

- 6.9. There is no impact on the physical and social environment as a consequence of the implementation of the recommendations of the Task and Finish Group.

Consultations

- 6.10. The Council is required by legislation to consult with the GLA (as a precepting authority) on any proposed changes to the Council Tax Reduction Scheme. We will be contacting the GLA for their input once the proposed changes to the scheme have been finalised.
- 6.11. The Council is also required to consult with residents. The public consultation is intended to run from 14 August to 24 September 2023. The consultation will be featured on the Council's consultation and engagement platform for the duration of the consultation period.

Risk assessment

- 6.12. Not applicable.

7. Comments of the Group Director of Finance and Corporate Resources.

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

8. VAT implications on land and property transactions

- 8.1. Not applicable.

9. **Comments of the Director of Legal, Democratic and Electoral Services**

- 9.1. Article 7.2 of the Constitution states that the Scrutiny Panel and Commissions may make recommendations arising from [their] work to the Cabinet, Full Council and external partner/stakeholder organisations. In addition, "Responding to Overview and Scrutiny Reports" is reserved to the Mayor and Cabinet under the Mayor's Scheme of Delegation. Therefore Cabinet is authorised to agree the recommendation in paragraph 3.1 of this Report regarding the response to the Scrutiny Panel Task and Finish Group Review.
- 9.2. Under the Finance and Corporate Resources Scheme of Delegation (FR68) the administration of the law relating to the calculation of Council Tax Reduction Scheme (CTRS) (pursuant to the Local Government Finance Act 2012, Sections 9 to 16) is delegated to each of (i) Group Director, Finance and Corporate Resources, (ii) Director, Customer Services (iii) Head of Benefits and Housing Needs. Cabinet is being asked to note in recommendation 3.2 that a consultation exercise with Hackney Residents on the Council Tax Reduction proposals will take place shortly.

Appendices

Appendix 1 - Executive response to the Scrutiny Panel Task and Finish Group review of the Council Tax Reduction Scheme.

Background documents

Report from the Council Tax Reduction Scheme Scrutiny Task and Finish Group

Report Author	Name: Ian Jones Title: Legislation, Strategy and Projects Officer Email: ian.jones@hackney.gov.uk Tel:
Comments for the Group Director of Finance and Corporate Resources prepared by	Name: Russell Harvey Title: Senior Finance Control Officer Email: russell.harvey@hackney.gov.uk Tel
Comments for the Director of Legal, Democratic and Electoral Services prepared by	Name: Patrick Rodger Title: Senior Lawyer Email: Patrick.Rodger@Hackney.gov.uk Tel: (020) 8356 6187

Appendix 1 - Executive response to the Scrutiny Panel Task and Finish Group review into the Council Tax Reduction Scheme

1 Communication and Consultation

Recommendation 1a

The Task Group would recommend the consultation documentation is accompanied by worked examples of calculations for Council Tax support as with previous consultations.

Response

The Council has put in place a consultation and engagement plan that is focused on giving Hackney residents extensive information on the proposed changes to the scheme. It is intended that the consultation documentation will include real life examples of how the Council Tax Reduction scheme operates and explains how the changes will impact on the amount of support payable based on household circumstances.

As the Council Tax Support scheme will remain means-tested, with the amount of any award based on the Council Tax banding and the size and income of the individual household, it will not be practical to reflect all the potential outcomes of an application. We will however, include within the consultation a number of household scenarios that reflect the circumstances of the majority of our residents, as well as examples of those households that are more likely to be impacted by the proposed changes to the scheme.

Recommendation 1b

The Task Group recommends that the consultation engagement plan not only includes targeted engagement with the residents that will be most impacted and includes engaging with the advice services sector too as with previous consultations.

Response

The consultation plan sets out how we intend to engage with residents. This includes:

- **Direct communication by post with households currently in receipt of a Council Tax reduction,**
- **Wider communication with residents through Council platforms such as the Love Hackney Magazine, Hackney Matters, The Council's website and other social media platforms.**

- **Sharing details of the consultation with third sector and advice agencies so that they can respond and comment both as an organisation and disseminate the details with the residents they engage.**

We will actively engage with the Council's advice sector forums to ensure that information on the proposed changes to the scheme and how they can respond is shared.

Recommendation 1c

The Task Group recommends the Council explore how they can make Hackney's scheme easier to understand.

Response

We recognise that the Council Tax Reduction Scheme is complex. This complexity is a consequence of ensuring that those households most in need get the financial support available. As a means tested scheme there are a number of factors that are part of the assessment of the household needs and their ability to respond, which in turn impact the calculation of the support provided.

While we would like to simplify the scheme this needs to be balanced against the potential that the cost of the scheme becomes unaffordable or that those with the highest needs are not identified within the scheme. As the report acknowledges, Hackney' scheme has kept elements that other boroughs have excluded. Hackney's scheme has been designed with regard to the needs of larger families. If elements of other boroughs' CTRS schemes were applied it could have a disproportionate impact on community groups like the Orthodox Jewish population in Hackney.

We are looking to see how we can make the guidance on the scheme and related documentation easier to understand; simplifying the language used and changing the terminology. The policy documentation must include elements and statutes that are required by law, and we have limited scope to amend these elements. There is the potential that simplifying the language can lead to legal challenges where a change in language moves away from that previously tested in case law.

We are currently looking into how other local authorities promote understanding and clarity of their local Council Tax reduction schemes, focusing on those that have schemes similar to our own. Where we identify examples of good practice these will be incorporated into how we communicate and publicise our scheme going forward, including and how it works in terms of explaining the processes involved and why they are required.

--

Recommendation 1d

The Task group would also recommend the Council use this consultation to promote the support available for the cost of living crisis.

Response

As part of the consultation documents and information, we will use the consultation process and documentation to publicise the Council’s Money Hub service, as well as signposting to other services and agencies who can provide independent advice and support on dealing with the cost of living crisis.

We will include within the consultation information of how to access the Council’s guide on help during the cost of living crisis and [the detailed information currently on the Council's webpages](#).

Recommendation 1e

The Task Group would encourage the Council to communicate to residents the current position in relation to the Council Tax system, collection and applications.

Response

Information on Council Tax, Council Tax Support and the collection of Council Tax is available on the Council’s website. We are currently examining and reviewing these web pages to improve how they are set out and link to one another, to make sure residents are being supported in obtaining a better understanding of what Council Tax is, how to pay the Council Tax charge and how residents can access additional financial support if they have difficulty paying.

The Council also meets regularly with advice providers to discuss any concerns or questions regarding Council Tax Reduction and the wider Council Tax Scheme, including collection issues.

As previously stated, a scheme that seeks to deliver the financial support based on the needs of the household will be complex. Our focus is ensuring that residents are aware of the support available and how to apply. This includes a high level explanation of who is eligible to make an application, as well as information on how income and savings affect how much money residents could receive. When an application is made, we then provide more detailed advice to support residents through the process, with regard to submitting the details to evidence the application.

2 Engagement with advice services

Recommendation 2

The Task Group recommends an evaluation is carried out to assess the impact of the advice services funding in this area to ensure the information is reaching the residents most in need.

Response

The Policy and Strategic Delivery Team will continue to work with advice partners in the network to ensure the information is reaching the residents most in need.

There is no funding or capacity currently to carry out a formal evaluation at this stage, however since 2019 the change in the ways of working with grant funded partners in the advice system and subsequent shift in relationships has given the Council a much more granular understanding of the experience of residents using these services. This has enabled a more collaborative and explorative approach to improving advice services for residents.

Rather than focusing staff resources on evaluation that measures/monitors transactional outputs and outcomes the Council is working with partners on an ongoing basis focusing on some key aspects of their work:

- **The needs and experience of the person needing advice**
- **The frontline worker perspective**
- **The institutional/management thinking that shapes the system everyone is working in and how we can transform this to put the resident at the centre**
- **The wider systems and complex forces around advice**
- **How demand is viewed and managed**

3 Equalities

Recommendation 3a

The Task Group recommends the provision of ethnicity data captured by the benefits team for the CTRS is designed into the updated scheme although we note that this cannot be a mandatory requirement.

Response

The Council currently uses ethnicity data gathered through the support application, as well as ethnicity data gathered through other sources such as the national census and the Council's own shared evidence base (<https://hackney.gov.uk/statistics-evidence-plans-and-strategies>), to ensure that global majority households are not excluded from accessing the information, advice and support they need.

An issue we have had with data gathering of this nature is that residents do not always provide this information, and again we are looking at how we might encourage residents to provide this information; such as finding other ways of structuring the ethnicity questionnaire and more accessible terminology.

To inform this work we will be engaging with advice sector partners and community groups on how this can be achieved, including using their source data where we are able to do so to supplement any gaps in the information gathered by the Council.

Recommendation 3b

The Task Group would like to encourage the Council to use council wide data on ethnicity to help supplement the gaps in information.

Response

The Council already makes use of ethnicity data from a number of sources when shaping our services and communications, including those related to the Council Tax Support scheme. We know that Hackney is a rich, vibrant mix of different communities, and it is vital that they are all able to access the support and advice they may need.

The Council collects and collates a range of information on our communities (<https://hackney.gov.uk/knowning-our-communities>) which we use to try to ensure that all the communities in Hackney are able to access the information and support available. We actively encourage individuals and community groups to highlight any areas where they believe there is a lack of accessible information, and we work with them to address these gaps.

Recommendation 3c

The Task Group also would like to see the consultation report accompanied by a published Equality Impact assessment as with previous consultations.

Response

It is our intention for the consultation report to include a detailed profile of respondents as with previous years.

The Cabinet and Full Council reports setting out the proposed changes to the scheme and the outcomes of the consultation will also have a full Equalities Impact Assessment attached.

Recommendation 3d

The Task Group recommends the Council revisit the pilot scheme with the voluntary sector to support advice to explore if this can be mainstreamed.

Response

Since the launch of the Hackney Council's Money Hub Team, access to additional support, including information on the Council Tax Support scheme and how to apply, as well as the additional Discretionary Council Tax Hardship fund, has been a part of this service. This allows for a more holistic approach and negates the need for residents to make separate approaches to council departments and partner organisations.

We will continue working closely with the advice services to ensure they are aware of the full range of support and criteria available to sign post claimants better.

Through promoting this as a single point of contact that can facilitate access to all the support options and funding streams available, we aim to significantly improve the take up and use of the Hackney Discretionary Council Tax Hardship Scheme.

The previous pilot scheme was set up in advance of the Breathing Space legislation coming into place and has been effectively superseded by referrals to the Money Hub. Not only do the Money Hub ensure residents have applied to the Council Tax Support scheme, it also ensures the assessment is correct and that the resident is receiving the full discount they are eligible for, as well as checking for other disregards such as those for single people, full time students, non-dependants, those with carers and/or Severe Mental Illness (SMI).

We do not have any specific arrangements in place with the CAB but are always keen to work with third sector providers who our residents have engaged with to resolve their debt position. We would of course expect that provider to be looking to establish the best outcome for the LA as well as the resident and as such if the relationship established with the CAB is on that basis we would look where they have been engaged by residents to

work with them to establish the appropriate outcome in lines with both parties' interests.

4 Support to Residents - Money Hub and Advice

Recommendation 4

The Task Group recommends CTRS claimants should be signposted to support available and we would encourage that this is reviewed regularly.

Response

A core aim of the Council is that anyone who approaches with a query or seeking help is supported to access all the advice and information that may be appropriate to them, including those applying for Council Tax Support.

The service prides itself on being holistic and trauma-informed, where we actively seek to maximise income and life chances for residents and this will be reviewed regularly.

The Money Hub team has put these principles into practice, training a wider range of officers to spot where residents might be underclaiming on Council Tax support, and incorporating support to apply to the scheme into other standard processes.

In its first 9 months of operations, the Money Hub team has secured a total of £151,000 of Council Tax Support to over 200 households. We believe that by using this uptake figure as the team's primary KPI, we are helping to drive a culture whereby staff see themselves on the side of residents, helping them to access all they are owed.

This is just one strand of the team's overall income maximisation efforts - which have increased residents' benefits incomes by over £750,000 in just nine months of operations.

The team has achieved this not only by proactively checking for CTS eligibility amongst customers who apply for support, but also using data to identify those who we believe are eligible but have not applied.

This includes a campaign to help those who were paying the high level of non-dependant deductions where we had never seen evidence of earnings; in July and August 2023, the team will also make contact with those on Universal Credit with no earned income in the household who have not applied for CTS. It is estimated that this will secure a further c. £200k of CTS for our most financially vulnerable residents.

Finally the Money Hub team is also working closely with communities and advice partners to ensure our communications are easier to understand for all of our residents. This includes rewriting our letters to improve accessibility and for some complex topics, add explainer videos. These are hosted on YouTube, meaning clients can access Google Translate services where necessary. VCS partner DeafPlus is also providing BSL translation for these videos.

5 Care Leavers

Recommendation 5

The Task Group recommends that care leavers opting to leave borough are supported to understand the implications on their Council Tax bill.

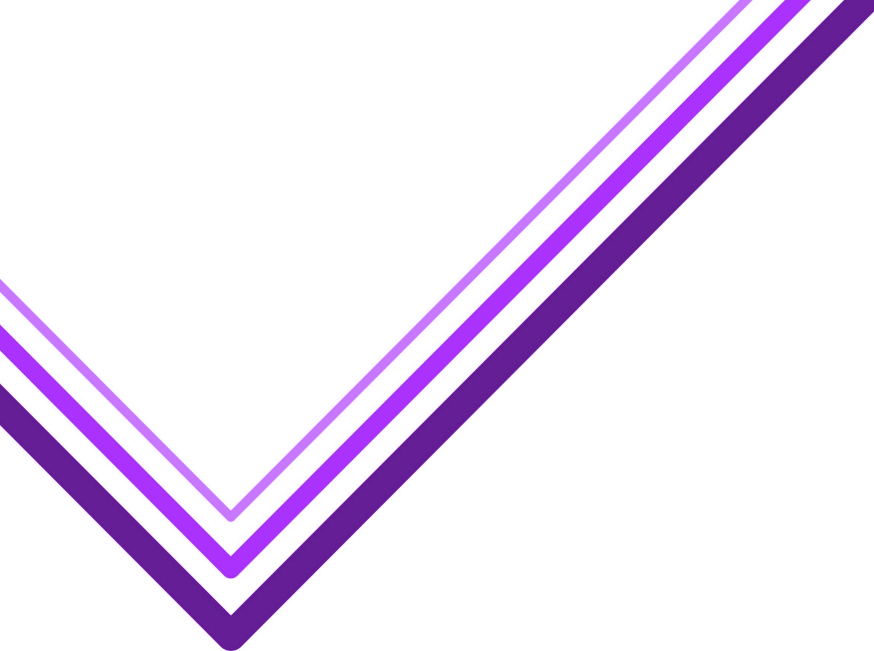
Response

The Council is engaging with other London boroughs on the potential for putting in place a uniform pan-London offer to care leavers that includes Council Tax exemption.

All care leavers accessing support have a Pathway Plan, through which practitioners explore with them how they manage their finances and any bills they may be responsible for, including Council Tax. For care leavers that live outside of Hackney, the practitioner will help them explore any Council Tax exemptions they may be eligible for where they live.

The support available to care leavers is set out in the Councils leaving care offer: <https://hackney.gov.uk/leaving-care-local-offer>.

This page is intentionally left blank



Council Tax Reduction Scheme Review

Scrutiny Panel Task and Finish Group

Table of Contents

<u>1. Chair's Foreword</u>	<u>2</u>
<u>2. Introduction</u>	<u>4</u>
<u>3. Changes to the Council Tax Benefit Scheme Across the UK</u>	<u>6</u>
<u>3.1 Background</u>	<u>6</u>
<u>3.1.1 Council Tax General</u>	<u>6</u>
<u>3.1.2 Support for low income households in paying council tax</u>	<u>6</u>
<u>3.1.3 Devolution of Council Tax Support to Local authorities</u>	<u>7</u>
<u>4. Council Tax Support and Council Tax Reduction Schemes</u>	<u>8</u>
<u>4.1 Background</u>	<u>8</u>
<u>4.2 Council tax reduction schemes across London</u>	<u>8</u>
<u>4.3 Council tax reduction scheme models</u>	<u>14</u>
<u>4.4 Council tax support in Hackney</u>	<u>15</u>
<u>4.5 Council tax support in Lambeth and Camden boroughs</u>	<u>16</u>
<u>4.6 How the council tax reduction scheme models compare</u>	<u>18</u>
<u>4.7 Claimants</u>	<u>20</u>
<u>4.8 Costs of council tax reduction schemes</u>	<u>21</u>
<u>How local government is funded in England</u>	<u>21</u>
<u>The cost of local council tax reduction schemes</u>	<u>22</u>
<u>4.9 Collection rates</u>	<u>24</u>
<u>4.10 The Hardship Fund</u>	<u>25</u>
<u>5. The Impact on Hackney residents (local view)</u>	<u>30</u>
<u>6. Conclusions and Recommendations</u>	<u>34</u>
<u>6.1 Summary</u>	<u>34</u>
<u>6.2 Recommendations</u>	<u>36</u>
<u>7. Finance Comments</u>	<u>40</u>
<u>8. Legal Comments</u>	<u>40</u>
<u>9. Participants</u>	<u>42</u>
<u>10. Glossary</u>	<u>43</u>
<u>11. Reports and Written Submission To Task Group</u>	<u>44</u>

1. Chair's Foreword

Hackney residents have suffered under austerity. Since 2010 the Council has lost £150 million or 41% of Government funding and vital services have been put at risk.

This challenging financial situation has made the budget scrutiny function an even more vital part of the scrutiny function as we challenge the Executive to deliver for residents.

Hackney, like other local authorities, has become increasingly reliant on other sources of revenue including council tax to fund vital services.

The devolution of responsibility for council tax support for our poorest residents to local authorities coupled with a reduction in the available level of funding put Hackney and other local authorities in the invidious position of collecting money from our poorest residents to pay for vital services.

Since the scheme was introduced there has been widespread concern about the burden of contributions to council tax on some of our most financially vulnerable households. This concern has been amplified by the current cost of living crisis.

The complex regulatory framework governing council tax schemes together with the broad discretion given to local authorities in administering it makes the workings of the scheme inaccessible to many residents and even to their advisors.

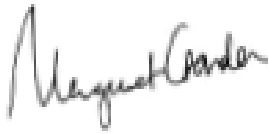
The Scrutiny Panel welcomed the Executive's aspirations to reduce contributions to 10% by 2024 and then to zero by 2030 but we wanted to interrogate the details of the scheme and how it would impact residents affected by the changes. This was the background to this scrutiny panel's task and finish group.

All councillors who were members of a scrutiny commission were given the opportunity to participate in the task group and the questioning at the sessions benefitted from having a broad range of councillors contributing their experience and expertise.

The task group was keen to compare Hackney's proposals with schemes operating in comparable local authorities and also to understand the impact of the scheme on residents so heard from researchers as well as from the local advice services. The group was also keen to understand the impact of the scheme on residents with protected characteristics. The work of the task group drew on previous investigations into the council's single equality duty and the poverty reduction strategic framework.

In producing this report and the recommendations I am grateful to all the members who participated in the groups: Councillor Clare Potter, Councillor Caroline Selman, Councillor Gilbert Smyth, Councillor Ian Rathbone, Councillor Kam Adams, Councillor Lynne Troughton,

Councillor Penny Wrout, Councillor Sophie Conway, Councillor Anya Sizer and Councillor Richard Lufkin, as well as the guests from Hackney and beyond who attended to give evidence as well as the always tireless support of Tracey Anderson and her team.

A handwritten signature in black ink that reads "Margaret Gordon". The signature is written in a cursive, flowing style.

Councillor Margaret Gordon
Chair of Scrutiny Panel

2. Introduction

The Task Group was formed following a commitment by the Directly Elected Mayor and Cabinet to review the rate of contribution for working age adults eligible for council tax support for their council tax bill. The Scrutiny Panel established the Council Tax Reduction Scheme (CTRS) Task and Finish Group to investigate the impact of CTRS on households in Hackney and the options open to the Council to achieve a zero minimum contribution CTRS model which ensures the lowest income households have nothing to pay.

The Task group looked at the design and impact of localised council tax support schemes in Hackney and elsewhere and considered proposals by Hackney to reduce the contributions paid by households eligible for Council tax reduction support to 10% by 2024 and to a zero minimum contribution by 2030.

Structure of the Task Group and Methodology

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 sessions between September 2021 - February 2022.

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

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

The documentary evidence covered the following areas.

- A national overview on the impact of council tax reduction schemes from the IFS and CPAG.
- Information from voluntary sector agencies about the impact in Hackney cases (pressures facing local residents), support and service they provide to local residents.
- Information from 2 London boroughs (with similar population demographics) about their CTRS model, use of hardship fund, cost and rationale for their scheme.
- London Borough of Hackney's CTRS model, hardship fund, case data, collection rates and enforcement action.
- Options for changes to Hackney's CTRS model and achieving a 0% scheme over the political term.

Aim of the Review

The purpose of the Task Group was 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.

3. Changes to the Council Tax Benefit Scheme Across the UK

3.1 Background

3.1.1 Council Tax General

Council Tax was introduced by the Local Government Finance Act 1992 and all households became liable for council tax whether they were owned or rented properties. Properties were placed in bands for council tax purposes based on valuations dating back to 1991. The Council tax bill is based on 2 adults living together but if there is only 1 adult living in the household a single person discount can be applied to the council tax bill. The Council tax regulations have stipulated that some adults are exempt from being included in the calculations such as students, live in carers and the severely impaired.

Councils are required to review their council tax rates annually and can make annual changes to the rates. Councils providing social care, can increase their council tax rate by 4.99 in 2023-24 and 2024-25 without needing a referendum¹. If a council was to increase its council tax rate by more than the referendum limit (i.e.4.99% in 2023-24 and 2025-26), which is labelled an excessive increase; it must then hold a local referendum and obtain a 'yes' vote before implementing the increase. It must also make substitute calculations, based on a non-excessive council tax increase, which will then be implemented if the excessive increase is rejected in the referendum.

3.1.2 Support for low income households in paying council tax

When Council Tax was introduced, the Government set up the national Council Tax Benefit Scheme (CTB) for council tax benefit to be paid to qualifying claimants to cover the costs of their council tax liability. This was funded by Central Government but administered locally by Councils together with housing benefit schemes.

The Council Tax Benefit system (CTB) was a nationwide social security means tested benefit that provided support to low income households. The maximum award for CTB paid a household's full council tax liability. Families receiving a 'means tested' out of work benefits (income support, income based job seekers allowance, income based employment and support allowance (ESA) or pension credit guarantee credit) automatically qualified for the full CTB. This cohort of claimants represented 2 thirds of claimants (70% of the spending on CTB). Claimants with assets exceeding £6,000

¹ Referendum - a general vote by the electorate on a single political question that has been referred to them for a direct decision.

were entitled to less CTB and households with over £16,000 were not entitled to any CTB.

Claimants not automatically passported onto CTB would undergo a separate means testing. This compared the family income with a centrally determined measure of minimum need called the applicable amount. Factors influencing this depended on age, relationship status (single or a couple), number of children and disability. The CTB also contained a means test of assets (this was non housing and non pension assets).

3.1.3 Devolution of Council Tax Support to Local authorities

The Local Government Finance Act 2012 partly devolved the responsibility for determining eligibility for council tax support to local authorities. From 2013/14, local authorities have been required to publish a scheme setting out Council Tax Support in their area, detailing the classes of individuals eligible, the reductions they may receive, the procedures through which they can apply and an appeals process. Councils were given the flexibility to design a council tax support scheme to meet local needs.² Regulations state that councils must make deductions for certain classes of pensioners.³ A small proportion of households including (pensioners) were protected by legislation and Hackney Council has protected care leavers (up to 25) as part of its corporate parenting commitment.

The Government continued to provide grant funding to local authorities for council tax support but when the Government transferred the responsibility for designing the scheme to local authorities the funding for the scheme was cut by 10%. As a result many local authorities implemented council tax support schemes that were less generous than the CTB system it was replacing. The replacement scheme meant that some low income households were having to pay a contribution to their council tax for the first time. [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 defined by the local authority.

Since local CTRS schemes were introduced the economic and social environment has changed considerably.

² [House of Commons Briefing Paper Council Tax Reduction Schemes GB](#)

³ [Council Tax Reduction Schemes \(Prescribed Requirements\)\(England\) Regulations 2012](#)

4. Council Tax Support and Council Tax Reduction Schemes

4.1 Background

In April 2013 when the Government abolished the national Council Tax Benefit system (CTB) local authorities in England were charged with designing their own council tax support. These are known as Council Tax Reduction Schemes. Councils were [initially] given 90% of the budget the government spent previously for their area, with the discretion to spend more or less than the grant on their own CTRS.

Legislation provides that if councils do not make their own CTRS scheme a default scheme will apply the details of which are set out in regulations.⁴

The Government's default scheme is 95% and initially councils were given additional funding to set their minimum payment no higher than 8.5% as an incentive. Passing the responsibility to councils with a reduced budget of 10% to administer their own schemes has meant the councils have needed to design a scheme that did not produce a further financial burden. Thus many opted to have some level of contribution.

Since the initial incentive period ended many councils (90% of English councils)⁵ have made amendments to their CTRS since its implementation. The most popular change to CTRS has been to the minimum payment. The IFS and CPAG reported that since the introduction of minimum payments they have on average become larger with minimum payments in 2013/14 being on average 15%; by 2018/19 the most common contribution was reported to be 20%. The minimum payment localisation has created a large amount of variation in council tax entitlement that did not exist under the previous CTB. In London eight boroughs and the City of London had no minimum payment. This increased to nine boroughs and the City of London in 2019/20. By 2018/19 90% of English councils had made some changes to their CTRS for working age households. The most common widespread change was reported by the IFS to be the introduction of the minimum council tax payment, requiring all households to pay at least a certain proportion of the gross council tax bill. The requirement for households to a minimum contribution of the gross income has not been seen since the Poll Tax.

4.2 Council tax reduction schemes across London

Councils' council tax reduction schemes differ significantly and the contribution of a working age household to their council tax bill can be very different depending on where

⁴ [The Council Tax Reduction Schemes \(Default Scheme\) \(England\) Regulations 2012](#)

⁵ [IFS report \(page 45\)](#)

they live. The CPAG reported to the Task group the CTRS contribution percentages and exemptions for London as at 2018/19 (Figure 1)⁶.

Figure 1

Borough	Minimum payment 2018/19	Minimum payment 2019/20	Exemptions 2019/20
Barking and Dagenham	25%	25%	None
Barnet	20%	28%	War pensioners, war widow(er)s and Armed Forces Compensation Scheme
Bexley	20%	20%	None
Brent	20%	20%	Disability benefits, war disablement pension
Bromley	25%	25%	None
Camden	0	0	None
City of London	0	0	n/a
Croydon	15%	15%	Disability benefits, or income support and single parents with a child aged under five
Ealing	25%	25%	Disability benefits or a lone parent with a child aged under five pay reduced rate of 8.5%
Enfield	26.5%	26.5%	War widow(er)s, carers allowance, disability benefits
Greenwich	15%	15%	None

⁶ [CPAG Briefing Report](#)

Borough	Minimum payment 2018/19	Minimum payment 2019/20	Exemptions 2019/20
Hackney	17%	17%	None
Hammersmith and Fulham	0	0	n/a
Haringey	20%	20%	Disability benefits, families
Havering	15%	25%	Harrow 30% 30% Disability benefit recipients have a 14% minimum payment Disability benefit recipients have a 20% minimum payment
Hillingdon	25%	25%	War widow(er)s pension, war disablement pension, disability premium pay 10%
Hounslow	0	0	None
Islington	8.5%	8.5%	Disabled residents and carers get extra support but the amount they receive is still reduced by 8.5%
Kensington and Chelsea	0	0	n/a
Kingston upon Thames	0	0	Disability benefits and war widow(er)s

Borough	Minimum payment 2018/19	Minimum payment 2019/20	Exemptions 2019/20
Lambeth	20%	£5 per week	Disabled people, carers, war widow(er)s and those affected by the benefit cap
Lewisham	25%	25%	None
Merton	0	0	n/a
Newham	20%	10%	None
Redbridge	25%	25%	None
Richmond upon Thames	15%	0	Disability benefits and war widow(er)s
Southwark	15%	15%	None
Sutton	20%	20%	None
Tower Hamlets	0	0	n/a
Waltham Forest	24%	24%	None
Wandsworth	30%	30%	Disability benefits and families with children under three
Westminster	0	0	n/a

The default council tax support scheme is only legally binding for pension age residents, it does not apply to working age residents. That means that the policy decision by councils on whether to mirror the national benefit scheme for assessment is a choice made by local authorities, not a legal duty. The CTRS is a means tested benefit. The CTRS model is implemented by councils and the decision about the policy underpinning

the model is made by the council. The IFS has found that in policy terms the change has meant that 3.6 million working age households in England who would have been entitled to support under the old CTB system were now entitled to 24% less on average. A further 1.6 million households have been given a higher council tax bill than they might have otherwise received. It was pointed out that the higher tax bills were due to council's mirroring national benefit changes in council tax reduction schemes or additional cuts to CTRS by councils⁷.

The changes made by the Government to the national benefits system (freeze of working age benefit rates since April 2015, abolition of extra support for the third and subsequent child) can potentially reduce the amount the claimant can earn before their CTRS is withdrawn if the 2 child limit is applied to the council tax reduction scheme. Due to the cuts made households have had an even bigger bill than they would have had. It is reported that the savings for CTRS have come from low income households with the biggest percentage of the cuts impacting working age claimants with children. Although it is recognised that the counter argument from councils has been that it is administratively difficult and costly not to mirror the national benefit assessment in their CTRS.

Linked to the national benefit system changes CPAG reported that some councils had implemented the two child limit or applied the same universal credit needs assessment to their calculations for CTRS. It was noted that in London six boroughs and the City of London used the two-child limit to determine the entitlement of families under their council tax support schemes. One of these boroughs, Westminster, has dropped this policy for 2020/21. CPAG were urging councils not to implement the two child limit policy for CTRS models. CPAG emphasised that the policy is controversial. They highlighted that although this might seem like a small additional amount for the low income households this is not an insignificant amount and could be used to buy food, clothes, nappies etc for children. Applying this limit would result in a family of 2 on the same income as a family of 3 paying the same council tax liability despite having more expenses (3 or more children). CPAG were pleased that 77% of all councils in England (26 in London) did not use the two child limit when calculating council tax support for claimants. The Task group found it reassuring that the vast majority of councils were not mirroring this benefit change in their assessment and agreed that it should not be recommended in Hackney.

More worryingly the Task Group heard the pandemic provided households on benefit incomes with a temporary increase in Universal Credit payments per week. This has since been withdrawn. CPAG were expressing concern about the removal of the additional funding. They reported that the planned £20 cut to universal credit will lower the income of families whose only income is from benefits alongside households on

⁷ [IFS Report \(page 7\)](#)

modest earnings. Therefore, depending on the design of the CTRS, the amount of council tax certain households are expected to pay could increase.

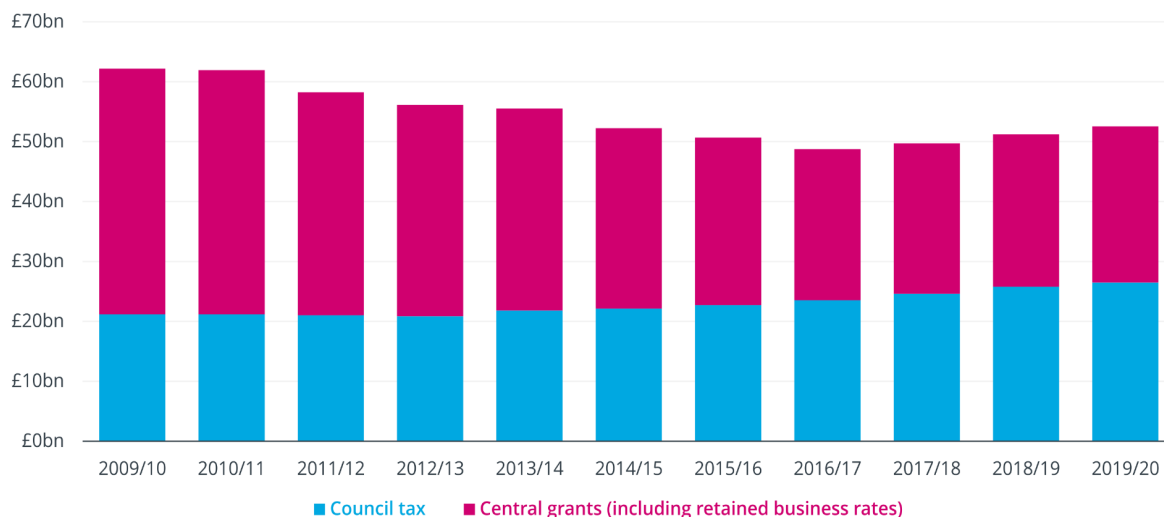
CPAG reported that although many councils in London have moved away from minimum payments – lowering them, removing them or increasing the number of exempted groups - a growing number of councils were considering the introduction of a banded CTRS model. The IFS has found that in policy terms reducing the minimum payment from 10% to zero would have a bigger effect in reducing the rate of arrears than reducing from 20% to 10%, because households still have a bill to pay that they might otherwise have not. This can prove critical because the revenue from Council Tax collections is expected to contribute significantly to the budget for councils. But over the years councils are becoming more reliant on council tax collection income to fund the Council's budget as the amount of government grant funding from central government has decreased steadily from 2010. As illustrated in the table below.


Figure 2 ⁸

⁸ Institute for Government - [Local Government Funding in England](#)

Local authority revenues by source (2019/20 prices)

IfG



Source: Institute for Government analysis of MHCLG, Local Authority Revenue expenditure and financing in England: individual local authority data - revenue outturn. Excludes grants for education services, police and public health. 2019/20 includes one month of emergency Covid-related funding (March 2020) which increased the proportion of funding from government grants. 

4.3 Council tax reduction scheme models

The Government's overhaul of the benefits system and implementation of Universal Credit (which has incorporated the payment of housing costs) has resulted in a reduction in the council's role in assessing and paying housing costs to residents. As historically claims for CTRS were assessed at the same time and by the same staff as claims for housing benefit this change has increased the administrative burden of assessing claims for CTRS on all councils.

The Task Group noted that previously the calculations for council tax support were linked to housing benefit and the council could obtain all the information they needed to make the assessment. With Universal Credit not linked to the traditional housing benefit system and many people in work on Universal Credit the council receives less information. Thus moving more and more people away from the traditional housing benefit system in addition to councils losing access to assessment information. Fundamentally with local authorities under continuing financial pressure, the costs of frequent revisions to the CTRS support and liability and reducing budget (due to the shift to universal credit) presents an administrative burden, particularly in relation to claimants who are on Universal Credit and those whose payments fluctuate from month to month. As a result, banded schemes for CTRS models are being viewed as advantageous to councils due to minimal recalculations and administrative simplicity, as well as meaning less changes, recalculations and notification for residents.

The Task Group learnt that many councils in London were increasingly adopting banded schemes. Although the CPAG did not advocate for banded schemes they did acknowledge that banded schemes helped families to budget and provided some element of reassurance if they are in the middle of the band. The CPAG pointed out

banded schemes did allow modest shifts in income without any need to recalculate entitlement and liability. But equally if the family's income is at the top of the band this creates a cliff edge with even a slight increase in income. In contrast having a gradual scheme meant that the amount of council tax liability will increase gradually with the income.

Recognising the continuing financial pressure CPAG acknowledged the costs of frequent revisions to the council tax liability presented an administrative burden. Having a banded scheme allowed for moderate shifts in income without the need to recalculate the entitlement and liability. It was clear that many councils had moved away from the government's default scheme.

4.4 Council tax support in Hackney

Local authorities were given a lot of autonomy when designing their local council tax reduction scheme. Hackney Council decided for Hackney's CTRS model it would spread the cost of the funding cut across all working age claimants.

Hackney's CTRS model operates using the taper income scheme at 20%. Hackney Council's CTRS was introduced in April 2013 with an 85% liability. That meant all residents contribute 15% to their overall council tax debt. The contribution was raised to 17% in 2018 and then reduced back to 15% in 2020.

Hackney's scheme has kept elements that other boroughs have excluded. Hackney's scheme is designed with regard to the needs of larger families. If elements of other boroughs' CTRS schemes were applied it would have a disproportionate impact on community groups like the Orthodox Jewish population in Hackney. The task group was pleased to note that despite the Government having the 2 child limit policy on benefits, Hackney has maintained the deductions for 3 or more children in the household. Therefore not penalising families with more than 2 children.

Hackney CTRS applies a set "earned income disregards" based on whether a claimant is single, a couple or a lone parent. An additional earnings disregard of £17.10 is paid if they work above 16 or 30 hours per week. We were told that most schemes have taken out this element due to the high cost of administering this benefit. We were told that many CTRS models exclude the additional earnings disregard on hours worked because of the increasing administration costs for those on universal credit.

We noted earlier that along with pensioners Hackney Council also protected care leavers (up to 25) as part of its corporate parenting commitment. Since the review the Council has agreed to award a 100% Council Tax exemption to foster carers paying Hackney Council Tax (who are residents in Hackney), effective from 1st April 2023; and has amended the Policy in relation to applications for Council Tax Reduction Scheme

under Section 13A of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, accordingly.

4.5 Council tax support in Lambeth and Camden boroughs

Hackney Council's ambition is to give low income households larger discounts to residents on their Council Tax bill. Despite having no extra financial support from the Government to do this the aim is to provide low-income households with a 90% discount on their Council Tax Bill by 2026 and to implement full discount (100%) by 2030. We wanted to understand how a zero CTRS model worked and explore the practicalities of a banded scheme. The Task group spoke to 2 local authorities (with similar population demographics) in London (Camden and Lambeth borough) about their CTRS models and they provided information about their CTRS model, costs, impact of the pandemic on collection rates and the use of their hardship fund.

Camden Council had originally implemented a 8.5% minimum contribution in 2013 but in 2017 they scrapped this and reinstated the 100% support for claimants. In April 2020 Camden implemented a banded scheme which has 5 bands. Camden's decision to move to a banded model for their CTRS was based on how expensive council tax support was costing to administer and the reduction in funding for the housing benefit service. All claimants in band 1 received 100% council tax support. Although the CPAG raised concerns about councils moving to banded schemes and the cliff edge; Camden's scheme was considered to be a good banded scheme because its bands were linked to the London Living Wage (LLW). The impact of Camden's scheme was that the majority of people earning less than the equivalent of eight hours at the London living wage did not have to pay at all.

Lambeth did not have a banded scheme but operated using the income taper. The income taper is used [so that contributions begin] above the government figure (the amount the government says a person needs to live on) towards their council tax bill. At the time of the evidence sessions Lambeth's Council's council tax support scheme was reduced to an 80% CTRS model. Lambeth residents were expected to pay 20% towards their overall council tax debt or a minimum payment of £5.00 to their council tax bill depending on their benefit entitlement. At the time of this Task group Lambeth were in the process of making changes that would see their income taper reduce to 20%, the scheme move to 100% and remove the minimum £5.00 payment.

Another key concern raised was the decision of some councils to include the 2 child limit to CTRS schemes. The Task group was pleased to note that none of the councils (Camden, Lambeth or Hackney) operated the 2 child limit to their CTRS. Camden's scheme provided higher discounts for families and disabled claimants. Lambeth had a family premium in place for their scheme. Hackney's scheme included a family premium and an extra amount of £68.60 for each child in the household regardless of household size making Hackney's scheme generous to working large families.

Both Lambeth and Camden had made changes to non-dependent deductions [which is another area of discretion for local authorities] Camden stopped non-dependent deductions for anyone under the age of 25 or who is earning less than £86.80 per week. The aim of this change was to encourage people aged 18 - 24 into employment and this also helped to reduce the administrative burden associated with this cohort, decreasing the amount of work and letters sent chasing young adults for details. Whereas Lambeth was proposing to remove the mandatory minimum non dependant deduction for a household with a disabled person. Hackney's scheme does have non dependent deductions. Entitlement is reduced by set deductions where non dependents (Adults friends and family members) live in the household. Hackney's scheme uses the non-dependent deductions specified in the government default scheme, based on the non-dependant's gross income with protections for disabled households.

Another change to Camden's CTRS model was the length of time for backdated payments. Under the old benefit rules they could only backdate for one calendar month. This has been changed to back date to the start of a universal credit claim or other benefit income (ESA, income support). This is because people are often not aware that they have to make a separate claim for council tax support. Previously when you received housing support you automatically received council tax support.

The Task Group noted that the calculations for CTRS payments and explanations about council tax reductions were viewed as very complicated. When designing a CTRS scheme we learned the CTRS is not just about the minimum contributions, but there are complex variations involved in making a council tax support assessment regarding levels of applicable amounts, premiums, income tapers, earnings disregards, non dependent deductions, capital and savings limits, minimum entitlements, and minimum income floors to be taken into consideration. A key criticism made about council tax support was the complexity of schemes and many residents not being familiar with their scheme. It was this complexity that Camden tried to avoid by taking the decisions to move to a banded scheme. Camden now uses the monthly Universal Credit notification about income to process payments automatically. Camden is no longer needing to write to people asking for this information. Making the scheme cheaper to administer. Camden highlighted that as a result of these changes (being based on household circumstances) the council tax support system was getting more costly to administer. Meaning that any change in income of a plus or minus 50p resulted in a CTR calculation. This also meant it is very difficult to explain to someone how their council tax reduction was calculated. Camden's rationale for moving to a banded scheme was to make the scheme less complicated. In addition frontline staff had found it easier too and could quickly take an overview of the circumstances and outline an award when they received queries about council tax reduction payments. Camden has not received any complaints since the scheme was introduced in April 2020 despite about 15% of claimants being slightly worse-off on the new scheme.

The Task Group was pleased that the Council has included the exemption of care leavers (up to the age of 25) although the Task Group was concerned about care leavers living outside of the borough. We learnt that the CTRS scheme was only applicable to residents living in the borough and even if a care leaver is still under Hackney's corporate parent responsibility they could not receive council tax support payments for Hackney Council. The care leaver is subject to the CTRS scheme in the borough they live in. Any contribution or support to the care leavers (up to the age of 25) council tax bill would have to come from children's social care services. The Task Group was of the view it was important that care leavers opting to leave the borough were given information about the council tax support available to them in the borough they were choosing to reside in. The Task Group wanted to ensure the Council was supporting care leavers to fully understand the implications of living out of the borough on their council tax bill (not being able to access council tax support from Hackney) and the possible council tax liability they could face.

Initially the zero based CTRS models used in other Boroughs appear to be more generous than Hackney's scheme and that Hackney's scheme was less beneficial to our residents. But on closer examination in the evidence sessions it became clear to the Task Group that it was not just about the minimum contributions, but there are complex variations that fed into the assessment process for a CTRS claim. It became evident that Hackney's CTRS scheme was designed with the local population with the most vulnerable residents in mind as referenced in the Equality Impact Assessment⁹ for the Review of Council Tax Reduction Scheme 2018-20 report¹⁰ to Hackney's Full Council. But we do acknowledge that under Lambeth's scheme single claimants (including the disabled) would be better off due to no minimum contribution.

4.6 How the council tax reduction scheme models compare

Main features of Hackney's scheme are:

- A minimum contribution for all working age claimants of 15%. This means all claimants have to pay at least 15% of their Council Tax regardless of income
- The scheme is a taper scheme, with a 20% taper. *As a claimants income increases above their applicable amount, entitlement reduces by 20p for every extra pound they earn.*
- The scheme applies set "earned income disregards" based on whether a claimant is single, a couple or a lone parent, and additional earnings disregards of £17.10 if they work above 16 or 30 hours per week.
- The scheme applies, non dependent Deductions. *Entitlement is reduced by set deductions where non dependents (Adults friends and family members) live in the household. Our scheme uses the Non Dependent deductions specified in the*

⁹ London Borough of Hackney - [Review of Council Tax Reduction Scheme 2018-20 Report \(Appendix 3 page 109\)](#)

¹⁰ London Borough of Hackney - [Review of Council Tax Reduction Scheme 2018-20 Report \(Page 55\)](#)

government default scheme, based on the non dependants gross income with protections for disabled households.

- A savings and capital limit of £16,000. Singles and couples with over £16,000 in savings do not qualify.
- There is no minimum entitlement. *If a claimant is entitled to 0.01p in Council Tax Reduction it will be credited to their billing account.*
- No minimum income floor - Hackney *does not apply an assumed income where self employed claimants are earning below minimum wage. If the business is losing money - we will assess the claim on a nil income.*
- Family premium still in place
- No 2 child restrictions in place.

Main features of Camden's scheme are:

- Have a banded scheme based on the London Living Wage (earnings below 8 hours @ LLW)
- This is applicable to working age applicants only. (Pensioners remain on the default scheme)
- High discounts are given for families and disabled claimants
- No non dependent deductions for any non dependants aged under25 or if the non dependent has earnings less than £86.80 pw.
- Child care costs are disregarded
- Capital / savings must be below £16,000
- Backdating to the start of universal credit.

Main features of Lambeth's scheme are:

- 20% liability reduction
- £10,000 upper capital limit
- 25% income taper
- £5 minimum payment
- Changes to non dependent deductions
- 13 week backdating still available
- Family premium still in place
- No 2 child restrictions in place.

Lambeth were in the process of proposing and consulting on changes to their CTRS.

The new scheme would have the following changes:

- 100% and no minimum payment for all claimants who receive 80% council tax support.
- Removal of the mandatory minimum non dependant deduction for a household with a disabled person.
- Reduced the excess income taper to 20%.

At first glance Lambeth's scheme appears more generous to our residents due to no minimum contributions. But it was pointed out that the changes to points 2-5 simply

bring Lambeth in line with Hackney's scheme because it was reported that originally Lambeth's scheme was less generous than Hackney's.

1. Remove the 20% minimum contributions
2. Remove the £5.00 minimum weekly payment
3. Remove non-dependant deductions for people receiving disability benefits/blind
4. Remove non-dependant deductions for certain types of non dependant (students, PB etc.)
5. Reduce the excess income taper to 20% from 25%.

While the impact of slightly different Applicable Amounts is fairly low in Lambeth - it would have a huge and disproportionate impact on particular communities in Hackney - especially among Orthodox Jewish, and Muslim claimants.

However it was acknowledged that under Lambeth's scheme single claimants and those not in work including the disabled due to no minimum contributions would be better off whereas large working families would lose out.

Taking our neighbours Tower Hamlets scheme at first glance they have no minimum contributions, but have:

- Lower capital thresholds at £6,000 compared to £16,000 in Hackney
- Less generous non dependent deductions where all income is taken into account
- A minimum earnings floor equal to 35 hours at the national minimum wage is applied to applicants of residents who have been self-employed.

Hackney reported that ONS annual population survey shows Hackney has 9.8% of its population in self employed work, compared to only 6.8% in Tower Hamlets, meaning a similar minimum income floor in Hackney would have a much greater impact due to our numbers of residents in low paid self employed work.

For the Task group it became evident that Hackney's CTRS scheme was designed with the local population with the most vulnerable residents in mind. But for CTRS schemes it was also evident that they could not meet the needs of all residents and that there would be winners or losers and even with no minimum contribution some claimants will be worse off than others.

4.7 Claimants

The CPAG reported that CTRS claimant numbers in London had been falling steadily and in 2017/18 it fell from 640,664 to 601,736 in 2018/19. Although the trend has shown that working age council tax support claimants has remained stable at about 67% over a 3 year period¹¹. There is no definitive evidence to suggest the reduction has been linked to claimants being in work or if it is just a symptom of council tax support being cut.

¹¹ [CPAG Briefing Report](#)

As at September 2021 Camden's total caseload was reported to be 23209 of which 6841 were pensioners and 16368 were working age claimants. The cyber attack in Hackney has hindered the council's ability to provide accurate data about caseloads. In Hackney taking the latest data available at the time (March 2020) there were 35254 total CTRS caseload of which 9570 were pensioners and 25684 were working age claimants. Of the working age claimants there were 2320 cases where no payment for CTRS was made.

Hackney reported having the largest working age households caseload in London. A short comparison of caseloads with 6 other London boroughs highlighted that Hackney had a high level of applicants for council tax support which reflects the deprivation levels in the borough.

- Bexley has a caseload 14,118 of which 9,616 are working age
- Richmond has a caseload of 8,676 of which 5,601 are working age
- Wandsworth has a caseload of 15,191 of which 9,650 are working age.
- Camden with a total CTRS caseload of 22,836,
- Islington with a total CTRS caseload of 25,823,
- Southwark with a total CTRS caseload of 25,412
- Hackney with a total CTRS caseload of 28,951 of which 20,553 were working age.

Although Camden and Lambeth have implemented a zero contribution CTRS model the notable difference between their caseloads and Hackney's was the volume of recipients for council tax support. Particularly the working age group. Hackney was reported to have the largest number of in-work working age adults on a low income and a higher proportion of self-employed residents (9.8%). For Hackney the mean age of applicants was reported to be approximately 54. By far the largest claimant group in Hackney are single households at around 43%. Single parent households were the second largest CTRS group at around 18% of all CTRS claimants. The mean vulnerability Score of 2.6 for CTRS accounts in Hackney is more than double the average vulnerability score of all households in the dataset (1.2) and 23.2% of CTRS accounts scored 4 or higher.

4.8 Costs of council tax reduction schemes

4.8.1 Background

How local government is funded in England

As indicated above the income from council tax has become a more prominent feature in the income stream for council budgets. Local authorities have three main sources of revenue:

- government grants – money from central government for local services
- council tax – a property tax levied on residential properties
- business rates – a property tax levied on business premises.

Local governments in England have very limited revenue-raising powers compared to other wealthy countries. In the UK councils are required to set a balanced budget each year and unlike central government, local authorities cannot borrow to finance day-to-day spending. However councils can draw down reserves – money built up by underspending in earlier years – to ensure that their annual spending does not exceed their annual revenue. But reserves can only be used once. Once reserves are spent, they cannot be spent again.¹²

There has been a significant cut in local authorities' spending power (the Government's measure of Local Government resources) in real-terms between 2010/11 and 2023-24. In addition, the changes made in the 2011 Localism Act, has meant that local authorities have not been able to raise council tax rates by more than a defined percentage over the previous year without needing to call a local referendum to vote on the increase. This percentage has varied from year to year but for 2023-24 (and 2024-25) an increase of 4.99% or less will not trigger a referendum in a London Borough.¹³ In essence all local authorities have had to find ways to do more with less in the face of cuts to their spending power. But the impact of the cut has varied across different types of local authorities. Covid further exacerbated the pressure of these cuts on council budgets.

The Government's comprehensive spending reviews and Autumn Statements set out the total funding for local government. The 2023/24 local government finance settlement set out the distribution of that funding in 2023/24, but there still remains uncertainty about the distribution of local government funding in 2024-25 and significant uncertainty beyond this.

The cost of local council tax reduction schemes

Although all councils received a cut to funding to the overall budget of 10% when the responsibility was transferred to councils. It was reported that for some areas received a larger decrease due to the protections on pensioners groups. When the CTRS was introduced Hackney Council's initial shortfall in funding for the council tax support scheme was £3.2 million.

The IFS has found that although councils have no constraints with how they can allocate council tax support funding they have found that the decision making by councils has been linked to the labelling of the funding. It was important for the Task Group to understand if ring fencing was influencing CTRS model funding decisions. We asked about the costs of CTRS models to get a sense of spend for the different schemes. Both Camden and Lambeth had made changes to their scheme with the expectation of achieving savings. Although the cost savings were not evident at the time of this review Camden were hoping that when COVID became less prevalent,

¹² Institute for Government - [Local Government Funding in England](#)

¹³ Institute for Government - [Local Government Funding in England](#)

they would see savings in administration costs. The current cost of Camden's scheme in 2021/22 was just under £30 million. From 2019/20 to 2021/22 the cost had increased from £25,597,255 to £29,530,714. During covid Camden had found that the number of claimants increased dramatically and continued to rise. After the economy opened back up Camden had hoped to see a reduction in council tax support claimants but they had not seen the large numbers returning to work as expected. Although there has been an increase in council tax debt, on the whole many residents were managing to make their payments. Camden has attributed this to the fact that a larger number are in receipt of 100% support.

Lambeth has a zero contribution scheme and their scheme costs £21 million. Lambeth explained that removing the minimum contribution to zero will have financial implications for the council and that the changes will cost them around £3 million pounds a year if they decide to implement all the proposed changes. In addition to producing a sizable reduction in their council tax receipts.

The cost of the current CTRS model in 2024-25 is anticipated to be £33m. But if the Council was to introduce a zero CTRS model for budget year 2024/25 this would cost an estimated £37 million (an additional £4 million per annum). This additional cost is an estimate before any future council tax increases are applied. Therefore over a 5 year period the recurrent budget gap of £4 million would result in a loss of council tax income in the region of £20 million. Whereas, if the council adopted a phased approach towards implementing a zero CTRS model by reducing the contribution to 10% first the impact will not be as harsh to the council's budget. Taking this phased approach would mean after applying the assumed council tax increase of 4.99% in 2023-24, then applying the 10% claimant contribution in 2024-25 the cost to the council's budget would be £1.4 million a year per annum. If the Council then moves to a zero minimum claimant contribution in 2028-29 (again allowing a 2% council tax increase in each year after 2023-24), this would cost a further £3.m a year per annum. Therefore the cost of moving to a 10% contribution rate in 2023/24 and then full removal in 2028/29 would be a total cost of £19.1m over the period 2023-24 to 2030-31. It was noted that the implementation of the changes to the CTRS model would be subject to the council tax system being fully operational and the claimant backlog cleared.

The Task Group noted for Hackney the current CTRS operating costs (using its current liability scheme) was significantly higher than Lambeth and Camden's costs. Given the cost implications to increase Hackney council tax support scheme to zero, the council has proposed adopting a phased approach towards implementing a zero CTRS model. Making changes to a CTRS model requires a statutory consultation with residents and would incur additional costs associated with the consultation process. Therefore it would be prudent to make changes in as few stages as possible. Hackney council proposed making the changes to the council tax support scheme in 2 phases.

The Task Group heard about the importance of getting the consultation and change process right if a council was making changes to their CTRS. Councils needed to ensure the change process and consultation was robust and their level of consultation was adequate to successfully make changes to the CTRS. We learnt that inadequate consultations on changes to the council tax support scheme could be legally challenged. Lambeth highlighted a council had its consultation process for CTRS challenged in the courts. At the time of the review Lambeth were going through their consultation process and were anticipating that the public consultation about the changes would have a positive outcome. Lambeth was conscious that managing the views of people for and against the zero contribution will be key in the consultation phase because they recognised some residents would be against the principle of people not having to pay council tax while others do pay.

4.9 Collection rates

Since the changes to council tax support were introduced the state of the economy has changed significantly and the pandemic has magnified the systemic inequality challenges. The task group noted that the IFS has found that in policy terms reducing the minimum payment from 10% to zero would have a bigger effect in reducing the rate of arrears than reducing from 20% to 10%, because households still have a bill to pay that they might otherwise have not. This can prove critical because the revenue from Council Tax collections is expected to contribute significantly to the budget for councils.

Lambeth reported seeing a reduction in their collection rates by 3% and suspected other boroughs were experiencing this too. Camden reported a drop in their collection rates too from 95% in 2019/20 to 91% in 2020/21.

The cyber attack in Hackney (October 2020) significantly hampered the Task groups ability to review the latest collection rate data and also impacted on the Council’s ability to process council tax support claims. From the data available we were told Hackney's CTRS collection rate was 86.09% in 2018/19. This had decreased from 86.6% in 2017/18. The overall collection rate in 2018/19 was 95.02%. For 2019/20 the CTRS collection rate was 84.89% and the overall collection rate was 87.7%. The most up to date data for the volume of CTRS caseloads with summons issued was not available. But a review of the council tax base is seeing a decline year on year of summons issued from 2017/2018 - 2019/2020. In terms of enforcement from the data covering November 2018 - January 2019 to November 2019 to January 2020 summonses dropped from 947 to 674. Enforcement agent referrals dropped from 1,876 to 1,345.

Figure 2

	2017 / 18	2018 / 19	2019 / 20

Summons issued	19,048	17,143	16,093
Liability Orders granted	16,121	14,894	13,996
Enforcement Agent cases	12,031	10,396	11,476
Council tax caseload	113,864	115,297	116,514

Hackney Council established (within the Council Tax Team) a team called 'Stop The Knock Team'. The objective of this team was to prevent residents falling into debt and potentially being subject to enforcement action and the associated costs. The team provided residents with welfare advice and referred residents to specialist support to set up affordable payment arrangements. From the work by the Stop The Knock Team during April 2019 to January 2020 the team reviewed 10,839 cases and from contact with 5,963 residents 2,662 affordable arrangements were established with residents.

Collection Rates at January 2022

Council Tax reduction	Council Tax Due	CTRS awarded	Payments received	Collection rate
Up to 50%	£6,570,889	£1,676,259	£4,569,198	93.35%
50% to 85%	£21,153,701	£16,446,673	£4,616,218	97.07%

It would appear that a large proportion of households on low income and in receipt of CTRS (despite being financially challenged) pay their council liability. But the Task group questioned how much merit there was in chasing people on low incomes for payments as they were struggling to pay especially if they have been awarded a hardship payment.

4.10 The Hardship Fund

The Local Government Finance Act 2012 introduced the provision that allowed councils to administer an additional discretionary reduction to the council tax. As a result many councils set up a discretionary hardship fund. The aim of this scheme was to provide some offset to the most severe hardship caused to residents by the introduction of council tax reduction where working age households had to pay a minimum contribution

towards their tax liability. The hardship fund is not a long term solution to financial hardship and councils expressed that this should be viewed as a short term relief to financial pressure.

While councils could design their own scheme generally the key main principles guiding a scheme are:

- The applicant should be in receipt of Council Tax Reduction.
- The applicant or household should be facing financial hardship.
- Any awards of Council Tax Hardship Payments would be discretionary and applicants do not have a statutory right to a payment.
- Any awards would be one off short-term help to the applicant and not seen as an ongoing solution to debt problems.
- The Council Tax Discretionary Fund would be cash limited, and once spent no more awards could be made.
- Councils can not make cash awards, only credit the council tax account.

CPAG looked at council's use of hardship funds and found that many were underspent. The criteria and communications about the availability of the fund varied. They reported that many people who were in arrears did not qualify for support. It was their view that if the hardship fund criteria was more open, eligibility widened alongside better communications the funding pots would not be underspent.

CPAG reported to the Task group in 2018/19, nine boroughs had a hardship fund specifically for council tax support claimants in arrears, up from five boroughs in 2017/18. In their view, this was a positive step.

Borough	Budget	Expenditure	Successful Applications	Changes from 2017/18
Barking and Dagenham NEW	£50,000	£50,000	70	New hardship fund in 2018/19
Ealing	£150,000	£185,783	498	Spent less and had fewer successful applicants in 2018/19
Enfield NEW	£250,000	£227,801.10	965	New hardship fund in 2018/19
Hackney	£100,000	£ 7802.80	55	Spent more and had more successful applicants in 2018/19

Borough	Budget	Expenditure	Successful Applications	Changes from 2017/18
Islington	£125,000	£10,000	67	Had a bigger budget, spent the same and had same number of successful applicants in 2018/19
Lambeth NEW	£400,000	£16,073.35	63	Had a specific budget in 2018/19, spent much less and had fewer successful applicants
Redbridge NEW	£300,000	£151,298	253	Had a specific budget in 2018/19, spent the same and had fewer successful applicants
Sutton	£50,000	£46,158	202	Spent more and had more successful applicants in 2018/19
Waltham Forest	£750,000	Not held	Not held	Had the same budget in 2018/19

Source CPAG Briefing Report

In addition, four boroughs and the City of London reported that they made discretionary payments to council tax support claimants under section 13A of the Local Government Finance Act 1992, or they found funds from elsewhere. Bexley also reported that it used section 17 of the Children Act 1989 to support families.

Borough	Expenditure	Number of awards made
Barnet	£112,996.27	221
City of London	£2326.63	2
Croydon	£20,259.13	26
Havering	£32,640	58
Tower Hamlets	£45,100.85	109

CPAG reported two factors have led to the underspending of hardship funds:

- Hardship funds are rarely actively promoted to claimants in arrears.

- Strict eligibility criteria usually apply, meaning that many claimant applications are unsuccessful.

The Task Group queried the discretionary spend by Camden, Lambeth and Hackney councils. The Task Group noted although Camden's council tax collection department has access to a hardship fund it is not a fund the Council has a specific budget for. But Camden does award hardship payments and write off council tax if it's appropriate.

Lambeth wanted to support its residents until they made changes to their CTRS model. Lambeth were in the process of changing their minimum contribution from 20% to zero for claimants receiving the 80% council tax support. Recognising the cumulative impact of tax rises on the lowest income households during the height of the economic crisis; Lambeth made the decision to use their covid support grant and hardship fund to cover the 20% liability for all claimants in receipt of council tax support of 80%. Moving their residents from 20% to 0% liability.

Hackney introduced their council tax reduction discretionary hardship scheme in April 2013. In Hackney the budget for the discretionary hardship fund is usually £100,000 pa. Only people on CTRS can get support from the hardship fund. This funding pot is not sufficient to cover all households in receipt of full council tax support. The council pointed out that for many of these households even a successful one off hardship award would not resolve their underlying poverty challenges, lack of income caused by welfare reform and high housing costs.

In late March 2020 Hackney received an additional £4.6 million from the Government Council Tax Covid 19 Hardship Funding. From this extra funding the council paid £150 to all CTRS working age claimants council tax accounts in 2020/21. Additional funding was applied to the Discretionary Council Tax Hardship Scheme of £300,000 for Council tax arrears in 2020/21 and 2021/22. Hackney used £100,000 to support families with no recourse to public funds (NRPF). Added an extra £500,000 into the Hackney Discretionary Crisis Support Scheme and as part of the Covid 19 response a further payment of £60.00 was made towards Council tax for all working age CTRS claimants in 2021/22.

Hackney advised that in April 2020 the scope of the Council Tax Discretionary Hardship Scheme was widened significantly. This was to reflect the financial impact of Covid on residents, and a recognition that demand on the existing discretionary scheme was low. Despite an expanded criterion, and a new online application, the demand and spend has remained limited. This was further compounded by the cyber attack in October 2020. The attack impacted on the Council's ability to identify residents needing further support. This also created a backlog of applications to the Discretionary Council tax hardship scheme. The number of applications by vulnerable residents have been hindered due to Covid and lockdowns, leaving many unable to make applications or submit supporting evidence because they needed assistance.

Figure 3

Month	Number of Successful Applications	Number of Refused Applications	Amount Spent	Normal Budget Remaining £100,000	Reason for Spend
April 2020	7	9	£1,326.57	£98,673.43	Financial difficulties
May 2020	8	3	£1014.49	£97,658.94	Financial difficulties
June 2020	0	1	£0.00	£97,658.94	N/A
July 2020	0	0	£0.00	£97,658.94	N/A
August 2020	2	11	£417.55	£97,241.39	Financial Difficulties
September 2020 Financial Difficulties	16	47	£2408.57	£94832.82	Financial Difficulties
October 2020 (Part)	1	0	£53.07	£94779.75	Financial Difficulties
Total	34	71	£5,220.25	£94779.75	

The council was scheduled to launch a campaign to those in hardship and the team was planning to identify vulnerable residents that would benefit from support to ensure the fund was fully spent by the end of the 2020/21 financial year. But the cyber attack thwarted the plans. This campaign was primed to look beyond just those with the largest arrears and consider if any particular groups should be prioritised when inviting applications to the Ctax Discretionary Hardship scheme e.g large families, families with young children, the disabled, carers, pensioners etc.

It is clear to the Task Group that although this fund exists it was a short term relief for households struggling to meet the cost of this bill each year or facing financial hardship. After the extra funding has been spent the budget will return to its original amount of £100,000 per annum. This budget can not support all households who due to poverty, simply cannot afford to pay their Council Tax. We heard that the council is doing a wider

piece of work with these households to maximise their income and employment opportunities. Nevertheless the Task Group was of the view the fund needed to be better promoted to residents and the criteria published. This was an area that could be better promoted by the voluntary sector with continued support from the council to increase applications to the fund. Alongside this the Task Group wanted to see a focus on monitoring the uptake and demographic makeup of applications to the discretionary hardship fund compared to successful applications. The Task Group would encourage regular reviews periodically for accountability of the fund spend to ensure the fund is accessible to all vulnerable residents in need.

Since the review the Task group heard that the council established a Money Hub. The money hub aimed to increase benefits take-up and connect residents with other financial support, including providing housing navigation support and signposting to debt advice. 1300 residents had requested support in the first seven weeks since the Money Hub launched.

The Task Group was concerned about the low level of spend for Hackney's hardship fund but recognised the limitations of the council to accurately assess caseloads following the cyber attack. It was somewhat reassuring to note that at the end of the recovery process Hackney's Revenues team can end up writing off Council Tax debt. But the Task group questioned the merit and cost benefits of chasing people for payments on low income who were struggling to pay, especially if they have been awarded a hardship payment.

5. The Impact on Hackney residents (local view)

The IFS reported if councils make cuts to council tax support this would lead to a sizeable increase in uncollected council tax. They added that a fifth of councils had no minimum payment and another fifth had a minimum payment of over 20%. Hackney was reported to be at the bottom half of the table in regards to contributions. We spoke to local advice service providers covering different cohorts of residents to get an idea of the impact council liability was having on the working age population in Hackney.

We spoke to three local voluntary sector organisations funded by the Councils grant programmes.

- Citizen Advice Bureau (Hackney) - The Citizens Advice Bureau is one of the largest free advice service providers in London and Hackney. The CAB provides free advice, information and advocacy covering welfare benefits. Housing, debt. Money management, employment, immigration, consumer and family and personal issues.
- Deaf Plus - funded to provide advice in Hackney
- Age UK (East London) - Age UK primarily supports people over 50.

They provided information about their support services, number of cases and their analysis of the impact since CTRS was introduced. We also asked for their views about what councils should consider.

The Citizens Advice Bureau is one of the largest free advice service providers in London and Hackney. The CAB provides free advice, information and advocacy covering welfare benefits, housing, debt, money management, employment, immigration, consumer and family and personal issues.

The CAB reported the number of cases related to council tax support was not as high as previous years. But in general 15% of debt cases have a council tax element to them. The volume of cases increased when council tax benefits ceased. But during the pandemic the numbers supported were well below the previous year where they supported over 300 residents. In recent years the CAB helped to manage the arrears of:

- 96 residents in 20/21
- 26 residents in 21/22.

In relation to the council tax support scheme the CAB reported there was a lack of knowledge about all the benefit schemes and a general lack of awareness that the system for UC is separate and not automatically linked to council tax support as it used to be under the old CTB system. During 2018/19 CAB were taking direct referrals from Hackney's Council Tax Department in a pilot to support residents before action was taken by the council. CAB was doing financial statements with them and negotiating directly with the council. The CAB was very positive about this pilot and highlighted that the council would then be able to write off debts where people had no recourse to public funds and/or were destitute. This pilot established an easier process to provide evidence and the CAB welcomed the direct communication with the council.

Compared with all debt issues in relation to Council Tax arrears CAB reported for Hackney there has been an increase of over 9% in female residents, and a 14% increase in black and ethnic minority residents needing help and support. But single people and single parents with dependent children made up the majority of residents seeking support for council tax arrears.

It was the view of CAB from their work in Hackney that with the furlough scheme, help for the self employed and the Universal Credit uplift all coming to an end, Hackney residents will be under intense financial pressure. The subsequent increases in energy and food bills and the impact of the cyber attack (as demands for housing benefit overpayments become due) will present very challenging times for residents across the borough. The CAB was advocating for clear communications, easier pathways to resolve disputes or challenge liability for debts would be vital. From their work clients were scared of big red letters and often ignored attempts to engage them before it reached the summons stage. Residents were coming to them very late often at the court stage when additional costs had been added. The CAB would urge the council to deploy initiatives (like the pilot) to get residents engaged before this point.

The majority of clients Deaf Plus support have some sort of disability and complex needs. Most are low-income families relying on benefits. In relation to council tax arrears this is often part of their complex problems. For Hackney Deaf Plus had an increase in people falling into debt during COVID-19. Deaf Plus urged the council to consider that if a person is on disability living allowance, or their child(ren) is on a disability living allowance or on personal independence payments this income should not be included in the assessment because that money is needed to cover the additional costs they incur as a disabled person or child.

Deaf Plus also reported seeing an increase in domestic abuse cases. Deaf Plus wanted the council to take into consideration that when a person is in this situation and becomes a single parent they are likely to be in debt, have no income, and require support to register for Universal Credit.

Deaf Plus highlighted progressing a case to court incurred additional charges to the debt councils are trying to collect. Deaf Plus pointed out they have a dedicated advice project in Tower Hamlets dealing with council tax arrears.

Age UK delivers advice and advocacy services in Hackney borough and across east London. The recent cyber attack had led to an increasing number approaching them for help with housing benefit and council tax support. Their support to clients encompassed benefit checks and income maximisation. Due to an extensive partnership with Hackney they have seen approximately 50% of their total referrals account for Hackney during the pandemic. Age UK accepted 1000 advice referrals and 100 advocacy referrals a year.

For Age UK ensuring pensioners were accessing pension credits was a vital level of support and would lead to exemption from paying council tax as well some other types of disability benefits. They expressed it was key to ensure that all vulnerable pensioners were claiming the benefits that they are entitled to, which could then lead to them getting an exemption. It was estimated 4500 households in Hackney could be claiming pension credit.

Constituency	Number of households receiving Pension Credit	Average Weekly award	Estimated number of Households entitled but not receiving	Estimated figure of unclaimed pension credit
Bethnal Green and Bow	4,320	89.87	3,419	£13,988,877

Constituency	Number of households receiving Pension Credit	Average Weekly award	Estimated number of Households entitled but not receiving	Estimated figure of unclaimed pension credit
East Ham	4,250	99.57	3,364	£15,247,610
Hackney North and Stoke Newington	3,980	92.06	3,150	£13,201,959
Hackney South and Shoreditch	4,140	91.37	3,277	£13,629,763
Leyton and Wanstead	2,520	80.73	1,995	£7,330,268
Poplar and Limehouse	3,590	91.81	2,842	£11,875,962
Walthamstow	2,800	82.06	2,216	£8,278,924
West Ham	4,670	89.90	3,696	£15,127,283

Age UK expressed that the systemic issues faced by local residents and the local authority could not be resolved without a root and branch reform of health, social care, benefits and housing. Noting currently they were all stuck in a cycle of developing temporary solutions to recurring and escalating problems.

Targeting residents to ensure they access unclaimed benefits will ensure no resident goes without pension credit, housing benefit, council tax support and the disability benefits. Age UK pointed out this would require more funding for the advice sector, wraparound services, training of front line workers, and all home visiting staff to spot signs of low income and feel confident in making referrals to the advice sector.

Camden agreed with the voluntary sector that the council tax support scheme is not particularly well-known. Adding that it was quite a complicated process to work through. But despite this in the current climate Camden had seen an increase in applications.

The advice providers suggested anything that can help things progress more softly would be welcomed and asked the Council to look at other ways they can send information out to people (alternative formats and technological assistance) with opening letters. They also urged the council to be more responsive to changes that impact people in future to reduce poverty. Key groups highlighted were pensioners and other vulnerable groups like refugees and asylum seekers. refugees and asylum seekers were seen as one of the key client groups that will be impacted because they don't understand the system. Deaf Plus estimate approximately 1500 people could be hit within Hackney, that will be exiting council tax benefit and housing benefit in the near future. In line with the Councils' reported case data the two main client groups the CAB were seeing are single parents with dependent children and single people / single-people renters.

A softer approach to communications about council tax liability was seen as a key area of challenge to overcome. Being in receipt of a letter about council tax arrears or debt was quite scary for many people so the tone of the communication was important because a lot of people do not seek help until the final stages of the debt chasing process. Leaving advice providers with very little areas of support they can provide to change the tide of the debt recovery process. Advice providers highlighted it was quite hard to get them to engage before it gets to the very late stages of extra charges. Therefore having extra costs added to the debt the council is trying to collect is an area of concern when cases progress to court.

6. Conclusions and Recommendations

6.1 Summary

Like all local authorities Hackney has been impacted by the Government's decision to delegate responsibility for council tax relief to local authorities with providing the necessary funding which means that Hackney like all local authorities has the challenging dilemma of having to choose between levels of funding for essential services and providing support for vulnerable residents many of whom are dependent on those same services.

The Task group heard compelling evidence about the impact of having to make contributions to Council Tax on top of other bills on households with low incomes. The framework around enforcement for non-payment of council tax which includes prison sentences for non-payment which adds to the pressure on already stressed households.

Since the Task group heard evidence households and Hackney have been impacted by the cost of living crisis. The recent work on cost of living including the money hub and the cost of living booklet is welcomed. However, the task group was very disappointed to hear during the evidence sessions that the hardship fund was under spent as this seems inconsistent with the level of need and also disappointed about the level of awareness among residents and the local voluntary sector of this facility and criteria for

successful applications. We hope that the recent improvements to the LBH website including a CTRS calculator will improve resident knowledge and experience about the hardship fund and how to access it.

The high degree of flexibility given to LAs in designing CTRS schemes has meant that local schemes could take into account local circumstances. Despite having no support from the Government Hackney council wants to give low income households a bigger discount on their Council Tax bill. It is the ambition of the Council to provide low-income households with a 90% discount on their Council Tax Bill by 2026 and a full 100% discount by 2030.

It was helpful to hear evidence about other local council tax reduction schemes designed by other local authorities. Being able to make comparisons with other boroughs showed how the schemes work in practice and the pros and cons of Hackney's scheme. Most importantly the groups Hackney's scheme aims to protect.

The Task group concluded that Hackney's scheme is designed with the population in mind and that key features (particularly the taper and the additional child allowances) were kept in the design of the scheme to support the circumstances of Hackney's residents - who can tend to have fluctuating incomes; larger families and care leavers.

The relatively high collection rates for residents receiving CTRS possibly indicates that residents are willing to pay and value the services they receive but evidence suggests that this liability can be the last straw in relation to household debt.

Calculating liability for council tax and levels of CTRS support is complex. A team of 37 officers are responsible for the administration of applications for housing benefit, council tax reduction scheme and all the discretionary schemes available through the council. Council Officers need a high degree of expertise to make these calculations but the budget to resource this is reducing fast as more residents move onto universal credit. The criminal cyber attack which impacted Hackney's systems meant that access to records was impaired and this delayed the issue of bills, hindered payments of bills and added to the other economic stresses affecting residents. This meant that it was difficult for residents and those advising them to easily understand their liability coupled with the fact that multiple factors mean the liability can regularly change with a very small change to the household income and circumstances of the households.

The Task Group is pleased to hear that concrete plans have been put in place to make the promised reduction and agree that this should be a priority for the council despite the ongoing financial challenges and the impact on revenue. The interim reduction is also welcome. This direction of travel is important and the Task group endorses the direction of travel outlined by Hackney Council and the proposed two phase timeline to implement changes to the council tax support scheme.

6.2 Recommendations

1 Communication and Consultation	
LBH has a statutory requirement to consult on a new scheme. It will be important for the consultation to be as accessible as possible and to target the consultation at the residents most impacted.	
A	The Task Group would recommend the consultation documentation is accompanied by worked examples of calculations for council tax support as with previous consultations.
B	The Task Group recommends that the consultation engagement plan not only includes targeted engagement with the residents that will be most impacted and includes engaging with the advice services sector too as with previous consultations.
One of the key things the Task Group noted was that the Camden CTRS model was viewed as simple as well as being cost neutral. The evidence showed that CTRS models are designed to meet the needs of the borough's population. The fundamental difference between Hackney's scheme and the 2 boroughs we looked at in detail (Lambeth and Camden) was the zero contribution. The benefits of the CTRS model in Hackney are commended but the Task Group recognises the need to make changes as cost neutral as possible. The Task Group would like the Council to explore making Hackney's CTRS model simpler to understand like Camden.	
C	The Task Group recommends the council explore how they can make Hackney's scheme easier to understand.
It is vital for the communication of the changes to council tax support to be easy to understand to ensure that the knowledge about the changes are shared and can be easily communicated within the community. We would encourage the council to identify typical scenarios that residents can relate to the associated calculation for the council tax support. There has been a lot of poverty reduction work by the council since this group commenced and the booklet produced by the council has been commended as a good guide for residents.	

D	The Task group would also recommend the Council use this consultation to promote the support available for the cost of living crisis.
Following the evidence sessions of the Task Group we were informed that the recovery of the council tax system was complete.	
E	The Task Group would encourage the Council to communicate to residents the current position in relation to the council tax system, collection and applications.
2 Engagement with advice services	
The Council is doing wider work with residents to help address the hardship, poverty and cost of living crisis. The Task group is of the view that this work needs to continue to build further on the work with the advice sector through the grant funding from the council and through the umbrella organisation HCVS about the funds available and how residents can access it. The Task Group recommends that advice services are offered regular engagement to keep up to date about the availability of the council's scheme, criteria and other specialist support available.	
The Task Group recommends an evaluation is carried out to assess the impact of the advice services funding in this area to ensure the information is reaching the residents most in need.	
3 Equalities	
The Task group noted that the Citizen Advice Bureau had collated ethnicity data on their clients for council tax support cases. Understanding who accesses services and support is important to be able to understand if your services are reaching all community groups. Key to understanding this is the provision of ethnicity data. We asked if the council collated this data for the CTRS and we were informed this data is not currently collected and we note that this cannot be a mandatory requirement for people to provide this information to the council. The Task Group is aware that the provision of this data will be reliant on residents answering questions about their ethnicity.	
A	The Task Group recommends the provision of ethnicity data captured by the benefits team for the CTRS is designed into the updated scheme although we note that this cannot be a mandatory requirement.
B	The Task Groups would like to encourage the Council to use council wide data on ethnicity to help supplement the gaps in information.

C	The Task Group also would like to see the consultation report accompanied by a published Equality Impact assessment as with previous consultations.
<p>Hardship Fund</p> <p>We acknowledge the fact that the usual hardship budget allowance will not be enough to cover all CTRS claimants that made an application. Therefore the Hardship fund should be targeted to maximise the take up of the discretionary fund. It is vital that this is published among the community partnership network. We urge the council to work closely with the voluntary sector / Advice services to target and get better applications into the hardship fund so it is not regularly under spent. Working closely with the advice services to ensure they are aware of the full range of support and criteria available to sign post claimants better. This needs to be published to CTRS claimants, advice service advisors and the criteria published.</p>	
	The Task Group recommends the council revisit the pilot scheme with the voluntary sector to support advice to explore if this can be mainstreamed.
<p>Support to Residents - Money Hub and Advice</p>	
<p>It was pleasing to note the Council has been doing a wider piece of work with households on CTRS experiencing financial hardship to maximise their income and employment opportunities. The enhanced support offer to residents is welcomed.</p>	
	The Task Group recommends CTRS claimants should be signposted to support available and we would encourage that this is reviewed regularly.
<p>Care Leavers</p>	
<p>The Hackney's Foster Care Council repeatedly cited unprecedented pressures on the cost of living and highlighted the support being provided by other boroughs to foster carers with council tax relief. In 2018 the Children and Young People's Scrutiny Committee recommended we consider the introduction of a council tax reduction scheme for foster carers.</p> <p>The Task Group is supportive of the care leavers exemption and we would like to encourage the council to explore how they can support care leavers living outside the borough in the same way as it is being provided to foster carers.</p>	

	The Task Group recommends that care leavers opting to leave borough are supported to understand the implications on their council tax bill.
--	----------------------------------------------------------------------------------------------------------------------------------------------------

7. Finance Comments

Section 4.8 above sets out the estimated cost of the CTRS for Hackney. It also notes the estimated financial impact of changes to the minimum contributions to the scheme. A consultation on a reduction to the minimum contribution to council tax to 10 per cent is due to commence in 2023 with proposed implementation for 2024/25. The Council's Medium Term Financial Plan (MTFP) incorporates an estimate of the impact of this proposal.

There is an expectation that any actions arising from the recommendations set out in this report will be met from within existing resources.

8. Legal Comments

Section 13A of the Local Government Finance Act 1992 ("Act"), the council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act. Section 13A of the Act, gives the council additional discretionary powers to reduce the amount of council tax payable for individuals, or for classes of council taxpayer. This includes the power to reduce the amount payable to nil.

Each financial year the council must consider whether to revise its scheme, or to replace it with another scheme. The council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

Schedule 1A allows the Government to make regulations about the prescribed requirements for schemes and these are contained in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012/2885. Any scheme the council adopts must comply with these regulations.

Schedule 1A to the Act makes further provision about council tax reduction schemes including prescribing the consultation process that must be followed. The Council must, in the following order:

- (a) consult any major precepting authority which has power to issue a precept to it
- (b) publish a draft scheme in such manner as it thinks fit; and

(c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The Council must ensure that it has due regard to its Public Sector Equality Duty (“PSED”) under the Equality Act 2010 in considering whether to revise or replace its scheme. A comprehensive Equalities Impact Assessment will be required in order to inform the final proposals. Consideration of the PSED will include how the council will remove or minimise any disadvantage suffered by people with a protected characteristic (by way of their age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, pregnancy, or maternity).

9. Participants

Scrutiny Panel Task Group Membership 2021/2022

- Councillor Clare Potter
- Councillor Caroline Selman
- Councillor Gilbert Smyth
- Councillor Ian Rathbone
- Councillor Kam Adams
- Councillor Lynne Troughton
- Councillor Penny Wrout
- Councillor Sophie Conway
- Councillor Anya Sizer
- Councillor Richard Lufkin

External Contributors

- Fiona Daly, Advice Session Supervisor from the Citizens Advice Bureau (Hackney)
- Robert Joyce, Deputy Director from the Institute for Fiscal Studies
- Hannah Aldridge, Senior Policy and Research Officer from Child Poverty Action Group
- Hazel Saunders, Business Development Manager from Deaf Plus in Hackney.
- Adam Pervoe, Service Manager for Information, Advice, Advocacy and User Involvement from Age UK East London
- Alan Porter, Head of Benefits, London Borough of Camden
- Cllr Andrew Wilson, Cabinet Member Finance and Performance, London Borough of Lambeth

London Borough of Hackney

- Cllr Rob Chapman, Cabinet Member for Finance
- Cllr Nick Sharman, Chair of Audit Committee*
- Ian Williams, Group Director Corporate Finance and Resources
- Jackie Moylan, Director, Financial Management
- Russell Harvey, Senior Financial Control Officer, Financial Planning & Technical
- Jennifer Wynter, Head of Benefits and Housing Needs
- Neil Clarke, Head of Revenues
- Andrew Croucher, Operations Manager (Benefits & Housing Needs)
- Ian Jones Legislation, Strategy & Projects Officer (Benefits & Housing Needs)
- Ross Hatful Legislation, Strategy & Projects Officer (Benefits & Housing Needs)

10. Glossary

Abbreviation	Full Meaning
CTB	Council Tax Benefit
CTRS	Council Tax Reduction Scheme
IFS	Institute of Fiscal Studies
CPAG	Child Poverty Action Group
CTR	Council Tax Reduction
CAB	Citizen Advice Bureau
CT	Council Tax
UC	Universal Credit
ESA	Employment and Support Allowance

11. Reports and Written Submission To Task Group

- Institute for Fiscal Studies - [The impacts of localised council tax support schemes \(full report\)](#)
- Institute for Fiscal Studies - [The impact of localised council tax support schemes \(executive summary report\)](#)
- Child Poverty Action Group - [Still Too Poor To Pay-Council Tax Support in London 2018-19](#)
- House of Commons Briefing Paper - [Council Tax Reduction Schemes GB](#)
- Institute for Government - [Local Government Funding in England](#)
- [The Council Tax Reduction Schemes \(Default Scheme\) \(England\) Regulations 2012](#)
- Written submission from CPAG to questions from CTRS Group
- Written submission from the Citizens Advice Bureau to questions from CTRS Group
- Written submission from Age UK East London to questions from CTRS Group
- Presentation from London Borough of Camden to questions from CTRS Group
- Written submission from London Borough of Lambeth to questions from CTRS Group
- Presentation from London Borough of Hackney to questions from CTRS Group

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>4 December 2023</p> <p>Item 7 – Executive Response to the Net Zero Scrutiny Panel Report</p>	<p>Item No</p> <p>7</p>
--------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------

OUTLINE

It was recognised that to reach the UK’s net zero ambitions will require all tiers of government, businesses, institutions and communities to work closely together.

The Council declared a climate emergency in 2019 and has been building its vision to transition to net zero since. Hackney, and the UK generally, has made good progress in reducing emissions over the last decade, but it is recognised that faster and coordinated action will be needed to protect communities and the environment from the effects of climate change.

The Net Zero Review was established by the Scrutiny Panel in October 2021. It was set up to look at what is needed to meet national and local net zero targets, set by Government and the Council. This review also looked at how the Council planned to meet its ambitions in a manner that was affordable, efficient and fair.

The review was an amalgamation of work by the overarching Scrutiny Panel and the thematic Scrutiny Commissions: Health in Hackney, Living in Hackney and Skills, Economy and Growth during the municipal year 2021/2022.

The draft report and recommendations were finalised and agreed by Scrutiny Panel in April 2023 and the Executive response was agreed by Cabinet in October 2023.

Purpose

The Scrutiny Panel to note the Executive response. The Scrutiny Panel is asked to consider if they want to request further information in relation to the tracking and monitoring of the recommendations.

Reports attached for this item

- Executive response to the Overarching Scrutiny Panel Net Zero Report
- Net Zero Overarching Scrutiny Panel Review Report

ACTION

Members are asked to consider the Executive response, agree the next steps for this work and the timeline for an update on the recommendations.

This page is intentionally left blank

Title of Report	Executive Response to the Overarching Scrutiny Panel Investigation into Net Zero
Key Decision No	Non Key Decision
For Consideration By	Cabinet
Meeting Date	23 October 2023
Cabinet Member	Cllr Mete Coban, Cabinet Member for Climate Change, Environment and Transport
Classification	Open
Ward(s) Affected	All
Key Decision & Reason	Not required
Implementation Date if Not Called In	
Group Director	Rickardo Hyatt, Group Director, Climate, Homes and Economy

1. **Cabinet Member's introduction**

- 1.1. I welcome the review recommendations from the Scrutiny Panel (SP) as a result of its in depth examination of the Council's plans to achieve net zero. When this review started in October 2021, the Council was already delivering key practical activities associated with achieving net zero, however, the investigation by the SP has enabled a broader cross-cutting review across a wider range of the Council's services.
- 1.2. During the period of the review, a number of key plans and strategies have been put in place that provide the framework for action since a Climate Emergency was declared in 2019, in particular the [2023-2030 borough-wide Climate Action Plan](#) (CAP) and [three-year Council Implementation Plan](#) (CIP), amongst others. There are also new pieces of policy and strategy work in train, such as the development of an Economic Development Plan, a new Housing Strategy and an updated Sustainable Procurement and

Insourcing Strategy that will all have clear actions that link to Council and borough-wide plans to achieve net zero, endeavouring to work with businesses in our supply chain, as well as more widely.

- 1.3. Many of the responses to the recommendations indicate that whilst there is clearly more to do, work has already started in a number of key areas at pace as the Council seeks to embed the organisation wide approach to net zero and further support cross-cutting benefits such as enabling a larger local green economy with more skilled jobs to support that.
- 1.4. The Council also continues to lead in a number of areas, such as transport, and I am pleased to note the recent successes at the [British Parking Awards 2023](#) where the Council won three awards in recognition of its commitment to providing a public service and improving the streets of East London. The Council was named Parking Team of the Year, won the School Streets Award, as well as the Communication Award for its [Parking & Enforcement Plan](#) (PEP), which was adopted in October 2022.
- 1.5. Announcements by the Government recently declaring an intention to delay actions on net zero in a number of emission areas are extremely disappointing and short-sighted. In particular, those pertaining to the phasing out of petrol and diesel vehicles, gas boilers and implementing increased regulatory standards to improve the energy efficiency of properties within the private rented sector. All these actions undermine previous signals as to the seriousness of the Government's intent and may force the private sector and others to review future investment decisions that support and accelerate the path to net zero within the UK in areas that are already progressing too slowly, such as transport and housing. Accelerating plans to switch to electric vehicles and heat pumps have wider benefits in the long run, with the potential to save people money and improve people's health.
- 1.6. The full impact of these decisions, alongside others such as the recent approval of the Rosebank oil and gas field can only undermine our standing internationally. The details will be the subject of more extensive analysis by independent organisations, such as the [Climate Change Committee](#), but it is already evident that an extended period of reliance on gas will be more expensive than going low-carbon and provide little comfort to those already experiencing fuel poverty and living in poor quality energy inefficient homes.
- 1.7. Despite this news, the Council is continuing with the roll out of its electric vehicle charging programme, the largest in the country and I hope to be able to make further announcements regarding external funding applications for

work supporting improving our social housing portfolio, amongst others, shortly.

- 1.8. Looking to the near future, the Council is gearing up for the next Public Sector Decarbonisation Fund bidding round, which is now open, with the caveat that applications will be subject to eligibility. Round 2 of Hackney Light and Power's [Community Energy Fund](#) will be launched on the 19th October 2023 and the Council will be starting work imminently with neighbouring local authorities to develop a Local Area Energy Plan that identifies the utility infrastructure that is needed to support the transition to net zero.
- 1.9. Whilst the challenges may continue, the ambition, commitment and long term vision of the Council to create a greener Hackney remains unchanged.

2. Group Director's introduction

- 2.1. This report requests approval of the Executive response to the recommendations of Scrutiny Panel Overarching Review into Net Zero, which can be found in Appendix 1.
- 2.2. These recommendations seek to further strengthen the Council's response to the climate and ecological crisis across a wide range of topic areas including: monitoring, governance, leadership, investment & finance, housing & corporate property, transport, energy plus education, skills & economic development, all with a focus on net zero.
- 2.3. Since this review began in October 2021, the Council has progressed a number of key commitments which now provide the framework for future carbon emission reductions, both borough-wide and for the Council, noting that for the Council this is based on what it can control or influence.
 - **Climate Action Plan:** The Hackney [CAP 2023 - 2030](#), was formally adopted at Cabinet in May 2023. It is the first holistic borough-wide plan to address the climate and ecological crisis, bringing together the various strands into one overall document. This is underpinned by the CIP which sets out the key actions for the Council for the next three years to deliver the goals and objectives of the CAP and was an item at Full Council in July 2023 alongside the annual update on progress with the Council's decarbonisation commitments;
 - **Updated Council net zero target:** The Council's existing target for its own greenhouse emissions requires a 45% reduction by 2030 based

on a 2010 baseline and 'net zero' by 2040. The Council rejoined the UK100 membership network on 17th May 2023. As such the Council now has a revised 'net zero target' of 2030 for territorial emissions that fall within the current UK100 scope; and

- **Other relevant plans and strategies:** The PEP 2022-27 was formally adopted at Cabinet in October 2022. Key elements of the PEP seek to implement measures to reduce the impact of highly polluting vehicles, encouraging cleaner alternatives. The [Green Infrastructure Strategy 2023-2030](#) was formally adopted at Cabinet in June 2023. Green infrastructure is integral and essential to the Borough's resilience, meeting its future challenges and the delivery of its wider strategies, both at a community and individual level. The [Hackney Local Nature Recovery Plan 2023-2030](#) was formally adopted at Cabinet in June 2023 and identifies a number of nature recovery areas alongside practical actions for their improvement.

- 2.4. The review recommendations are also well timed so as to be able to inform a number of tasks which are underway and include preparing a draft Economic Development Plan, updating the Council's Transport Strategy and supporting plans, as well as adopting an updated Sustainable Procurement and Insourcing Strategy, amongst others.
- 2.5. Since the completion of the review report, officers across the Council have participated in further scrutiny commission sessions that are assessing the Council's response to net zero in specific areas.
- 2.6. It should be noted that a number of review recommendations may require additional funding which has currently not been confirmed and will therefore need to be considered as part of the Council's medium term financial planning and budget setting process.

3. **Recommendations**

- 3.1. **That Cabinet approves the Executive response, found in Appendix 1, to the Scrutiny Panel Overarching Review into Net Zero.**

4. **Reason(s) for decision**

- 4.1. Hackney Council is required to produce an Executive response to the Scrutiny Panel Overarching Review into Net Zero. The response draws on work underway or planned and is in line with principles, values and priorities held by Hackney Council.

5. **Details of alternative options considered and rejected**

- 5.1. Scrutiny Reviews follow a set process that involves recommendations and responses by officers resulting in a report to Cabinet and hence there are no alternative options to be considered.

6. **Background**

Policy Context

- 6.1. The climate and ecological crisis is already having visible effects on the world - the earth is warming, rainfall patterns are changing, and sea levels are rising. These changes are leading to increased extreme weather events, such as flooding and drought, are risking the supply of natural resources and are having a detrimental impact on human health. In Hackney, this is being seen first-hand, with a number of major floods being experienced in recent years - most notably in Finsbury Park and Stamford Hill.
- 6.2. Internationally, policy and decision makers are beginning to act. The Paris Agreement underlines the need for net zero, requiring countries and territories like the UK to transition to a state in which the greenhouse gases going into the atmosphere are balanced by removal of greenhouse gases out of the atmosphere. Achieving net zero requires changes that are unprecedented in their overall scale, and meeting the national net zero target is considered one of the biggest, most complex and cross-cutting challenges that the UK faces.

Climate Action Plan

- 6.3. Reaching the UK's net zero ambitions requires all tiers of government, businesses, institutions and communities to work closely together. In response, the Council declared a climate emergency in 2019 and has been building its vision to transition to net zero resulting in the adoption of a borough-wide CAP 2023-2030 in May this year. Sitting alongside the CAP is a CIP, which provides a detailed set of key actions for the Council to undertake initially over the next three years and that contribute to delivering the goals and objectives within the CAP, considering where the Council has direct control and most influence to maintain momentum with its own climate response.
- 6.4. Although Hackney and the UK generally have made good progress in reducing emissions in specific areas over the last decade, it is recognised that faster and coordinated action will be needed to protect communities and

the environment from the effects of climate change. The CAP therefore sets out the ambitious, science-based changes that need to be progressed to achieve a borough-wide reduction in carbon emissions by 2030.

Net Zero Overarching Scrutiny Panel Review

- 6.5. The Net Zero Overarching Scrutiny Panel Review was established by the Scrutiny Panel in October 2021 to look at what may be needed to meet both national and local net zero targets and to assess how the Council could better meet its ambitions in a manner that is affordable, efficient and fair. Its key purpose was to play an active role in stress-testing and querying assumptions in the development of local climate action, particularly in light of the pandemic, whilst supporting the Council to engage with key stakeholders in the locality to better understand and align priorities.
- 6.6. The approach to the review reflected the scale of the net zero challenge and its cross-cutting nature. Through the Scrutiny Panel and thematic Scrutiny Commissions, it engaged, listened and learned from a range of organisations, businesses, industries and communities on a number of issues and policy areas, from decarbonising buildings, transport and waste, to supporting the delivery of clean energy projects, managing a transition to a low-carbon, circular economy and enabling green growth. The full report from the review is attached as Appendix 2.
- 6.7. The review was built from an amalgamation of work by the overarching Scrutiny Panel and the thematic Scrutiny Commissions: Health in Hackney, Living in Hackney and Skills, Economy and Growth. It gathered a range of qualitative and quantitative evidence to meet the aims and objectives of the review. Methods and sources used to gather this evidence were:
- **Desktop research and analysis:** Desk-based research was used to help establish the national legislative and policy framework which guides the UK's transition to net zero and to review key national data and trends, academic research and policy analysis in relation to climate change and net zero;
 - **Engagement with local stakeholders:** A range of local stakeholders were engaged to establish local policy and practice in relation to climate change and net zero. As well as providing an opportunity to review localised data, engaging with local stakeholders facilitated a more qualitative assessment of climate action in Hackney;
 - **Comparisons with other local authorities:** To support comparative analysis of local climate action across the capital, London Borough of Harrow, London Borough of Waltham Forest, the Greater London

Authority (GLA) and London Councils were invited to contribute to the review. Their involvement helped the Council to compare and benchmark policy and practice and helped to identify additional good practice where relevant; and

- **Specialist contributions:** Expert independent analysis helped to gather further insight into the Council's path to net zero. This was provided through direct submissions to the review from Buro Happold, as well as desktop research and analysis.

Equality impact assessment

6.8. Hackney Council and its decision-makers must comply with the Public Sector Equality Duty set out in Section 149 of the Equality Act (2010), which requires us to have due regard to the need to:

- 1) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- 2) Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- 3) Foster good relations between people who share a protected characteristic and those who do not.

6.9. Having due regard to the need to advance equality of opportunity involves considering the need to:

- Remove or minimise disadvantages suffered by people due to their protected characteristics;
- Meet the needs of people with protected characteristics; and
- Encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

6.10. The implementation of the recommendations from the review should therefore pay due regard to the equality considerations to ensure that the Council is compliant with its statutory obligations under the Equality Act 2010.

6.11. The Council will continue to consider the impact on all protected characteristics during the ongoing development and implementation of the climate actions, including those associated with the review recommendations. Where appropriate, it will undertake additional

engagement with the community or more detailed equality analysis where negative impacts on specific protected characteristics have been identified.

Sustainability and climate change

- 6.12. 27 recommendations were set out in the Scrutiny Panel report, covering a wide range of actions aimed at promoting sustainability and addressing the climate crisis, with a focus on achieving net zero. They included measures related to monitoring, governance, community engagement, financing, the circular economy, energy efficiency, transport, waste management, education, amongst others, and support the objectives and delivery of actions set out in the CIP, as well as the 2030 goals identified within the CAP.
- 6.13. These recommendations will help the Council and the borough to reach net zero targets and, at the same time, can deliver societal impacts, also known as co-benefits.
- 6.14. Some potential co-benefits associated with these recommendations include:
- Actions related to transport, such as bus electrification and increasing electric vehicle charging points, will help to reduce emissions from vehicles, leading to improved air quality with benefits for public health;
 - Promotion of sustainable active travel options, such as walking and cycling, will encourage physical activity and reduce obesity rates;
 - Implementation of energy efficiency measures such as retrofitting buildings and electrification of heat using heat pumps may result in cost savings for residents, help to alleviate fuel poverty and create more liveable homes and workplaces in the longer term;
 - Transition to renewable energy sources, decarbonised heat and more circular economies may lead to job creation, the upskilling of existing job roles, and enable greener economic growth to the benefit of the whole community;
 - Better engagement in respect of the breadth of our communities will help to increase social equity and inclusion, addressing social justice issues; and
 - The implementation of green infrastructure such as sustainable drainage systems, tree planting may reduce the likelihood of surface

water flooding episodes, create new habitats for wildlife and support local biodiversity.

- 6.15. Co-benefits alongside key performance Indicators and targets for carbon reduction within the monitoring framework will enable the effectiveness of the Council's actions to be assessed, whilst providing insights to shape future decision-making and investments in climate projects.

Consultations

- 6.16. There is no requirement for a public consultation on the recommendations from this review, although a number of stakeholders have provided contributions to scrutiny sessions. Scrutiny Commissions are held in public with agendas, key content, recordings of sessions and minutes publicly available.

Risk assessment

- 6.17. Many aspects of the transition are inherently uncertain, hence it is likely that progress may be faster in some sectors than others. Even in the near term, there is high uncertainty whether projected emissions savings will advance as anticipated.
- 6.18. There are a number of key risks, both for the Council and more widely, which could impact on the success of implementing specific recommendations from the review noting that currently, not all the necessary infrastructure, finance, and regulation are in place to enable the changes needed, with a burgeoning impact of the cost of living crisis on current and future patterns of expenditure at both a personal and organisational level. The UK will only meet its emissions reduction targets if central government, regional bodies and local authorities, amongst others, work together to resolve some of these key barriers, noting that local authorities only have powers or influence over roughly a third of territorial greenhouse gas emissions in their local areas.

Finance

- 6.19. Local areas have a huge role to play in reaching net zero and have the ability to start implementation quickly, however, they do not have the funding they need. Central government must provide certainty on its long-term funding plans for key areas such as retrofit and energy efficiency. Without this, it is impossible for local areas to play their part in building the skills, capacity and engagement needed to meet the challenge.

Organisational change

- 6.20. The Council's ambitions for decarbonisation require leadership across the organisation and involve transformational work across almost all functions, rethinking how it works and identifying the skills requirements and resources to manage its climate response effectively. This, coupled with a desire to use the role of the Council in leading, shaping and influencing decarbonisation of the Borough, will place added requirements that will need to be effectively targeted, managed and resourced.

Policy gaps

- 6.21. There are estimated policy gaps associated with 57% of the future greenhouse gas emissions reductions required nationally, noting that this is before recent announcements by the government to delay a number of key net zero policies and targets. Embedding and integrating net zero and climate adaptation properly across the policy landscape is vital. Clearer responsibilities are needed between central government departments, regulators, the GLA, and local authorities for the actions and interactions on the path to net zero.

Skills

- 6.22. Workers will need to develop new skills to fill the needs of new low-carbon markets. However, evidence on skills requirements and current employment in key occupations (e.g. home retrofit coordinators) is limited. Availability of skilled workers therefore poses a risk for the net zero transition.

Stakeholder engagement

- 6.23. The success of the Borough's climate responses is dependent on the collective efforts of Hackney's stakeholders, central and regional governments, and the Council's civic leadership. This collaboration inspires change and addresses the climate emergency by connecting various organisations and communities.

7. Comments of the Interim Group Director Finance

- 7.1. There are no financial implications arising directly from approving the recommendation in this report. The Scrutiny report provides a set of recommendations to address the climate and ecological crisis, which will be implemented through the Council's Governance processes. As far as possible the recommendations will be delivered within the existing approved budget, both capital and revenue. Any recommendation requiring additional

resources should be fully assessed and considered as part of the Council's medium term financial planning (MTFP) process. It is important to note that the Council is facing a significant revenue budget gap over the medium term to 2026/27 and any recommendation giving rise to additional expenditure should be considered in the light of this financial challenge.

- 7.2. Included with the Council's approved capital programme of nearly £1bn in the three years to 2026/27 is an investment of £61m in projects which contribute to the Council's net zero target. The financing of the overall capital programme is included with the Council's MTFP. It is important to keep in mind additional capital projects without earmarked funding, such as grants or capital receipts, will need to be funded by borrowing which will impact our revenue budget and add to budget pressures going forward.
- 7.3. As stated above, taking forward the recommendations arising from this review should as far as possible be contained within existing budgets, both revenue and capital given the financial challenges facing the Council. Any recommendation requiring additional resources will need to be considered as part of the Council's medium term financial planning and budget setting process.

8. **VAT implications on land and property transactions**

- 8.1. Not applicable.

9. **Comments of the Acting Director of Legal, Democratic and Electoral Services**

- 9.1. The Scrutiny Panel / Scrutiny Commissions are empowered under Article 7 of the London Borough of Hackney's Constitution to undertake policy reviews generally and make suggestions for improvements.
- 9.2. There is currently no legal requirement for the Council to achieve specific carbon saving targets. However, the Council is under a general duty to have regard to the environment in all decisions it makes, and national government has set a legally binding target to reduce national carbon emissions to net-zero by 2050. Furthermore, the Mayor of London has set a target for London to be net zero carbon by 2030.
- 9.3. Within the Mayors Scheme of delegation, it is reserved to the Mayor and Cabinet to Respond to Overview and Scrutiny Reports. Within this report, Cabinet is asked to approve the Executive response (attached as Appendix

one) to the Scrutiny Panel Overarching Review into Net Zero. The Mayor and Cabinet are authorised to approve the recommendation set out in part 3.1 of this report.

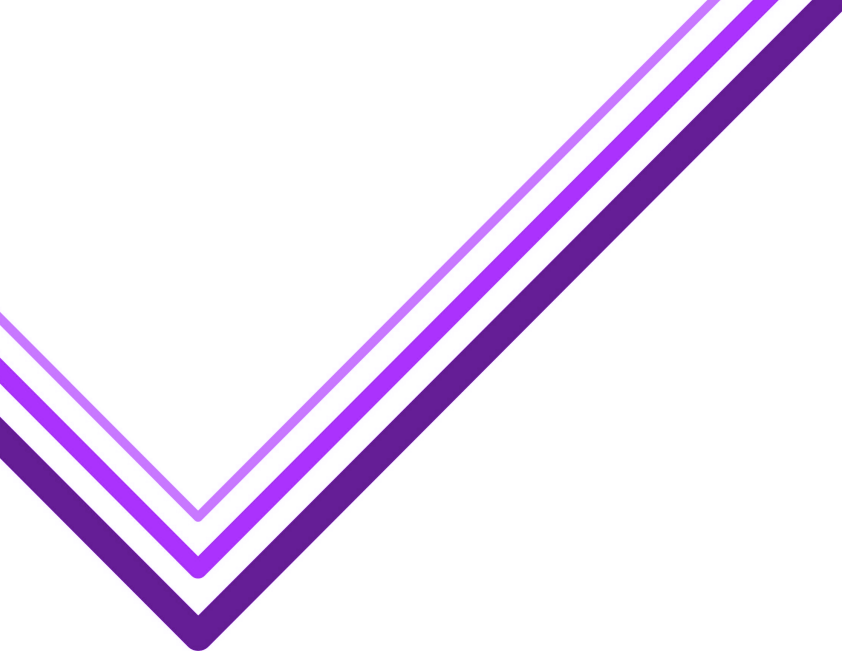
Appendices

Appendix 1 - Executive response to the Scrutiny Panel Overarching Review into Net Zero.

Background documents

[Appendix 2: Full report from Overarching Scrutiny Panel Investigation into Net Zero.](#)

Report Author	Name: Matthew Carrington Title: Strategic Corporate Lead - Climate Emergency Email: matthew.carrington@hackney.gov.uk Tel: 020 8356 7969
Comments for the Interim Group Director, Finance prepared by	Name: Deirdre Worrell Title: Director of Finance, Climate Homes and Economy Email: deirdre.worrell@hackney.gov.uk Tel: 0208 356 7350
Comments for the Acting Director of Legal, Democratic and Electoral Services prepared by	Name: Jo Sterakides Title: Senior Lawyer - Litigation and Public Realm Email: josephine.sterakides@hackney.gov.uk Tel: 0208 356 2775



Net Zero

Overarching Scrutiny Panel Review



Table of Contents

Chair’s Foreword	4
Introduction	5
Methodology	6
Recommendations	6
National Policy and Context	9
The role of central government	9
National progress against net zero	10
Local Policy and Practice	11
The role of regional and local government	11
The case for local climate action	12
Hackney’s Climate Action Plan	13
Monitoring, Governance and Leadership	14
Political leadership	14
Corporate governance	15
Monitoring	16
Stakeholder engagement	17
Investment and Finances	18
Cost of transitioning to net zero	18
Sources of finance	19
Housing and Corporate Property	21
Council housing	21
Private sector housing	22
New homes delivery	23
Council strategic property	24
Transport	26
Public transport	26
Active travel	27
Electric vehicles (EV) charging infrastructure	28
Energy	30
Planning policy	30
Renewable energy generation	32
Purchasing renewable power	33
Education, Skills and Economic Development	35
Consumption	35
Supporting local businesses to decarbonise	36
Education and skills	37
Conclusion	41
Finance Comments	41
Legal Comments	41
Appendices	41

Membership	41
Participants	42
Meetings	44
Bibliography	45
Glossary of Terms	48
List of Abbreviations	50

Chair's Foreword

The climate emergency has a daily impact on our lives in Hackney. As residents we experience soaring temperatures and sudden floods. Climate change has a very real impact on our activities and well-being and impacts our physical and mental health. Poor air quality in London shortens lives disproportionately impacting residents who are more vulnerable economically and socially. Climate Justice is inextricably linked to economic, social and racial justice.

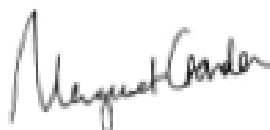
Many of us living in Hackney have close ties with the global south who experience even more devastating extremes of climate change. Hackney's communities have a proud tradition of campaigning and activism and many of our residents are at the forefront of climate activism.

In the May 2022 elections the vast majority of residents voted for parties committed to tackling climate change. With this background and Mayor Glanville's role as chair of the London Council's Transport and Environment Committee it is essential that Hackney is ambitious and innovative in tackling the climate emergency.

Following Mayor Glanville's declaration of a climate emergency and the council setting a target of net zero across council functions by 2040 Scrutiny Panel and the Scrutiny Commissions were determined to take central role holding the executive to account for the implementation of the policy. This report and its recommendations reflect an innovative way of working for Scrutiny in Hackney as it draws together thematic work across the commissions as well as by Scrutiny Panel.

All of the scrutiny work underpinning this report took place prior to the consultation of Hackney's draft Climate Action Plan. We welcome the ambitions of the plan particularly where it reaches beyond council functions but will continue to interrogate its delivery. In particular, it is a priority for us that the council engages widely across our communities that the developing plan draws on the lived experience of all Hackney's residents and that ensuring a just transition for all parts of our community is central to delivery.

I would like to thank the chairs, vice-chairs and all scrutiny commission members and everyone who gave evidence to the commissions for their contributions to this work as well as the Scrutiny team.



Councillor Margaret Gordon

Chair of the Scrutiny Panel

Introduction

The climate and ecological crisis is already having visible effects on the world - the earth is warming, rainfall patterns are changing and sea levels are rising. These changes are leading to increased extreme weather events, such as flooding and drought, are risking the supply of natural resources and are having a detrimental impact on human health. In Hackney we have seen this first hand, with a number of major floods being experienced in recent years - most notably in Finsbury Park.

Internationally, policy and decision makers are beginning to act. The Paris agreement underlines the need for net zero, requiring countries and territories like the UK to transition to a state in which the greenhouse gases going into the atmosphere are balanced by removal of greenhouse gases out of the atmosphere. Achieving net zero will require changes that are unprecedented in their overall scale, and meeting the national net zero target is considered one of the biggest, most complex and cross-cutting challenges that the UK faces.

Reaching the UK's net zero ambitions will require all tiers of government, businesses, institutions and communities to work closely together. In response, the Council declared a climate emergency in 2019 and has been building its vision to transition to net zero since. Hackney, and the UK generally, has made good progress in reducing emissions over the last decade, but it is recognised that faster and coordinated action will be needed to protect communities and the environment from the effects of climate change.

It is within this context that the Net Zero Review was established by the Scrutiny Panel in October 2021. It was set up to look at what is needed to meet both national and local net zero targets, and to ask how the Council could better meet its ambitions in a manner that is affordable, efficient and fair. We felt we could play an active role in stress-testing and querying assumptions in the development of local climate action, particularly in light of the pandemic, and support the Council to engage with key stakeholders in the locality to better understand and align priorities.

The way in which the review was approached reflects the scale of the net zero challenge and its cross-cutting nature. Through the Scrutiny Panel and thematic Scrutiny Commissions, we engaged, listened and learned from a range of organisations, businesses, industries and communities on a number of issues and policy areas from decarbonising buildings, transport and waste, to supporting the delivery of clean energy projects, managing a transition to a low carbon, circular economy and enabling green growth.

The recommendations made in the review reflect this extensive engagement, and we have sought to understand not only the barriers which are challenging the delivery of local action, but also the opportunities that can support local stakeholders in their net zero journey. While our recommendations are directed at the Council and key stakeholders, tackling climate change is a shared responsibility and we recognise the importance of ensuring that all of Hackney's stakeholders are actively involved in climate action.

Methodology

The review was an amalgamation of work by the overarching Scrutiny Panel and the thematic Scrutiny Commissions: Health in Hackney, Living in Hackney and Skills, Economy and Growth.

We gathered a range of qualitative and quantitative evidence to meet the aims and objectives of the review. The methods and sources used to gather this evidence are summarised below.

Desktop research and analysis

Desk based research was used to help establish the national legislative and policy framework which guides the UK's transition to net zero and to review key national data and trends, academic research and policy analysis in relation to climate change and net zero.

Consultation with local stakeholders

A range of local stakeholders were consulted as part of the review to establish local policy and practice in relation to climate change and net zero. As well as providing an opportunity to review localised data, consultation with local stakeholders facilitated a more qualitative assessment of climate action in Hackney.

Comparisons with other local authorities

To support comparative analysis of local climate action across the capital, London Borough of Harrow, London Borough of Waltham Forest, the Greater London Authority (GLA) and London Councils were invited to contribute to the review. Their involvement helped us to compare and benchmark policy and practice, and helped us to identify additional good practice where relevant.

Specialist contributions

Expert independent analysis helped us to gather further insight into the Council's path to net zero. This was provided through direct submissions to the review from Buro Happold, as well as desktop research and analysis.

Recommendations

	Monitoring, Governance and Leadership	Page
1	The Council should report back on how progress against the objectives of the Climate Action Plan will be measured and monitored, and how oversight structures including the Audit Committee, Scrutiny Panel and Scrutiny Commissions will fit into the monitoring framework.	17

2	The Council should explore establishing an appropriate and robust external governance framework to reflect that the transition to net zero is not focused only on its own activities, but also on those borough-wide emissions for which it is not responsible.	17
3	The Council should demonstrate how each service department will contribute in concrete terms to the management and delivery of the Climate Action Plan, and in particular the accompanying Three Year Implementation Plan , (both in terms of implementing actions, budgeting and continuing to innovate) for those areas that relate to their remits.	17
4	The Council should explore the ways in which it can improve its engagement on net zero with harder to reach groups and those least likely to engage in formal ways , such as those whose first language is not English, people with disabilities, young people, the elderly, people with low literacy levels and the digitally excluded.	17/18
	Investment and Finances	
5	The Council should undertake more detailed modelling on current and future spending on net zero-related policies, as well as the benefits derived from this expenditure , to develop a fuller understanding of the finance and resourcing needs of the transition to net zero.	20
6	The Council should collaborate with other boroughs and regional authorities to lobby central government to get external funding for the net zero agenda, and should proactively identify and respond to new funding opportunities as they arise.	20
	Housing and Corporate Property	
7	The Council should ensure its tenants and leaseholders are supported as much as possible to engage in low-carbon lifestyles , for example through welcome packs providing information and discounts at reuse and repair shops.	25
8	The Council should demonstrate how it will work with registered social landlords operating within the borough to coordinate actions on retrofit and other decarbonisation measures, and share examples of good practice for mutual benefit.	25
9	The Council should explore broadening the licensing requirements for additional houses in multiple occupation (HMO) and selective licensing schemes to cover the whole borough and include energy efficiency, retrofitting and fuel poverty requirements.	25
10	The Council should investigate and report back on the options and implications for expanding the provision of retrofitting and net zero advice to owner-occupiers and the private rented sector, and consider identifying retrofit champions who are willing to talk about their experiences of retrofitting.	25

11	The Council should report back on its longer term plan on how it intends to bring the corporate estate in line with the net zero goal , including its retrofitting programme and exploration of clean energy projects.	25
12	The Council should explore including within lease agreement requirements for its commercial property tenants to use renewable electricity, monitor usage and make energy-related information available .	25
	Transport	
13	The Council and Transport for London should review decarbonisation pathways for bus services in Hackney , particularly around the opportunities to accelerate the rollout of electrification technologies.	29
14	The Council should explore the ways in which it can improve the evidence base for increasing the uptake of active and sustainable travel choices across the borough, with a particular focus on the links with health, education and the local economy.	29
15	The Council should undertake a business perceptions survey to measure how local businesses view active travel and its impact on them, and how best to share information and engage with businesses on this agenda.	29/30
16	The Council should review current activity in promoting electric vehicles (EVs) across London and explore ways in which it can work more closely with vehicle manufacturers and operators to deliver consistent and high-quality provision that removes all barriers to uptake.	30
	Energy	
17	The Council should embed the use of Post Occupancy Evaluation (POE) and data sharing in its planning policy, on all developments where the building has been in use for a minimum of three years to ensure robust monitoring processes for energy performance and enable constructive dialogue with developers on energy efficiency.	34
18	The Council should report back on the current London-wide picture of decentralised energy projects and pipeline schemes that could provide opportunities for future programmes, and explore collaborative procurement/investment opportunities for renewable power with other boroughs and regional authorities such as the North London Waste Authority.	34
19	The Council should enhance communications around the benefits of installing solar panels and the support available to businesses and households .	34
20	The Council should keep the hydrogen production market under review , and where possible ensure all new or replacement boilers are considered for hydrogen gas heating .	34
	Education, Skills and Economic Development	

21	The Council should outline the progress it has made in embedding actions to reduce carbon emissions into internal procurement and management processes, and the options it is exploring to go further.	40
22	The Council should report back on the impact of waste management work and objectives to reduce waste arisings and improve recycling and food composting rates , and with particular consideration given to commercial waste.	40
23	The Council should undertake local business surveys to identify the nature and level of support needed for local businesses to decarbonise, and to map existing green businesses in the borough.	40
24	The Council should work with neighbouring boroughs and partner organisations to identify new solutions and traffic management options to reduce carbon emissions from freight and logistics.	40
25	The Council should work with other boroughs, training and education partners and businesses to map out the scale and nature of green jobs in London and in Hackney, to consider the implications this will have on education and skills training provision.	40
26	The Council should work with schools and educational settings to enhance the quality of climate education, create hands-on opportunities for children and young people during the development and retrofitting of council-owned properties, and encourage carbon reduction measures in play areas and grounds such as tree planting, Sustainable Drainage Systems and natural play spaces.	40
27	The Council should report back on its plans to align, expand and grow its Direct Labour Organisation (DLO) to be able to undertake carbon reduction measures, such as installing low carbon heat sources and retrofitting, as well as the progress it has made to date.	40

National Policy and Context

The role of central government

In 2018, central government set the UK's first net zero target to be reached by 2050 - the first major economy to do so worldwide. To guide this transition, central government has published its Net Zero Strategy, which sets out a wide-ranging set of policies and proposals to reduce greenhouse gas emissions for each sector in the economy, including the UK's share of aviation and shipping.¹

The Department for Business, Energy & Industrial Strategy (BEIS) has overall responsibility in government for achieving net zero. Historically, the Department for Environment, Food

¹ [Net Zero Strategy: Build Back Greener, UK Government](#)

and Rural Affairs (Defra) and the Treasury (HMT) have also played important roles in designing UK climate policy. The Ministry for Housing, Communities and Local Government (MHCLG) and Department for Transport (DfT) are responsible for policies that affect buildings and transport emissions, which will have an increasingly important role to play in reaching net zero. Having said this, the all-encompassing nature of achieving net zero means that all government bodies, including departments, arm's-length bodies and executive agencies have a role to play.

The Climate Change Committee (CCC) is a non-departmental public body that advises central government on the climate, and publishes progress and advisory reports. It provides a national recommended Carbon Budget (the limit for UK net greenhouse gas emissions over a period of time), which acts as stepped reduction targets to achieve the central government net zero target of 100% reduction by 2050. These are then set in law, following which the government is required to bring forward policies to deliver the targets.²

The latest is the Sixth Carbon Budget (which runs from 2033 to 2037), outlining the required greenhouse gas emissions reductions, along with the current policy gap to help the country achieve them. It requires a 78% reduction in UK territorial emissions between 1990 and 2035. If this budget is met it would reduce the UK's annual per capita greenhouse gas emissions by 2035 in line with pathways consistent with meeting the Paris 1.5°C goal.³

These are comprehensive targets covering all greenhouse gases and all sectors, including international aviation and shipping, intended to be delivered entirely in the UK without recourse to international carbon credits. Meeting the targets requires action from businesses and people across all sectors, led by central government.

National progress against net zero

The UK has a leading record in reducing its own emissions. The CCC's Sixth Carbon Budget estimates that, as of 2021, the UK had reduced its greenhouse gas emissions by 47% below 1990 levels. Between 2008 and 2018, the UK's emissions reduced by 28%, faster than any other G20 economy. There was a decrease of 10% on 2019 greenhouse gas emissions but an increase of 4% on 2020, as greenhouse gas emissions in 2020 had been significantly impacted by the response to the COVID-19 pandemic.

Most of this reduction has come from changes to how electricity is generated, with a switch away from coal and increasing amounts coming from renewable sources such as wind, nuclear and solar power. Reducing emissions further to achieve net zero will require wide-ranging changes to the UK economy, including further investment in renewable electricity generation, as well as changing the way people travel, how land is used and how buildings are heated.

The CCC also reports on the UK's progress against achieving net zero by 2050. In its latest progress report to Parliament in 2022 the CCC stated that although central government now

² [Sixth Carbon Budget, Climate Change Committee](#)

³ [The Paris Agreement, UNFCCC](#)

has a Net Zero Strategy in place and positive progress has been made, important policy gaps remain.⁴ For example, the CCC suggests clear progress has been made in the sales of electric cars, although the development of charging infrastructure for electric vehicles is not making fast enough progress.

Rates of improvement in building energy efficiency continue to be below the necessary level. Limitations include the cost of retrofitting, mainly weighted towards the homeowner and the potential difficulties of retrofitting in older properties, including those listed or in conservation areas. Deployment of renewable electricity capacity, especially offshore wind, has been strong, although additional renewables and nuclear power are needed to meet the 2035 national grid decarbonisation goals.

The CCC's latest progress report also outlines a number of major risks to the UK achieving its targets including policy gaps associated with 57% of future greenhouse gas emissions, a lack of clarity over public engagement, the need to ensure effective governance of the Net Zero Strategy, and the availability of skilled workers to fill the needs of new low carbon markets.

Local Policy and Practice

The role of regional and local government

The Greater London Authority Act 1999 sets out environmental improvement and sustainable development as core aspects of the Mayor of London's role. They also have a duty to publish a 'London Environment Strategy' which covers an assessment of, and policies related to, biodiversity, waste management, climate change adaptation and mitigation, energy and air quality.⁵

Some of the most visible powers of the Mayor are in their control of London's transport network which gives them considerable scope over the capital's carbon emissions and air quality, alongside substantial powers over planning (although the role does not have significant responsibility for land management).

The Mayor of London has set a target for London to be net zero carbon by 2030 and selected a preferred pathway to net zero - the Accelerated Green pathway. Amongst other things, achieving this will require a nearly 40% reduction in the total heat demand of London's buildings, 2.2 million heat pumps in operation in London by 2030, 460,000 buildings connected to district heating networks by 2030, a 27% reduction in car vehicle km travelled by 2030 and fossil fuel car and van sales ended by 2030 and enforced in line with government's existing commitments.⁶

Local government has a key role to play in delivering net zero by 2050. Many local authorities have declared climate emergencies, and some have developed strategies and

⁴ [2022 Progress Report to Parliament, Climate Change Committee](#)

⁵ [London Environment Strategy, Greater London Authority](#)

⁶ [London Net Zero 2030: An Updated Pathway, Greater London Authority](#)

action plans to deliver net zero targets by 2050 and in some cases sooner. Local authorities play an important role in decarbonising local transport, buildings, energy and waste, and the overarching powers held by local authorities such as for spending, borrowing, investment and procurement will also be important in reducing carbon emissions.

Not only does local government drive action directly, but it also plays a role in communicating with, and inspiring action by, local businesses, communities and civil society. Although few emissions are within their direct control, 82% are within the scope of influence of local authorities, and around a third are dependent on sectors that are directly shaped or influenced by local authority practice, policy or partnerships.⁷

We know that local leaders are well placed to engage with all parts of their communities and to understand local policy, as well as political, social and economic nuances relevant to climate action. They can decide how best to serve communities and how to integrate activity so that action also delivers wider benefits - such as for fuel poor households, the environment and biodiversity, and the provision of green skills and jobs.

The case for local climate action

In 2020, the Council undertook an assessment of where Hackney's greenhouse gas emissions come from, looking at most recent available data at the time (2018).⁸ It showed that the type and amount of fuel used in buildings and vehicles are the biggest part of Hackney's territorial emissions, and most of these were from the fuel used in buildings, like gas-powered heating and using electricity for lighting and appliances. Cars and motorbikes create about 44% of emissions and LGVs about 37%, and buses emit the remainder. 74% of emissions are from consumption emissions, which come from a diverse range of goods and services.

The Council has also modelled the 'pathways' of actions and changes that would reduce emissions from buildings and vehicles, which requires direct changes to the energy systems and roads within Hackney. The modelling showed the actions that need to occur in Hackney include supporting the retrofit of public and private buildings, swapping gas boilers for low-carbon heat sources, tightening controls on the emissions produced by existing and new buildings, encouraging active travel and transitioning to electric vehicles and supporting businesses and communities to reduce greenhouse gas emissions in the products and services they use.

Reaching net zero will therefore require not only changes to energy systems and low-carbon infrastructure but behaviour shifts in how we travel, what we buy and how we use energy in our homes. The CCC's 2021 progress report estimates that practical solutions alone can only deliver 41% of required national greenhouse gas reductions - 59% of emission reductions will rely partially or wholly on behaviour changes.⁹

⁷ [Local Authorities and the Sixth Carbon Budget, Climate Change Committee](#)

⁸ [Net Zero Energy Strategy, London Borough of Hackney](#)

⁹ [2021 Progress Report to Parliament, Climate Change Committee](#)

Hackney has made progress in reducing emissions - the Council has committed to a 45% reduction in its own emissions (which equate to around 5% of the whole borough's emissions) by 2030 and net zero emissions by 2040. While the Council's emissions only account for about 5% of the borough's overall emissions, it also has a number of regulatory levers that can influence change on an estimated 25% of borough-wide emissions. Since 2010, borough-wide emissions from buildings and road transport in Hackney have fallen by about 27%.

Other organisations in the borough are taking a lead, too - Homerton University Hospital NHS Foundation Trust, for example, has achieved the Planet Mark in recognition of its efforts to reduce emissions and report its progress. It is the first hospital in the country to achieve this, and has maintained its certification since 2017, and the hospital has successfully cut its greenhouse gas emissions by 9.2%.¹⁰

Hackney's Climate Action Plan

Hackney's Climate Action Plan (CAP) was presented to Cabinet in October 2022. It provides a framework for businesses, organisations and individuals in Hackney to take action to reduce emissions and adapt to climate change.¹¹

We heard that the CAP will continue to be developed to keep pace with shifts across society, technology and wider policy, including the changing needs of communities, groups and organisations in Hackney.

The CAP aims to:

- Outline what a greener Hackney could look like by 2030 based on a fair and just transition.
- Build a shared understanding of the climate crisis and how stakeholders can work together to reduce emissions and adapt to climate change.
- Identify areas where local partners can collaborate on key strategic challenges such as financing and policy change.
- Outline proposals for monitoring and governance arrangements, as well as future stakeholder engagement.

Alongside this plan is a Three Year Implementation Plan, which provides a set of proposed actions for the Council to undertake over the next three years that contribute to delivering the goals and objectives of the CAP.¹²

A number of implementation levers have been identified by the Council:

- Strategies, research and plans such as better planning guidance to enable domestic retrofit and new housing and transport strategies.

¹⁰ [Homerton Hospital Trust, Planet Mark](#)

¹¹ [Hackney Climate Action Plan 2023-30, London Borough of Hackney](#)

¹² [Hackney Implementation Plan 2023-26, London Borough of Hackney](#)

- Partnerships and private sector collaboration and convening such as working with London Councils, other local authorities, housing associations, anchor institutions and key utility providers.
- Education and training such as better signposting and reskilling staff
- Delivery and flagship projects such as business as usual work and retrofit pilots of social housing.
- Regulations, licensing and planning such as lobbying for changes in domestic and non-domestic minimum energy efficiency standard (MEES) regulations and the scheduled Local Plan 33 update.

Monitoring, Governance and Leadership

Climate action cuts across all council departments and functions, and will involve the continued engagement of key stakeholders across Hackney. While every local authority's response is different, there are likely to be common themes underpinning good governance, leadership and political direction.

We therefore queried whether there was clear political and corporate leadership of the response to climate change in Hackney, how the Council will approach stakeholder engagement and whether there was a committed governance and monitoring process driving the response forward.

Political leadership

We heard that there are two Cabinet Members with overall responsibility for driving the Council's transition to net zero. The Cabinet Member for Environment and Transport has overall responsibility for climate change, including responding to the climate emergency, mitigation, adaptation and public awareness. The Cabinet Member for Families, Parks and Leisure has responsibility for the Council's tree programme and cross-cutting work on green infrastructure, nature recovery and biodiversity.

Having said this, due to the cross-cutting nature of the transition to net zero, all Cabinet Members will have a role to play and will need to work closely together if the Council is to achieve its ambitions. For example, the Cabinet Member for Housing has some responsibility for the retrofitting of council homes, the Cabinet Member for Employment, Human Resources and Equalities for green skills and jobs and the Cabinet Member for Delivery, Inclusive Economy and Regeneration for the planning service and economic development.

The Mayor of Hackney also holds a number of key roles regionally in respect of the climate crisis, as Chair of London Council's Transport and Environment Committee and a Member of its Leader's Committee. The Mayor is also Co-Chair of the Green New Deal Advisory Group which supports the Green New Deal workstream of the London Recovery Board.

Corporate governance

The Council's transition to net zero of solely its corporate functions will require mobilisation and leadership across the organisation, ownership of particular elements of the overarching CAP and involve transformational work across almost all functions.

We heard that work is ongoing to establish whether additional internal governance structures are needed to manage this area of work in the future and maximise its impact. This is coupled with work to develop a clearer picture of corporate roles and responsibilities to ensure the Council reduces duplication or overlaps, makes clearer distinctions between strategic and delivery roles and confirms key accountabilities for targets and progress.

The Environmental Sustainability Board was established in 2019 to coordinate the work across the many functions of the Council that were either in train or needed in response to the risks associated with climate change, loss of biodiversity and pollution and waste. The Board is Co-Chaired by the Group Director for Finance and Corporate Resources and includes in its membership Cabinet Members and key officers covering a range of functions.

The Strategic Officers Climate Group is the key tool for delivering the Council's Three Year Implementation Plan and is made up of leads for each thematic area, as well as expertise in communications, engagement, finance, procurement, economic development and employment and skills. It meets bi-monthly, and can also establish task and finish groups to address specific challenges and work streams that may arise where appropriate.

We were told that the London Councils Climate Change programmes were established in 2019 to develop common priorities for climate action plans across London Boroughs, establish a common approach to climate change data and reporting and coordinate climate change action across the capital and nationally.¹³ The Strategic Director for Sustainability and Public Realm and the Group Director for Finance and Resources are members of the Cross Director Climate Coordination Group.

As part of this work, the Council was chosen to lead on the low carbon development programme which seeks to support local authorities to secure low carbon buildings and infrastructure via borough planning. The Head of Planning and Building Control is a member of the Lead Borough Coordination Group.

There are also a number of other programmes being led by boroughs across the capital:

- Retrofit London - London Boroughs of Enfield and Waltham Forest
- Low Carbon Transport - London Borough of Kingston and City of Westminster
- Renewable Power for London - London Borough of Islington
- One World Living - London Borough of Harrow
- Building the Green Economy - London Borough of Hounslow
- Creating a Resilient and Green London - London Borough of Southwark

While each local area is different, each will also share many challenges and opportunities in their journeys to net zero. We were pleased to hear that the Council was committed to building on its existing relationship with London Councils on the climate change agenda to

¹³ [Climate Change Programmes, London Councils](#)

develop better regional and sub regional relationships to promote collaboration and enable stronger collective advocacy.

Monitoring

A key part of future governance arrangements will be to monitor, evaluate and report the progress of action against the objectives of the transition to net zero. It should be noted, however, that local authorities do not currently have to monitor or report reductions in their own or area emissions, and reporting remains inconsistent across local government without national guidance and standardisation.

Since undertaking the review we have heard that the Council expects to adopt the monitoring approach proposed by London Councils using the London Energy and Greenhouse Gas Inventory for borough-wide greenhouse gas emissions, and the Local Partnerships Greenhouse Gas accounting tool for greenhouse gas emissions.¹⁴ This will be cross referenced with other data sources including the BEIS UK greenhouse gas emissions statistics published annually (though these only include territorial emissions).¹⁵

We were pleased to hear that a defined monitoring framework for Council emissions is scheduled to be presented to Cabinet in May 2023, and that there is ongoing work with other boroughs via London Councils to look at ways of coordinating reporting and monitoring processes. Progress against the objectives of the transition to net zero will be reported through the Environmental Sustainability Board, as well as through existing commitments to produce an annual report to the Full Council. We look forward to receiving a clearer outline of the outcome measures and monitoring framework at a future Scrutiny Panel meeting.

We heard that the Audit Committee had undertaken a deep dive review to seek assurance that internal governance and monitoring arrangements are robust and the future delivery programme is aligned with the capital programme. However, it was not clear what future role it would have in the oversight of climate action, and we came away with a sense that there is a need for structures such as the Audit Committee and the Scrutiny Panel and Commissions to retain a close interest in the delivery of local climate action.

We also heard that the Council recognised that broader external governance and oversight arrangements will need to be developed to ensure it is not solely focused on council activities, but also on a range of borough-wide greenhouse gas emissions for which the Council is not responsible and may have lesser influence. We feel this is important as it will not only allow the Council to monitor borough-wide progress, but also help to develop trust and buy-in from key stakeholders and communities.

Stakeholder engagement

The success of the transition to net zero also depends on the continued involvement of Hackney's residents, businesses and organisations, and climate action across the UK has

¹⁴ [London Energy and Greenhouse Gas Inventory \(LEGGI\), London Datastore](#)

¹⁵ [UK greenhouse gas emissions statistics, UK Government](#)

emphasised the need for a more in depth and longer term approach to the engagement of key stakeholders in local areas.

We heard that current plans in this area include developing a future Hackney Net Zero Partnership to convene partners and businesses (including major landowners, public institutions, large businesses and large housing associations), aligning existing networks and key partnerships with the objectives of the CAP and developing a more diverse range of engagement and participatory methods.

So far, the Council has led a mix of project-based statutory consultations and broader digital and place-based resident engagement on Low Traffic Neighbourhoods (LTNs), School Streets, the Parking Enforcement Plan and other walking and cycling proposals. In addition to these projects, the Council has worked with already-engaged residents, external stakeholders and experts and local groups on its Air Quality Action Plan and Local Nature Recovery Plan.

We were told that there have so far been two large scale public engagement events on the transition to net zero in Hackney. The first was held with voluntary and community organisations and the second with a demographically representative group of residents who debated the key elements of the Council's net zero ambitions. Whilst this is encouraging, we feel that more can still be done to ensure that the voices of harder to reach groups and those least likely to engage in formal ways are included in the transition to net zero.

Climate action cuts across all council departments and functions, and involves the engagement of a number of key stakeholders across the borough. For an effective response there needs to be visible ownership and leadership - both collectively and individually.

We have been encouraged to hear about the Council's leadership championing and directing action on climate change, and feel that a shift in mindset and culture is beginning to be seen across the organisation. However, we feel that more can be done to establish clear governance and monitoring arrangements, ensure staff from all departments are clear on their role in helping the Council reach its climate goals, and ensure all of Hackney's stakeholders are active partners in the journey to net zero.

Key recommendations:

Recommendation 1

The Council should **report back on how progress against the objectives of the Climate Action Plan will be measured and monitored, and how oversight structures including the Audit Committee, Scrutiny Panel and Scrutiny Commissions will fit into the monitoring framework.**

Recommendation 2

The Council should **explore establishing an appropriate and robust external governance framework** to reflect that the transition to net zero is not focused only on its own activities, but also on those borough-wide emissions for which it is not responsible.

Recommendation 3

The Council should **demonstrate how each service department will contribute in concrete terms to the management and delivery of the Climate Action Plan, and in particular the accompanying Three Year Implementation Plan**, (both in terms of implementing actions and budgeting) for those areas that relate to their remits.

Recommendation 4

The Council should **explore the ways in which it can improve its engagement on net zero with harder to reach groups and those least likely to engage in formal ways**, such as those whose first language is not English, people with disabilities, young people, the elderly, people with low literacy levels and the digitally excluded.

Investment and Finances

Access to finance is a key cross-cutting issue for local authorities in delivering net zero across all sectors. Reaching net zero will require major investment from both the public and private sector and a realignment of council finances to ensure climate change is embedded in all financial decisions.

We therefore sought to understand the likely cost of transitioning to net zero, as well as the various sources of financing available to local authorities, businesses, organisations and individuals.

Cost of transitioning to net zero

The CCC's Sixth Carbon Budget estimates that UK low carbon investment each year will need to increase from around £10 billion in 2020 to around £50 billion by 2030. Other analyses have come to broadly similar conclusions - in a July 2021 report on fiscal risks, the Office for Budget Responsibility estimated a net cost of the UK reaching net zero by 2050 to be £321bn, or just over £10bn per year.¹⁶ In London, the Mayor's Accelerated Green Pathway is estimated to require at least £75 billion of investment between now and 2030 in infrastructure and £108 billion in total by 2050.

At the same time, continuing economic volatility is impacting Hackney's residents at a local scale through the cost of living crisis - reducing take home pay for many, alongside the rise in costs of basic essentials such as food or energy. The Council itself continues to face significant financial challenges over the medium term and the resources needed to finance the transition to net zero are significant.

Looking at wider plans for decarbonisation across the Council's estate, for example, major investment will be needed in the short/medium term to retrofit Council owned buildings, including social housing stock, and to improve insulation and energy systems, even if there may be savings to be derived in the long term from reduced waste collections, energy efficiency and energy generation activities. Other Hackney stakeholders will share similar

¹⁶ [Fiscal risks report July 2021, Office for Budget Responsibility](#)

challenges in funding their journey to net zero, too - for example, homeowners and landlords will need access to affordable financial products, such as loans and green mortgages, and large organisations will need to work together to attract private investment.

We heard that the Council will therefore need to target available budgets where it will have the most impact either by match funding to pull in external grants or by investing in projects that draw in other investment. All of the actions needed to transition to net zero requiring additional funding will need to be considered in light of budgetary cost pressures, both revenue and capital, and the external factors impacting its finances, such as increasing inflation (especially in the construction sector), the impact of the cost of living crisis on income collection and the rising cost of borrowing.

In the near term, however, investment could support the UK's economic recovery following the pandemic and seek to mitigate the impacts of the current energy crisis. In the medium and longer term, investment could generate substantial fuel savings, as cleaner, more-efficient technologies replace fossil fuel and, in time, these savings could cancel out the investment costs entirely. The CCC's Sixth Carbon Budget estimates that net costs for the transition will be below 1% of GDP throughout the next 30 years. In addition to cash returns, investment may also unlock wider benefits such as local economic stimuli, improved health outcomes reducing the ongoing cost of healthcare services, job creation and opportunities to reskill and the alleviation of fuel poverty.

Sources of finance

We heard that, unlike businesses, local authorities have to run balanced budgets and cannot borrow for day-to-day spending, though they can undertake longer term borrowing at low rates (for example for capital programmes). On average, around 40% of local authority income is from Council Tax, nearly half is from government grants and the rest from business rates, and well over half of these resources are spent on education services and adult and children's social care (much of which is allocated in ringfenced grants).

As of October 2022, £25 million from 2022/23 to 2024/25 had been earmarked as part of the Council's existing programme of climate related works, and private sector investment worth £11.56 million had been secured to support the transition to net zero. We were pleased to hear that the Council is taking the next steps in identifying sources of funding and capital investment for itself and other key stakeholders across Hackney such as grant funding from central government, borrowing, local climate bonds, private sector capital and carbon offsets. However, it was clear that there was still significant work to do in this area, especially in terms of planning for the period 2025 to 2030.

An important part of the funding landscape is the diverse range of grant funding schemes provided by central government to support local delivery. However, we were told that central government has not yet provided certainty on its long-term funding plans for key areas of the transition such as retrofit and energy efficiency, and that some characteristics of the funding landscape have caused barriers to take-up and the effective delivery of climate objectives. For example, fragmentation of funding into multiple schemes for specific purposes makes it more complex to find funding and limits delivery across multiple objectives, and short

delivery timescales limits the ability to plan for the longer term and develop the capacity and skills needed for net zero.

We heard that as a result of the pandemic and cost of living crisis, some major funders such as Transport for London (TfL) and the GLA are facing uncertainty with their finances, making it difficult to state what level of funding will be granted for future years. Like the Council, they too are dealing with risks associated with high inflation and interest rates and increasing energy prices. Clearly, there is a huge gap in funding and innovative funding solutions need to be explored as well as leveraging in funding from central government.

In many ways the cost of net zero and the availability of finance is the most significant challenge for the Council in meeting its net zero goals, given the need to realign already stretched finances and mobilise substantial investment from a wide range of organisations outside of its direct influence.

We were reassured there is a clear recognition across the organisation of the scale of investment needed, and that some work has been undertaken to identify possible partners and sources of funding to support local climate action. Having said this, more work needs to be done to establish the finances needed for net zero-related policies, and to work in partnership to ensure sources of funding are available for the net zero agenda.

Key recommendations:

Recommendation 5

The Council should **undertake more detailed modelling on current and future spending on net zero-related policies, as well as the benefits derived from this expenditure**, to develop a fuller understanding of the finance and resourcing needs of the transition to net zero.

Recommendation 6

The Council should **collaborate with other boroughs and regional authorities to lobby central government to get external funding** for the net zero agenda, and should **proactively identify and respond to new funding opportunities** as they arise.

Housing and Corporate Property

Housing stock across the borough varies significantly – from modern stock built at a small scale (such as infill in existing estates) through to larger scale post-war and interwar estates (some involving high-density blocks) to individual homes purchased on an ad hoc basis to meet local need. So too does the Council’s corporate estate, which includes offices, depots, libraries and community halls, all of which are hugely varied and range in design, construction and use.

We queried how the Council is planning to understand and act on the need to adapt existing housing stock and its corporate portfolio to address the impacts of climate change, as well as how it is planning to ensure new homes are climate resilient.

Council housing

The Council manages and maintains over 30,000 homes (a third of Hackney's housing stock), approximately two-thirds of which are tenanted and one-third of which are leasehold. More than 90% of its homes have one, two or three bedrooms, and the majority (55%) date from the mid-century period of 1945 to 1970, with a further 31% dating from between 1970 and 2000. It also has a small but significant proportion of older and very new properties, each of which have specific maintenance requirements.¹⁷

We heard that energy consumption in council housing can be reduced through retrofits, such as adding insulation to roofs and walls, installing double glazing and replacing existing power sources with renewable sources like heat pumps and solar panels. However, like many other local authorities, the Council anticipates various challenges in retrofitting its housing stock. Perhaps the greatest challenge is the availability of finance - at a time in which the Council has limited means due to competing demands for its resources.

We were told that the capital investment levels required across the Council's housing stock, including the level of external funding available, puts the average costs between £20,000 to £70,000 per unit. Based on funding and assumptions as of late 2021 and taking the mid-range cost of £50,000, the estimated shortfall per unit was £30,000. This is the equivalent of £700 million of funding which cannot be funded through the Housing Revenue Account without external funding. While government schemes have increased the public funds available, but not yet to the level required, and private finance solutions are not yet widely available.

The Council will also need to consider the cost of retrofitting to those living in council housing - electricity is more expensive than gas (even with recent gas price increases), and any move to low carbon heat solutions across its housing stock will likely see average household energy costs increase. There will also be cost implications for leaseholders, and leasehold properties will require the agreement of the freeholder to undertake modifications, adding further complications. We came away with a feeling that, for those tenants and leaseholders who may be worried about what retrofit means for their homes, lifestyles and finances, coproduction and engagement will be crucial.

Clearly, there needs to be a significant amount of public and private finance measures mobilised for retrofit, and for this to happen there needs to be local and regional coordination. We were encouraged to hear that the Council is engaging with London Council's Retrofit London workstream which, amongst other actions, seeks to identify the ways in which boroughs can coordinate applications for government funding and assess borrowing and private investment opportunities, as well as to introduce a series of metrics and reporting measures to guide boroughs' retrofitting activity.

We know that housing associations make up a large proportion of landlords in Hackney and manage a significant number of homes across the borough. We were told that, while there are significant differences between the Council and housing associations both in terms of their approach to stock management and their underlying economic model, there is a wide

¹⁷ [Housing Asset Management Strategy 2019-27, London Borough of Hackney](#)

range of retrofit actions and activities which will need to be undertaken by housing associations for Hackney achieve its net zero ambitions. We came away with a sense that, while these could happen in parallel, there is every reason to build bridges between the two programmes where appropriate.

Private sector housing

The private rented sector (PRS) has approximately 35,000 units across the borough, and has seen a significant increase over the last 10 to 15 years. Around a third of Hackney residents now live in the private sector - it represents the fastest growing private rented stock in the UK over the last 20 years, increasing from around 3,000 units in that time. We heard that around a quarter of Hackney's housing stock belongs to homeowners, which is around half the London average and significantly lower than the national average of 63%.¹⁸

There are steps that the Council and its partners can take to promote better energy use in existing private stock, but the limits to council action will be especially keenly felt in this area. In most respects, influence on private sector housing is likely to be limited to new builds and overall planning policy. We were told that the Council has more leverage over private rented stock than it does over owner-occupier stock, as powers and funding schemes do not extend to the owner-occupier sector.

We heard that the Council is looking to increase retrofits and energy monitoring in private properties, and encourage retrofits in conservation areas and heritage buildings where appropriate. Good work is already underway in this area - for example, Hackney Light and Power is supporting private rented and owner-occupier households to improve the energy efficiency of their homes through the Green Homes Programme.

We were encouraged to hear that the Council had been giving advice to renters, landlords and owner-occupiers about the steps they can take to improve the energy efficiency of their homes. This includes basic information on what retrofit is and why it is important, as well as signposting to relevant support and further guidance. It was clear, however, that such support is limited by a lack of resourcing and capacity amongst officers, despite the willingness and skillset to do so.

However, like the Council, landlords and homeowners will face their own set of challenges when it comes to retrofit. For landlords, the cost of retrofitting is high - we heard that 85% of landlords in Hackney are amateur landlords (owning 1-3 properties), and that many found retrofitting to be too expensive. The financial benefits are uncertain or unclear for some, especially as the main beneficiaries of retrofit action in the short-term tend to be tenants rather than landlords themselves. In response, landlords in the borough are increasingly reviewing their stock (e.g. selling properties that are complicated/expensive to retrofit) which could have an impact on the local housing market.

We heard that the PRS in Hackney is mainly made up of older stock with more complicated retrofit requirements, and, to many landlords, retrofit can therefore appear to be excessively

¹⁸ [Hackney Housing Strategy 2017-22, London Borough of Hackney](#)

complex. In addition, mixed ownership is increasingly common in Hackney, with ownership often complicated by the distinctions of freehold and leasehold. Changes to building fabric are easier if the building is owned by a single household or entity (such as a detached house or a housing association block of flats) - for example, leasehold properties may require the agreement of the freeholder to undertake modifications, and multi-tenement flats can also be hard to alter given that the agreement of all households is needed to make changes.

We were told that properties which are listed may have further restrictions to what can be done without gaining approval from the Council - around 22% of properties in Hackney are in conservation areas, higher than the London average of 17%. Improving the energy efficiency of historic homes whilst protecting the character and appearance of their conservation area can therefore seem daunting.

New homes delivery

Between 2022 and 2026, the Council is looking to build, or will support partners to build, around 1,000 new homes. The Council's house building programme contributes to approximately 4% of the total carbon emissions in the borough, which equates to 14% of those which it has strong/direct control over.¹⁹

We heard that where new housing is needed, optimising material use, reusing building materials and selecting low carbon and recycled products reduces their climate impact, as well as making them energy efficient. We were told about the encouraging work undertaken by the Council on existing house building programmes such as De Beauvoir Estate Phase 1, which will see gas boilers replaced with air source heat pumps (which is expected to reduce on-site regulated carbon emissions by 49%).

However, the Council anticipates that there will be various challenges in bringing future programmes in line with its net zero ambitions. We heard that challenges exist in the construction sector, where the pace of change has been slower than in other sectors - the regulatory landscape is complex, and for many construction firms net zero is not yet seen as practical or realistic.

The social housing sector faces other pressing priorities and there are also trade-offs to be made between building net zero carbon homes or addressing, for example, fire safety, the needs of the ageing population, housing need or homelessness. For example, current limitations on non-combustible materials and facades, for instance, prevent the use of timber technologies on buildings over 18 metres or six stories.

We were told that another trade off is between the additional cost associated with building net zero carbon homes and the viability and/or profitability of development and possibly the affordability of those homes. Without additional funding or subsidy, developers may need to make difficult choices around the number of homes they build and the level of carbon saving that can be achieved.

¹⁹ [Building new council homes. London Borough of Hackney](#)

Council strategic property

Similarities can be drawn between the Council's efforts to retrofit its council housing stock and that of its corporate estate (the buildings it occupies to deliver the services it provides) - however, there are notable differences in both the approach and the challenges faced.

The corporate estate varies widely - from office spaces such as Hackney Service Centre and those leased to voluntary and community organisations, through to depots, libraries and civic spaces like Hackney Town Hall. We heard that the diversity of the corporate portfolio brings with it specific retrofit challenges, and that the Council is in the early stages of trying to understand the current characteristics and levels of energy efficiency of the corporate estate.

We know that the estate is largely made up of older buildings with more complicated and potentially costly retrofit requirements, and properties in the estate vary in both their running costs and the revenue they generate - meaning the approach taken to retrofitting one property may vary considerably from the approach taken to another. We came away with a feeling that more could be done to understand the retrofit requirements of the corporate estate, especially in regards to energy efficiency and retrofit requirements.

We were told that the Council is currently simultaneously focused on reducing council occupancy of the corporate estate due its potentially complicated and costly retrofit requirements. In recent years it has moved out of over 100,000 square feet of office space - reducing its carbon footprint as a result. In moving out of Keltan House, the Council has been able to invest against the future revenue stream to improve fixtures and fittings within the building and replace its gas boiler with an electric heating system. This is an example of how repurposing buildings can help the Council to reduce its overhead costs, whilst creating opportunities to invest in upgrading the performance of assets.

There are also other commercial and smaller properties used by the voluntary and community sector within the Council's corporate portfolio. We heard that once a building is leased the Council has limited scope to ensure that tenants use carbon reduction measures, though in some instances it does retain some responsibility for the fabric of the building. However, we did come away with a sense that more could be done to encourage commercial property tenants to use renewable electricity, monitor usage and make energy-related information available to the Council.

These issues are not only felt by the Council - other businesses, organisations and institutions will face similar challenges as they seek to retrofit their property portfolio and we heard that there is considerable opportunity for shared learning in this respect. Homerton University Hospital Trust, the biggest acute provider in the borough, has been looking at innovative ways to retrofit their properties. For example, it had installed cost-effective window solar control films to prevent overheating problems and was in the process of auditing all chillers installed onsite, which may lead to an average 20% to 30% reduction of cooling energy consumption.

Reducing carbon emissions from buildings is one of the biggest challenges facing the

Council in its transition to net zero, yet it is uniquely placed to drive forward retrofit locally, both through acting on its own stock and by utilising its connections to local stakeholders.

We have heard that progress is being made in understanding the opportunities to retrofit existing council-owned buildings, and in ensuring that new council homes are energy efficient. Despite this, we feel that more work could be done to engage with tenants, leaseholders, other registered providers, owner occupiers and the private rented sector, and to establish pan London retrofitting metrics and collaborative opportunities to drive retrofit forward.

Key recommendations:

Recommendation 7

The Council should **ensure its tenants and leaseholders are supported as much as possible to engage in low-carbon lifestyles**, for example through welcome packs providing information and discounts at reuse and repair shops, and **consider identifying retrofit champions** who are willing to talk about their experiences of retrofitting.

Recommendation 8

The Council should **demonstrate how it will work with registered social landlords operating within the borough** to coordinate actions on retrofit and other decarbonisation measures, and share examples of good practice for mutual benefit.

Recommendation 9

The Council should **explore broadening the licensing requirements for additional houses in multiple occupation (HMO) and selective licensing schemes** to cover the whole borough and include energy efficiency, retrofitting and fuel poverty requirements.

Recommendation 10

The Council should **investigate and report back on the options and implications for expanding the provision of retrofitting and net zero advice to owner-occupiers and the private rented sector**, and **consider identifying retrofit champions** who are willing to talk about their experiences of retrofitting.

Recommendation 11

The Council should **report back on its longer term plan on how it intends to bring the corporate estate in line with the net zero goal, including its retrofitting programme and exploration of clean energy projects.**

Recommendation 12

The Council should **explore including within lease agreement requirements for its commercial property tenants to use renewable electricity, monitor usage and make energy-related information available.**

Transport

Transport is responsible for 6% of Hackney's carbon emissions. The vast majority (70%) of transport-related emissions in the borough are from private cars or motorbikes. Reshaping the local transport system to reduce reliance on cars and shift towards low carbon public transport, cycling and walking will therefore play an important role in the move to net zero.

We questioned how the Council is integrating sustainability and climate resilience into its transport plans, and took time to understand its efforts to improve electric vehicle (EV) charging infrastructure and encourage more walking and cycling in Hackney.

Public transport

The Council has significant influence over public transport in the borough through its partnerships with neighbouring local authorities, different tiers of government, public transport operators and related sectors.

More residents using public transport decreases the amount of carbon emissions in the borough, and we heard that an efficient public transport network can reduce congestion and pollution and make streets more attractive for walking and cycling. The Council is therefore planning to continue its work to support the provision and accessibility of public transport in Hackney, encouraging a greater uptake of public transport journeys.

We heard that rail accounts for around a quarter of all commuter trips in the borough and, unsurprisingly, the majority of these trips originate from areas in which there is good access to London Underground and Overground services. However, we did hear that there remains gaps in provision of London Underground rail services, overcrowding on services (particularly on the London Overground) and accessibility issues at some stations.

We were pleased to hear that the Council is continuing to work with the DfT, rail operators such as TfL and Network Rail, neighbouring boroughs and a range of advocacy groups and non-government organisations to improve the railway network in the borough. For example, the Council has worked with TfL and Network Rail to secure accessibility improvements to Hackney Central Overground Station, including a new second entrance, an additional staircase and new cycle parking.

We were told that buses are the most significant form of public transport provision in the borough, with 48 day bus routes in operation and around 455 bus stops - in fact, Hackney has the highest mode share of bus users of all London Boroughs. TfL controls routes, frequencies and fares in the borough, and we heard that TfL would likely continue to review the bus network in response to changing travel patterns and as a result of the large drop in fare income experienced during the pandemic.

We were concerned to hear that the impact of current and future cuts to bus services across Hackney may challenge the Council's net zero ambitions. The current funding landscape is fragmented and uncertain and it is recognised that large scale cuts and reductions in bus mileage will make it harder to increase the number of public transport trips and thus reduce carbon emissions. We therefore feel it is important that the Council uses its influence, alongside other boroughs and the GLA, to push for longer term funding certainty and work together to respond as new transport-related funding initiatives are announced.

We were told that the Council wishes to see a rapid electrification of the bus fleet in Hackney - at the time of the review, there were only two electric bus routes that served the borough

(routes 106 and W15) with additional routes (43, 214) serving the periphery. These buses do not emit harmful emissions, and also cut congestion, with a double decker carrying more than up to 80 times the number of passengers as a car. However, electrification of bus routes is enabled through TfL's bus tendering programme, and councils have limited scope to engage and facilitate a further rollout of zero emission buses in their local areas.

Active travel

Walking and cycling are the least carbon-intensive ways to travel, and many of the trips taken by households with cars could have been walked and cycled. This may not only make roads quieter, safer and more attractive for others to walk and cycle, but may also bring local economic co-benefits and improve people's health.

We heard that the Council can play an important role in increasing walking and cycling in Hackney through influencing planning and providing the infrastructure to enable active travel. Hackney's Transport Strategy sets out the Council's vision to create an environment whereby people actively choose to walk and cycle as part of everyday life.²⁰

The Council has introduced one of the largest active travel programmes in the country, with 19 LTNs and 48 new School Streets now being introduced. We were told that it is also reducing road and parking spaces to support the promotion of walking, cycling and climate resilience and introducing sustainable urban drainage networks to reduce traffic and open up Hackney's roads for cleaner uses.

The most recent LTNs have been focused on areas with greater population densities, social distancing and air quality challenges. Some were introduced due to their proximity to the south of the borough and the traffic changes planned for the City of London, and a more general need to develop a contiguous network of neighbourhoods without too many gaps. We were told that results from traffic counts of recent LTNs shows traffic decrease of 38% inside LTNs can be achieved.

We heard that, for School Streets, the priority now is to manage the existing schemes whilst continuing to introduce new School Streets where these are possible and would benefit the area. Tailpipe emissions were down 74% on school streets and, on average, 30% more children were walking to school and 51% more children were cycling or scooting to school. More generally, Hackney has the highest levels of residents cycling to work in London at 15.4% of all commuter journeys, almost four times greater than the London average of 4.3%.

We were pleased to hear that the Council recognised the need to evidence demand for active travel and to closely monitor and measure its benefits, and in particular to ensure it listens to feedback from residents. We heard that, with this insight, the Council will be able to ensure schemes can be adapted, extended or reduced depending on what the data shows, and it can also evidence the benefits of such schemes and whether they have contributed to a mode shift in travel.

²⁰ [Hackney Transport Strategy 2015-25, London Borough of Hackney](#)

For example, the Council has introduced new live traffic monitors across the borough to monitor changes in traffic patterns, and as a result of public feedback it has introduced exemptions for Blue Badge holders from bus gates on Shepherdess Walk, Downs Road, Richmond Road and Stoke Newington Church Street. However, we did come away with a sense that more could be done to engage those key stakeholders, particularly local businesses, that are directly impacted by the rollout of active travel schemes in the borough.

As with other areas of local climate action, we were concerned to hear that access to funding remains one of the main risks to the successful delivery of active travel in Hackney, and the implementation of the Council's wider transport goals more generally. Since the pandemic, and with TfL's own uncertain financial position, the funding mechanism for boroughs has been uncertain, with funding allocated for less than 12 month periods.

Electric vehicles (EV) charging infrastructure

Meeting the Council's climate ambitions will require a step change in the availability of EV charging infrastructure. A full transition to EVs is widely considered as one of the most important actions to achieve the UK's net zero target, with electric vehicles emitting far fewer greenhouse gases and air pollutants than petrol or diesel vehicles.

We heard that for those that still need to travel by car, sufficient infrastructure will be required to enable journeys to be made by the cleanest vehicles. Whilst the Council does not envisage being the long-term provider for EV charging infrastructure in the borough (the chargepoint market will have to strengthen to support the transition), it does have a role to play in catalysing the market and helping it in its early stages.

We were told that those people who still need to travel by car will be encouraged to adopt less polluting electric vehicles or use car sharing services, with Hackney Light and Power aiming to install over 3,000 EV charge points by 2030 to support this. It plans for most petrol and diesel vehicles in the borough to be phased out by 2030 - with 64% of cars and 68% of vans on the road expected to be battery-powered. It is also continuing to reduce emissions from its fleet of vehicles and associated infrastructure - charging points have been implemented across the borough depots and as of 2021/22 13.75% of the Council's road registered fleet were fully electric.

We heard that improving EV charging infrastructure will also require other businesses, organisations and institutions in the borough to contribute and take a lead. Important steps in this regard had already been taken by some - Homerton University Hospital NHS Trust told us that they had installed six EV charging points onsite, introduced four electric vehicles to its in-house fleet and is planning on introducing an all electric fleet of vehicles to its non-emergency patient transport service.

However, despite encouraging progress, the EV charging landscape remains a challenging area. Electric vehicles are still a relatively new technology and, although the Council is paving the way, many residents will be unaware or are just learning about the advantages of electric vehicles. The fear of running out of electricity, also known as range anxiety, is a

concern for many prospective EV owners, and the initial capital cost of vehicle ownership is difficult to overcome for some.

We heard that there are particular challenges for the Council in accessing often insufficient, uncertain and inflexible multiple funding streams and, even if government funding is secured, a proportion of the installation costs have to be met by the private sector given budgetary constraints. Other practical challenges exist too - the available capacity in the grid can mean installation in a specific location is not possible (or grid reinforcement costs make the scheme unviable), and there may also be footway or highway space restraints when considering a location.

Along with buildings, vehicles are the biggest contributor to Hackney's territorial emissions, and one where quick wins can be made. The Council is well placed to reshape the local transport system, working with key stakeholders to reduce residents' reliance on cars and shift towards low-carbon public transport, cycling and walking.

We were encouraged to hear that the Council has implemented one of the most ambitious active travel plans in the country, and recognises the importance of accelerating the rollout of electric vehicle charging infrastructure. However, we came away with a feeling that more could be done to work with regional bodies such as TfL and the GLA on funding and decarbonisation opportunities, and to improve the evidence base for increasing the uptake of active and sustainable travel choices.

Key recommendations:

Recommendation 13

The Council and Transport for London should **review decarbonisation pathways for bus services in Hackney**, particularly around the opportunities to accelerate the rollout of electrification technologies.

Recommendation 14

The Council should explore the ways in which it can **improve the evidence base for increasing the uptake of active and sustainable travel choices** across the borough, with a particular focus on the links with health, education and the local economy.

Recommendation 15

The Council should **undertake a business perceptions survey** to measure how local businesses view active travel and its impact on them, and how best to share information and engage with businesses on this agenda.

Recommendation 16

The Council should **review current activity in promoting electric vehicles (EVs) across London and explore ways in which it can work more closely with vehicle manufacturers and operators** to deliver consistent and high-quality provision that removes all barriers to uptake.

Energy

An increase in clean energy production is crucial to achieving net zero. Councils are integral to supporting the delivery of clean energy projects and sustainable development through the planning system, convening relevant local stakeholders and offering support and information for local community groups to undertake energy projects.

We therefore looked at how the Council is using its influence to facilitate a move away from fossil fuels, promote the development of clean energy infrastructure in Hackney and set out policies to encourage high levels of energy efficiency and sustainability in new builds.

Planning policy

The role of plan making in local authority areas will be important in achieving net zero. Planning offers the opportunity to set and implement the long-term strategic vision necessary to deal with the impacts of climate change, and drive forward action on decarbonisation.

It should be noted that planning policy can only directly shape the built environment and influence development through the planning processes and the production of planning policy and guidance - as such existing buildings that do not require planning permission are not subject to these policies.

We were told that there is currently a complicated planning landscape in the UK that impacts on achieving low carbon development locally. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these should be applied.²¹ The London Plan, the overall strategic planning document for the capital, also sets out a comprehensive range of policies that underpin London's planning response to climate change.²²

We heard that there is a sense of uncertainty about the strength of the planning system due to current government proposals and recently implemented changes. The proposals set out in the Levelling Up White Paper have the potential to impact on the development of low carbon development objectives, and recent changes to permitted development rights has introduced less control in the planning system to require the adoption of climate mitigation and adaptation measures.²³

Whilst the Council's capacity for plan-making is therefore limited, it can work with developers on their obligations to support climate mitigation and adaptation, and include requirements that new buildings meet an improvement on current national standards. The Hackney Local Plan includes additional requirements in regard to climate change - for example, Local Plan policy LP55 provides requirements on net-zero carbon emissions that goes beyond building regulations. It is applicable to all of development - all residential developments, including

²¹ [National Planning Policy Framework, UK Government](#)

²² [The London Plan, Greater London Authority](#)

²³ [Levelling Up White Paper, UK Government](#)

smaller developments that form approximately 41% of planning permissions granted, as well as non-residential developments.²⁴

We were told that where developments cannot meet these requirements on-site, they will be required to provide off-site contributions which will be used by the Council to deliver equivalent off-setting. Any shortfall is provided by a payment in lieu contribution to the Hackney Carbon Offset Fund which is secured through a S106 agreement - for example, in 2020 the fund allocated a total of £775,020 to fund the Solar Pilot Leisure Centres Project and Green Homes Programme.

There is also a role for the Council in increasing the number of developments complying with policy and delivering on-site carbon savings once buildings have been built and occupied. We heard that Post Occupancy Evaluation (POE) is the process of obtaining feedback on a building's performance in use after it has been built and occupied, informing building users if their building is energy efficient and providing data to help understand how buildings are used compared to their design intention. We came away with a sense that more can be done to embed POE as standard practice to ensure all new buildings meet intended energy efficiency ratings.

We were encouraged to hear that the Council is leading on London Council's Low Carbon Development workstream, which sets out a pathway for London Boroughs to collaborate on policy making and guidance, strengthen and explore the planning levers for the delivery of low carbon buildings, use innovation to make low carbon more achievable and increase training and understanding within all council workforces. We look forward to hearing about the development and approval of the second two-year work plan in 2023, and the outcomes of the current work plan.

Low carbon heat

Heat networks (also known as district heating) are identified as one of the heating system improvements for use in Hackney, alongside heat pumps and electric heaters, and when combined with complimentary fabric retrofit.

We heard that, as gas boilers are phased out across the borough, feasibility studies into low carbon heat will be simultaneously investigated. This will include identifying Hackney buildings which are best suited to switching to low carbon fuel such as heat pumps and hydrogen boilers, and exploring the feasibility of district heat networks.

We were told that the Council is best-placed to understand local options for developing district heat networks given its connections to local stakeholders, wide-ranging responsibilities such as for social housing and its influence through the planning system. Heat networks supply heat from a central source to a variety of different customers such as public buildings, shops, hospitals, universities and homes and, by supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building.

²⁴ [Hackney Local Plan 2033, London Borough of Hackney](#)

We were encouraged to hear about the work in this area which has already happened locally - for example, the Council operates the Shoreditch Heat Network which serves Wenlock Barn, Cranston and Fairbank estates. Several private networks also exist in the borough, and a decentralised energy master plan study recently identified ten district heating opportunity areas for consideration including Dalston, Clissold Park and Woodberry Down.

We heard that a heat network is one of the most cost-effective ways of reducing carbon emissions from heating - their efficiency and carbon-saving potential increases as they grow and connect to each other, and many of the cheapest sources of low-carbon heat can only be used if there is a network to distribute the heat. We therefore feel that the Council should prioritise the implementation of heat networks, with a view to undertaking projects in the opportunity areas identified in the masterplan study as soon as practically possible.

Whilst it is recognised that new heating technologies can bring huge carbon savings, many are untried at the scale required. There are risks associated with using these technologies, such as high upfront costs and potentially higher fuel and maintenance bills. We came away with a sense that there is significant opportunity for the Council to learn from the experience, challenges and successes of other boroughs, as well as consider opportunities for boroughs to explore the feasibility of connecting heat networks sub-regionally and collectively consider investment and commercial models.

We were told that the suitability of different technologies may change in the future, and as such, it was important that the renewable technology market is kept under review to explore the opportunities that they may bring. In particular, hydrogen has gained increasing prominence as an energy source that can be used to contribute to net zero with a range of applications such as in the transport, energy storage and heating sectors.

However, while there is wide public interest in the use of hydrogen as an alternative fuel, the supply chain for hydrogen is underdeveloped and the hydrogen available is not low carbon at this time. We were pleased to hear that the Council was committed to evaluating viable alternatives like hydrogen to pursue, provided the goal of decarbonisation is achieved.

Renewable energy generation

To achieve net zero, electricity needs to be generated from a mix of low carbon, renewable sources. Renewable technologies use natural energy to make electricity, and fuel sources include wind, wave, marine, hydro, biomass and solar.

We heard that one way in which the Council was looking to balance energy use and reduce emissions in this regard is through the installation of solar panels. Installing solar panels across the borough can help residents, businesses and organisations to save on their energy bills, maximise their reductions on carbon savings and contribute to the decarbonisation of the energy grid. According to Buro Happold modelling, the Council could achieve the installation of 2,000 home scale solar PV installations and 200 larger scale PV

installations by 2030 - this, and existing PV sites, could generate around 5% of building energy demand by 2040.²⁵

We were told that the Council has committed to covering its own roof space with solar panels as part of its plans to retrofit Council-owned buildings across the borough. The first pilot projects were launched on West Reservoir Leisure Centre and London Fields Lido in 2021 and, following a feasibility study to identify the capacity for solar generation in the borough, a programme of works to start covering roof spaces began in 2022.

We were concerned to hear that the take-up of solar panels had slowed since the Feed-In Tariff scheme was closed by central government in 2019. We were therefore pleased to hear that Hackney Light and Power is raising awareness of the benefits of solar power and supporting businesses and residents to invest in renewable technologies - the Hackney Green Homes Programme, for example, supports private rented and owner-occupier households to invest in carbon reduction measures and the Community Energy Fund supports community groups to access funding and resources to work with local schools and other public institutions such as faith buildings, nurseries or playschemes.

We were told that wind energy projects can also be a relatively secure and affordable source of energy, and we were pleased to hear that the Council is looking to explore the feasibility of wind energy in the borough in the near future. If viable, residents may be able to invest in one or more turbines of their own, either as individuals or as a community group acting together, and the Council could take a similar approach and invest in their own wind energy projects (which could generate income which can be reinvested into more energy saving and renewable energy measures, or used to support budgets for other priorities).

Purchasing renewable power

Purchasing renewable energy is another way in which businesses and organisations can reduce their emissions in pursuit of net zero. This is done on the understanding that they will be reducing their own emissions, as well as contributing to national or global emissions reductions in order to combat climate change.

The Council's Sustainable Procurement Strategy sets out its ambition to maintain sustained growth of "green" electricity in its energy contracts, and we were told that the long term strategy for the Council is to move to high quality green tariffs and Power Purchase Agreements.²⁶ Long term power contracts such as Power Purchase Agreements are preferable to standard energy tariffs since they provide a predictable source of income to renewable generators, and directly drive investment in green renewable infrastructure.

Long term power contracts should also ensure the energy provider does not double count power supplied in its reporting, and that the revenue is used to fund and build new generators for the new supply required. We were told that the Council will pursue a power purchase agreement approach from 2025 onwards - as a minimum, it will transfer to an agreement which supplies 50% of electrical demand at net zero carbon supply.

²⁵ [Net Zero Energy Strategy, London Borough of Hackney](#)

²⁶ [Sustainable Procurement Strategy 2018-2022, London Borough of Hackney](#)

We were encouraged to hear that other Hackney stakeholders are also taking a lead in this area - Homerton University Hospital NHS Trust told us that they had been purchasing electricity only sourced from renewable technologies since April 2021, and New City College has recently signed contracts for renewable energy on selected campuses.

Increasing clean energy production through the delivery of low-carbon energy projects, developing policy and planning guidance and actively encouraging sustainable development all have the potential to provide significant carbon reductions in Hackney.

We have heard that the Council has set out policies encouraging high levels of energy efficiency and sustainability in new buildings, and is taking steps to rethink its own approach to energy generation and procurement. Having said this, we feel that the Council could do more to explore collaborative energy projects with other boroughs and regional authorities, keep recent innovations in the renewable energy market under review, and engage with residents, businesses and developers on the benefits of clean energy projects.

Key recommendations:

Recommendation 17

The Council should **embed the use of Post Occupancy Evaluation (POE) and data sharing in its planning policy on all developments where the building has been in use for a minimum of three years** to ensure robust monitoring processes for energy performance and enable constructive dialogue with developers on energy efficiency.

Recommendation 18

The Council should **report back on the current London-wide picture of decentralised energy projects and pipeline schemes** that could provide opportunities for future programmes, and **explore collaborative procurement/investment opportunities for renewable power** with other boroughs and regional authorities such as the North London Waste Authority.

Recommendation 19

The Council should **enhance communications around the benefits of installing solar panels and the support available to businesses and households.**

Recommendation 20

The Council should **keep the hydrogen production market under review**, and where possible **ensure all new or replacement boilers are considered for hydrogen gas heating.**

Education, Skills and Economic Development

The transition to net zero will change how we supply, buy, use and dispose of the goods and services we need, and is likely to create a number of economic opportunities for local areas. The role of local authorities in this respect is twofold, with them both managing a transition to a low carbon, circular economy and enabling green growth.

We therefore sought to understand the Council's role in reducing borough-wide consumption emissions and promoting a circular economy, how it is encouraging local businesses to transition to net zero, and how it can anticipate future skill needs to frame education and training responses appropriately.

Consumption

We heard that 74% of Hackney's total emissions come from consumption emissions - the emissions generated outside Hackney to create the goods and services used inside Hackney (for example, in manufacturing and delivery). Meat consumption, for example, is highly emitting - nearly 60% of emissions from food in Hackney are linked to meat production, including farming machinery and processes to rear and transport animals.

Individuals can influence the reduction of consumption emissions through changing how much we all consume, and what we consume, and a reduction in these emissions is also dependent on changes by manufacturers and service providers. The main area of influence for the Council in this area was therefore in encouraging local residents, businesses and organisations to change how goods are supplied, bought, used and disposed of.

We were encouraged to hear that the Council is working closely with other boroughs on London Council's One World Living workstream, which is being led by London Borough of Harrow in partnership with West London Waste Authority and Re London (previously known as London Waste Recycling Board). It aims to achieve a significant consumption emissions reduction in two thirds of London households by 2030, with an initial focus on electricals, food, plastics and textiles.

We heard that one way in which the Council is looking to encourage more circular thinking is by signposting households, businesses, and anchor institutions to guidance on reducing consumption emissions and possible procurement strategy changes. For example, it has launched a circular economy campaign (#ZeroWasteHackney 'Go Beyond Recycling') to help residents waste less and rethink resources.

We also heard that the Council is looking to embed actions to reduce consumption emissions through the Council's own internal procurement and management processes. However, we came away with a sense that more could be done to maximise the Council's procurement levers, understand some of the biggest challenges that suppliers face in meeting net zero standards, and look at what can be done to overcome them.

The Council is also supporting businesses, organisations and residents to maintain, repair and reuse goods. We were encouraged by the good work already going on in this area which is helping to develop a local reuse network through projects like the Library of Things in Dalston and reuse and repair hubs delivered with the Forest Recycling Project, Hackney Fixers, TRAIID and Hackney Dr Bike team.

We also heard that, as the responsible authority for providing local waste and recycling collections and for the processing and treatment of the waste and recycling collected, the Council has a significant role to play in reducing both household and business waste,

increasing recycling rates and maximising rates of food and garden waste composting.

There has been good work recently in this area, with the Council introducing fortnightly collections of residual waste to street level properties in early 2021, and establishing a team to provide education and enforcement in support of the change. However, we feel there is scope to provide further support, advice and training to residents and in particular local businesses on low plastic approaches and reducing food waste.

The Council is also exploring the ways in which it can raise awareness of and enable access to healthy and sustainable diets, by encouraging healthy and sustainable food to be supplied in local businesses/organisations, as well as procuring sustainable and healthy food for its own spaces. We were pleased to hear that it is supporting local sustainable food partnerships, working closely with the GLA Food Roots Incubator programme, and is leading the reducing food consumption working group as part of London Council's One World Living workstream.

Supporting local businesses to decarbonise

Hackney is home to a diverse ecosystem of small and medium sized enterprises (SMEs), all of which have different needs, priorities, building typologies, tenancy arrangements and sources of emissions. We heard that, of the 22,340 businesses in Hackney, 20,400 identified as a micro business (0-9 employees), 1,640 identified as a small business (10-49 employees), 225 identified as a medium-sized business (50 to 249 employees) and 45 identified as a large business (250+ employees).

Good work in this area is already underway at a pan London level. The Mayor's Green New Deal aims to double the size of London's green economy by 2030 by coordinating the economic, industrial and political foundations to allow the green economy to grow.²⁷ London Council's Building the Green Economy workstream, led by London Borough of Hounslow, is bringing together a range of stakeholders to outline the collaborative actions needed to reach this target.

We were told that, despite a positive appetite to change, there remain key barriers to local businesses transitioning to net zero, including high initial upfront and operational costs and a lack of information on how businesses can be more sustainable, technical advice on retrofitting and green business opportunities/networking.

Some businesses will find it easier to adjust and move towards net zero than others - we were told that London-wide data suggests that 23% of all businesses were not taking any action at all. There is therefore a clear role for the Council in supporting businesses to shift their practices, business models and procurement to align with net zero, which will require an understanding of the nature and level of support needed for local businesses to decarbonise.

²⁷ [A Green New Deal. Greater London Authority](#)

We heard that the Council and its partners were providing support, guidance and information to local businesses to support them in their transition to net zero. For example, the Zero Emissions Network, a partnership between the London Boroughs of Hackney, Islington and Tower Hamlets (and supported by the Mayor of London), offers free advice and services for local businesses to switch to low emission energy and travel options.

The Council had provided some of its own grant funding to local SMEs (for example through the Adapt Your Business business support programme and the Hackney Central Impact and Ideas Fund) to fund heat decarbonisation and energy efficiency measures. Co-operative financing mechanisms for community-scale and joint-owned services were also being explored, such as community-owned solar panels and retrofit networks which can spread the upfront costs of decarbonising buildings.

As well as the Council, there are a range of other bodies supporting SMEs to transition including the UK Green Building Council, Centre for Low Emission Construction, Federation of Small Businesses, London Growth Hub and Zero Business Network. Funding is available through both the GLA Greater London Fund and the Greater London Investment Fund, and we feel that there is a clear role for the Council in bringing together and raising awareness of the support and funding opportunities available to SMEs.

We heard that through-traffic linked to freight accounts for around a fifth of all traffic in Hackney, and 20% of greenhouse gas emissions are from freight and through traffic not caused by Hackney residents or businesses. We are encouraged by the Council's work to date to accelerate alternative, clean delivery models, such as cargo bikes, van sharing and last mile delivery service models which can contribute to reductions in emissions. However, increasing freight and logistics emissions are a growing concern in the capital, and we feel that there is a need to further develop understanding and work with partners and neighbouring boroughs to identify new solutions and traffic management options.

Education and skills

The transition to net zero is expected to drive employment opportunities across London. Analysis shows that by 2030, in a central scenario there could be 505,000 green jobs in the capital (a net increase of 50,000 jobs) reaching over a million by 2050. In the next decade alone, green jobs could increase by 8% a year.²⁸

We heard that green jobs are estimated to take up around 4.4% of total employment in London, and employment figures are currently highest in the power, homes and buildings and green finance sectors. Green jobs in London are predominantly high-level managerial, professional and associate professional/technical roles. The green workforce is highly qualified, and two thirds have first degrees or equivalent or higher qualifications - among those with vocational qualifications the most common subject areas are building and civil engineering, followed by electricity and energy. In terms of skills supply considerations, green sectors tend to draw staff from other sectors, rather than straight from education - we

²⁸ [Green Jobs and Skills in London. WPI Economics](#)

were told that around 1% of the workforce enter straight from full-time education each year, compared with 3% across all sectors.

Whilst there is a general understanding of current green jobs and skills in Hackney and London-wide, we came away with a sense that more needs to be done to understand the potential scale and nature of green jobs in the coming decades, and the implications this may have on education and skills provision. We were encouraged to hear that this is recognised in London Councils' Green Economy Action Plan, which highlights the uncertainty in defining 'green jobs', when they will be generated and at what scale, and what new skills will be needed.

We were told that, to ensure a sufficient skills supply for new green jobs in the borough, there is an urgent need to increase education provision in relevant subjects and courses, increase the proportion of those taking relevant courses who progress to green employment, and increase the flows from other sectors into green sectors, including through re-skilling training. It is widely accepted that more skilled workers will be needed in construction supply chains to retrofit building stock, and we heard that Hackney's green finance and technology sectors are likely to grow alongside other green industries like digital transformation and electric vehicle servicing/maintenance.

We heard that the Council is therefore working alongside its partners in London's skills system to give training opportunities to residents to provide them with the skills needed to work in green roles. This will include green apprenticeships and training pathways and reskilling and retraining and/or recruiting staff in its own workforce. We feel that there is therefore a clear opportunity to align green skills opportunities with the Council's own housing, corporate property and regeneration programmes, and create a pipeline of carbon reduction jobs.

The Council is working with schools and educational settings in planning for the skills demand of young people who are yet to enter the labour market, supporting workers already in the labour market with skills valuable in a zero carbon economy but who will need to upskill and support those whose livelihoods may be affected by the transition by offering retraining programmes for people so they can find new forms of work.

We were pleased to hear that there has been a large increase in the number of building construction courses offered and taken up in the borough over the past few years. New City College told us that they had exceeded their target numbers for building and construction courses across its campuses by somewhere between 20% and 32% (depending on the campus) for the 2021/22 year. However, we did come away with a sense that the Council could do more to engage and promote existing green training schemes and programmes like these, and make existing colleges and training programmes aware of the demand for specific qualifications such as in retrofit.

Schools and early years settings in particular have a role to play in supporting learning and raising awareness about climate change. Climate change covers a wide range of issues that provide a wealth of opportunities for learning across almost any subject. Physical measures that can be adopted to respond and adapt to climate risks and severe weather may also offer significant learning opportunities - for example, tree planting offers learning

opportunities as well as biodiversity, energy efficiency and air quality benefits, and softening play infrastructure through the use of sand, pea shingles or rain gardens not only slows rain run off, but can also be used as multi-purpose spaces for play activities and outdoor teaching as they will remain dry the majority of the time.

We heard that the Council is also using its influence to encourage businesses and partner organisations to consider what they can do to support the development of green skills locally. It works closely with contractors and developers to create Employment and Skills Plans (ESPs), which help to create employment and skills opportunities for Hackney residents through work experience, job creation, apprenticeships and training. While this is encouraging, we came away with a sense that more could be done to promote existing training schemes and programmes aimed at developing local green skills in the borough, and to expose children and young people in particular to green skills opportunities.

As well as working with schools and educational settings, businesses and partner organisations, the Council will also need to reskill, retrain and/or recruit to its own workforce to meet the needs of the climate emergency. To strengthen and better coordinate its climate action, the Council aims to build organisational skills, plans and capability more broadly across the organisation - for example, by providing carbon literacy training for senior managers and councillors on low carbon buildings and technologies. We heard that there is also a need to identify the skills required within its own workforce to support the Council's net zero work. We were encouraged to hear that the Council is looking at the ways in which it can align, expand and grow its Direct Labour Organisation (DLO) to enable it to undertake some of the retrofitting and clean energy work itself and reduce reliance on sub contractors. We feel that more can be done to develop the wider workforce's skills and understanding of climate emergency to ensure each service department is able to contribute effectively to the net zero objectives.

Climate change presents an opportunity to rethink local economic growth and move towards a cleaner, low-carbon economy. For this to happen, the Council needs to facilitate more circular thinking in the way that products are supplied, bought, used and disposed of, encourage businesses to shift to low-carbon practices, and to ensure a sufficient skills supply for new green jobs.

We were encouraged by the support being provided for local businesses and employers to understand some of the adaptive activities they may need to undertake, and to encourage more circular thinking amongst residents and businesses alike. Despite this, we came away with a sense that more could be done to provide practical support to local businesses to decarbonise and shift their practices, and to kickstart and provide training opportunities and confidence for the supply chain.

Key recommendations:

Recommendation 21

The Council should **outline the progress it has made in embedding actions to reduce carbon emissions into internal procurement and management processes, and the options it is exploring to go further.**

Recommendation 22

The Council should **report back on its waste management work and objectives to reduce waste arisings and improve recycling and food composting rates**, and with particular consideration given to commercial waste.

Recommendation 23

The Council **should undertake local business surveys** to identify the nature and level of support needed for local businesses to decarbonise, and to map existing green businesses in the borough.

Recommendation 24

The Council should work with neighbouring boroughs and partner organisations to **identify new solutions and traffic management options to reduce carbon emissions from freight and logistics**.

Recommendation 25

The Council should work with other boroughs, training and education partners and businesses to **map out the scale and nature of green jobs in London and in Hackney, to consider the implications this will have on education and skills training provision**.

Recommendation 26

The Council should work with schools and educational settings to **enhance the quality of climate education, create hands-on opportunities for children and young people during the development and retrofitting of council-owned properties, and encourage carbon reduction measures in play areas and grounds** such as tree planting, Sustainable Drainage Systems and natural play spaces.

Recommendation 27

The Council should **report back on its plans to align, expand and grow its Direct Labour Organisation (DLO) to be able to undertake carbon reduction measures, such as installing low carbon heat sources and retrofitting, as well as the progress it has made to date**.

Conclusion

Climate change is one of the biggest, most complex and cross-cutting challenges that the UK faces, and it will impact environments and individuals across all levels of society. Tackling climate change is a shared responsibility, and there are no clearly defined solutions, with different stakeholders taking different views on how net zero can be achieved.

Our work has highlighted the necessity of coordinated local action for lasting environmental, social and institutional change. When it comes to tackling the climate crisis, Hackney is one of the most ambitious councils in the country, which many others look to for inspiration. Having said this, faster and coordinated action will be needed to ensure national and local net zero targets are met and communities are protected from the effects of climate change.

Our work has led us to make a number of recommendations in key areas relating to decarbonising transport, buildings and waste, installing clean energy projects, encouraging green growth, and ensuring a sufficient skills supply for new green jobs. We hope that our findings and recommendations will help the Council and other local stakeholders to understand not only the barriers which are challenging the delivery of climate action, but also the opportunities that can support them in their net zero journey.

Throughout the review the importance of using the Council's convening power to agree solutions across the borough, rather than just focusing on the Council as an institution, was evident. There is a growing understanding that climate action needs to be holistic, and we hope that the Council will prioritise the continued involvement of Hackney's residents, businesses and organisations in any future action it takes in response to our findings.

Finance Comments

The Net Zero Review was established to look at how Hackney can better meet its ambitions to achieve net zero targets in a manner that is affordable, efficient and fair. The review engaged with a range of organisations, businesses, industries, and communities on issues such as decarbonising buildings, transport, and waste, supporting clean energy projects, and managing a transition to a low carbon, circular economy.

The report provides a set of recommendations to address the climate and ecological crisis, which will be implemented through the governance process. However, the direct financial implications of these recommendations are difficult to determine at this stage. It is important to note that the council is facing a significant revenue budget gap over the medium term to 2026/27, while its capital programme, including HRA schemes, totals nearly £1bn in the three years to 2026/27. Included in the capital programme is an investment of £61m in projects which contribute to the Council's net zero target. Current capital receipts are all earmarked for existing schemes, which means borrowing will increase to fund the capital programme. This borrowing includes both the medium term, where capital receipts are anticipated to be generated from the later sale of private homes, and the longer term, where there is no receipt generated. The council is required to set aside sums in its revenue budget to service the interest on its debt and repay the borrowing for this long-term borrowing. In 2023/24, £6.2m is budgeted for both these sums, but it is anticipated to increase to around £20m by 2026/27 (the end of the medium term period), increasing from 1.8% to 5.7% of the Council's net revenue budget. It is important to keep in mind that these figures will increase if additional capital projects are approved on to the capital programme which are financed via borrowing.

Taking forward the recommendations arising from this review should as far as possible be contained within existing budgets, both revenue and capital given the financial challenges facing the Council. Any recommendation requiring additional will need to be considered as part of the Council's budget setting process.

Legal Comments

The Scrutiny Panel / Scrutiny Commissions are empowered under Article 7 of the London Borough of Hackney's Constitution to undertake policy reviews generally and make suggestions for improvements.

The aim of the Commission in carrying out this review was to look at what is needed to meet both national and local net zero targets, and to ask how the Council could better meet its ambitions in a manner that is affordable, efficient and fair.

There is currently no legal requirement for the Council to achieve specific carbon saving targets. However, the Council is under a general duty to have regard to the environment in all decisions it makes, and national government has set a legally binding target to reduce national carbon emissions to net-zero by 2050. Furthermore, the Mayor of London has set a target for London to be net zero carbon by 2030.

Hackney's draft Climate Action Plan (CAP) was presented to Cabinet in October 2022 and approval was given for consultation to be undertaken on the CAP for a period of 10 weeks, which concluded in January 2023. The results of the consultation are currently scheduled to be considered by Cabinet in May 2023.

Legal Services note that the Panel has made a number of recommendations.

Appendices

Membership

Scrutiny Commission	Membership
Scrutiny Panel	Cllr Ben Hayhurst, Cllr Margaret Gordon (Chair), Cllr Sharon Patrick, Cllr Soraya Adejare, Cllr Sophie Conway, Cllr Polly Billington, Cllr Peter Snell and Cllr Clare Potter
Living in Hackney	Cllr Sharon Patrick (Chair), Cllr Anthony McMahon, Cllr M Can Ozsen, Cllr Ian Rathbone, Cllr Penny Wrout, Cllr Soraya Adejare, Cllr Ajay Chauhan and Cllr Clare Joseph
Health in Hackney	Cllr Ben Hayhurst (Chair), Cllr Peter Snell, Cllr Deniz Oguzkanli, Cllr Emma Plouviez, Cllr Kam Adams and Cllr Michelle Gregory
Skills, Economy & Growth	Cllr Polly Billington (Chair), Cllr Clare Potter, Cllr Steve Race, Cllr Gilbert Smyth, Cllr Anna Lynch, Cllr Jon Narcross, Cllr Fliss Premru, Cllr Claudia Turbet-Delof and Cllr Jessica Webb

Participants

Organisation	Attendees
Hackney Council	<p><u>Cabinet</u></p> <p>Cllr Mete Coban (Cabinet Member for Environment and Transport)</p> <p>Cllr Guy Nicholson (Deputy Mayor and Cabinet Member for Housing Supply, Planning, Culture and Inclusive Economy)</p> <p>Cllr Carole Williams (Cabinet Member for Employment, Skills and Human Resources)</p> <p>Cllr Clayeon McKenzie (Cabinet Member for Housing)</p> <p>Cllr Chris Kennedy (Cabinet Member for Health, Adult Social Care and Leisure)</p> <p>Cllr Sem Moema (Mayoral Advisor for Private Rented Sector and Affordability)</p> <p><u>Sustainability & Public Realm</u></p>

	<p>Aled Richards (Strategic Director of Sustainability and Public Realm)</p> <p>Andy Cunningham (Head of Streetscene)</p> <p>Ian Holland (Head of Leisure and Green Spaces)</p> <p>Sam Kirk (Head of Sustainability & Environment)</p> <p>Mary Aladegbola (Head of Energy and Carbon Management)</p> <p>Lucja Paulinska (Head of Operations – Hackney Light and Power)</p> <p>Matthew Carrington (Strategic Delivery Manager)</p> <p>Tyler Linton (Group Engineer - Sustainable Transport and Engagement, Streetscene)</p> <p>Katie Glasgow (Strategic Planning Manager)</p> <p>Rachael Weaver (Planning Policy Officer)</p> <p>Andrew Amoah (Project Manager)</p> <p>Barry Coughlan (Major Project Manager)</p> <p><u>Housing Services</u></p> <p>Steve Waddington (Strategic Director of Housing Services)</p> <p><u>Inclusive Economy, Regeneration & New Homes</u></p> <p>Chris Trowell (Interim Director of Regeneration)</p> <p>James Goddard (Interim Director of Regeneration)</p> <p>Suzanne Johnson (Head of Area Regeneration)</p> <p>Andrew Monk (Head of Employment, Skills & Adult Learning)</p> <p>Jasmin Ceccarelli-Drewry (Regeneration Officer)</p> <p>Simone van Elk (Strategic Delivery Manager)</p>
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p><u>Strategic Property</u></p> <p>Chris Pritchard (Director of Strategic Property)</p> <p>Ken Rorrison (Head of Strategic Design)</p> <p>Irina Mot (Strategic Asset Manager)</p> <p><u>Procurement</u></p> <p>Rotimi Ajilore (Head of Procurement)</p>
London Borough of Waltham Forest	James McHugh (Head of Housing Strategy)
London Borough of Harrow	Matthew Adams (Head of Natural Resources and Climate)
Greater London Authority	Philip Graham (Executive Director, Good Growth)
London Councils	Kate Hand (Head of Climate Change)
Department for Work and Pensions	Steve Hanshaw (Senior Partnership Manager)
Buro Happold	<p>Jon Gregg (Sustainability Engineer)</p> <p>Martha Dillon (Sustainability Consultant)</p>
Homerton University Hospital NHS Foundation Trust	<p>Tracey Fletcher (Chief Executive)</p> <p>Liam Griggs (Head of Facilities, Compliance and Performance)</p>
New City College	<p>Jamie Stevenson (Group Executive Director of Apprenticeships & Business Development)</p> <p>Alison Arnaud (Principal of Hackney and Tower Hamlets Colleges)</p>
Hackney Resident Liaison Group	<p>Steve Webster (Co-Chair)</p> <p>Helder Dacosta (Co-Chair)</p>
Other Attendees	<p>Sharon West (Chair, Lordship South Tenant Management Group)</p> <p>Jean Nicholson (Chair, Downs Estate Tenant Management</p>

	Group) Cllr Vincent Stops (Chair, Planning Sub-Committee)
--	------------------------------------------------------------------

Meetings

Scrutiny Commission	Topics & Links	Date
Scrutiny Panel	Net Zero Carbon <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	4th October 2021
Living in Hackney	Energy Strategy & Systems <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	26th October 2021
	Buildings <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	8th November 2021
	Buildings, Electric Charging & Infrastructure <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	13th December 2021
	London Councils Consumption Emissions and Retrofit Workstreams <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	7th March 2022
Health in Hackney	Roadmap to Net Zero at Homerton University Hospital NHS Foundation Trust <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	17th November 2021
Skills, Economy & Growth	Green Economy & Skills <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	22nd November 2021
	Transport	15th December

	<ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	2021
	SMEs & Decarbonisation <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	22nd February 2022

Bibliography

“A Green New Deal.” *Greater London Authority*,

<https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/green-new-deal>

“Building new council homes.” *London Borough of Hackney*,

<https://hackney.gov.uk/building>

“Climate Change Programmes.” *London Councils*,

<https://www.londoncouncils.gov.uk/our-key-themes/climate-change>

‘Fiscal risks report July 2021.’, *Office for Budget Responsibility*

https://obr.uk/docs/dlm_uploads/Fiscal_risks_report_July_2021.pdf

“Green Jobs and Skills in London: cross-London report.” *WPI Economics*,

<https://wpieconomics.com/publications/green-jobs-and-skills-in-london-cross-london-report/>

“Hackney Climate Action Plan 2023-30.” *London Borough of Hackney*,

<https://hackney.moderngov.co.uk/documents/s78824/Appendix%201%20-%20Draft%20Climate%20Action%20Plan%202023-2030.pdf>

“Hackney Housing Strategy 2017-22.” *London Borough of Hackney*,

<https://drive.google.com/file/d/1tuAUVcx8L1LHSxp126eVlz53RK8uS7tv/view>

“Hackney Implementation Plan 2023-26.” *London Borough of Hackney*,

<https://hackney.moderngov.co.uk/documents/s78855/Appendix%203%20-%20Draft%20Hackney%20Council%20Implementation%20Plan%202023-2026.pdf>

- “Hackney Local Plan 2033.”, *London Borough of Hackney*,
https://drive.google.com/file/d/1HRu0A_fdoWUi3OBfzUT03TT4S9gYwHDq/view
- “Hackney Transport Strategy 2015-25.”, *London Borough of Hackney*
<https://drive.google.com/file/d/173Yz8wZuSdjinXb15q0dSslhWzEkRGkBo/view>
- “Housing Asset Management Strategy 2019-27.” *London Borough of Hackney*,
<https://drive.google.com/file/d/1b5VYz85cUwSjMO1fggUCQWuqn33OA6sL/view>
- “Homerton Hospital Trust | Healthcare.” *Planet Mark*,
<https://www.planetmark.com/member/homerton-hospital/>
- “Levelling Up White Paper.”, *UK Government*,
<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>
- “Local Authorities and the Sixth Carbon Budget.” *Climate Change Committee*,
<https://www.theccc.org.uk/wp-content/uploads/2020/12/Local-Authorities-and-the-Sixth-Carbon-Budget.pdf>
- “London Energy and Greenhouse Gas Inventory (LEGGI).” *London Datastore*,
<https://data.london.gov.uk/dataset/leggi>
- “London Environment Strategy.” *Greater London Authority*,
https://www.london.gov.uk/sites/default/files/london_environment_strategy_0.pdf
- “London Net Zero 2030: An Updated Pathway.” *Greater London Authority*,
https://www.london.gov.uk/sites/default/files/london_net_zero_2030_-_an_updated_pathway_-_gla_response_1.pdf
- “The London Plan.” *Greater London Authority*, 1 March 2021,
https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf
- “National Planning Policy Framework.” *GOV.UK*, 20 July 2021,
<https://www.gov.uk/government/publications/national-planning-policy-framework--2>
- “Net Zero Energy Strategy.” *London Borough of Hackney*,
<https://hackney.moderngov.co.uk/documents/s74212/Item%204c%20-%20210626%20Hackney%20Clean%20Energy%2003%201%201.pdf>

“Net Zero Strategy: Build Back Greener.” GOV.UK,

<https://www.gov.uk/government/publications/net-zero-strategy>

“The Paris Agreement.” UNFCCC,

<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

“Sixth Carbon Budget.” *Climate Change Committee*,

<https://www.theccc.org.uk/publication/sixth-carbon-budget/>

“Sustainable Procurement Strategy.” *London Borough of Hackney*,

<https://drive.google.com/file/d/1f8TwR7zMRT9MbX2cO70gloD3inrAmw2w/view>

“2021 Progress Report to Parliament.” *Climate Change Committee*,

<https://www.theccc.org.uk/wp-content/uploads/2021/06/Progress-in-reducing-emissions-2021-Report-to-Parliament.pdf>

“2022 Progress Report to Parliament.” *Climate Change Committee*,

<https://www.theccc.org.uk/publication/2022-progress-report-to-parliament/>

“UK greenhouse gas emissions statistics.” GOV.UK, 8 February 2023,

<https://www.gov.uk/government/collections/uk-greenhouse-gas-emissions-statistics>

Glossary of Terms

Term	Definition
Circular economy	An economic model in which resources are retained in use at their highest value for as long as possible and are then reused or recycled, leaving a minimum of residual waste.
Climate emergency	An umbrella term to describe the situation where burning fossil fuels creates greenhouse gas emissions, which are changing the climate of the planet. Also known as: climate change, climate collapse, climate crisis, global warming.
Consumption emissions	The greenhouse gas emissions generated outside Hackney to create the goods and services used inside Hackney, for example in manufacturing and delivery.
Decarbonisation/Decarbonise	The process of reducing greenhouse gas emissions

District heat network	A distribution system of insulated pipes that takes heat from a central source and delivers it to a number of buildings.
Embodied carbon	The greenhouse gas emissions created to produce, transport, install, maintain, replace and dispose of materials or items. This is a type of consumption emission.
Freeholder	Someone who owns the freehold of a property which can include a building and other property or land. In a block of flats, for example, the freeholder would own the land and the actual building.
Fuel poverty	The situation where someone is unable to afford to keep their home adequately heated, without compromising basic necessities. Central government has defined fuel poverty as when a household needs to spend more than 10% of its income to achieve reasonable levels of warmth (22°C in living areas, 18°C in unoccupied rooms)
Greenhouse gas emissions	Refers to the gases created when fossil fuels are burnt that contribute to the climate and biodiversity breakdown. Also known as: carbon emissions, carbon dioxide emissions, GHGs and emissions.
Green jobs	Jobs that have a focus on either reducing carbon emissions, restoring nature or making similar environmental improvements
Hackney Light and Power	The Council's energy services arm, installing clean energy services across Hackney.
Heat pump	A device used to heat and cool buildings by transferring thermal energy from a cooler space to a warmer space.
Leaseholder	A leaseholder is someone who owns a property on a lease, typically for 99, 125 or 999 years. The length of the lease decreases year by year until it eventually runs out.
Low carbon (e.g. item, product)	Something that does not release significant amounts of carbon when produced or operated. Typically they are electric and running on fossil-free renewable power, or capable of running on the national grid, which is rapidly decarbonising.
National grid	The network of power stations, powerlines and electricity

	infrastructure that allows electricity to be generated, transported and used across the county. Within the network there are many different Distribution Network Operators who send electricity from the grid to end users.
Net zero	Net zero refers to a state in which the greenhouse gases going into the atmosphere are considerably reduced and the residual emissions removed out of the atmosphere elsewhere. In the context of the built environment, buildings should aim to reduce their overall greenhouse gas emissions for embodied carbon and operational energy to near zero or negative, with reliance on offsetting strictly limited to exceptional circumstances.
Offsetting	The process of compensating for greenhouse gas emissions, by participating in schemes designed to make equivalent reductions of carbon dioxide in the atmosphere. Also known as: carbon offsetting.
Range anxiety	Worry on the part of a person driving an electric car that the battery will run out of power before the destination or a suitable charging point is reached.
Renewable energy	Energy generated using fuels that are naturally restocked in a short time period and do not rely on fossil fuel extraction, such as solar or wind power.
Retrofit	The process of upgrading and altering existing buildings or systems to reduce greenhouse gas emissions. This might include upgrading their thermal performance to improve energy efficiency, adding renewable energy sources or removing fossil fuel power sources. This reduces the amount of energy used in a building, reducing fuel poverty and greenhouse gas emissions while improving comfort levels.
Solar panels	A renewable energy technology that uses sunlight as a source of energy to generate electricity.
Territorial emissions	The greenhouse gas emissions from energy consumption and activities inside Hackney.

List of Abbreviations

Abbreviation	Meaning
BEIS	Department for Business, Energy and Industrial Strategy

CCC	Climate Change Committee
Defra	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
DLO	Direct Labour Organisation
EV	Electric vehicle
GDP	Gross Domestic Product
GLA	Greater London Authority
G20	An intergovernmental forum comprising 19 countries and the European Union
HMO	House of multiple occupation
HMT	Her Majesty's Treasury
LETI	London Energy Transformation Initiative
LGV	Light goods vehicle
LTN	Low Traffic Neighbourhood
MHCLG	Ministry for Housing, Communities and Local Government
NHS	National Health Service
NLWA	North London Waste Authority
NPPF	National Planning Policy Framework
POE	Post Occupancy Evaluation
PRS	Private Rented Sector
PV	Photovoltaics
SMEs	Small and medium-sized enterprises
TfL	Transport for London



Scrutiny Panel 4 December 2023 Item 8 - Minutes and Matters Arising	Item No 8
------------------------------------------------------------------------------------------------	---------------------

OUTLINE

The minutes of the Scrutiny Panel meeting on 13th July 2023 are attached.



ACTION

SP Members are asked to agree the minutes.

This page is intentionally left blank

London Borough of Hackney
Scrutiny Panel
Municipal Year 2023/24
Date of Meeting Thursday 13 July 2023

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 Sophie Conway, Cllr Sharon Patrick, Cllr Clare Potter and Cllr Ben Hayhurst
Apologies:	Cllr Polly Billington and Cllr Clare Joseph
Co-optees	
Officers In Attendance	Rickardo Hyatt (Group Director Climate, Homes & Economy), Jackie Moylan (Director Financial Management), Ian Williams (Group Director of Finance and Resources), Jacquie Burke (Group Director Children & Education), Helen Woodland (Group Director Adults, Health & Integration), Naeem Ahmed (Director of Finance Adults, Children & Education), Rob Miller (Director of ICT) and Deirdre Worrell (Director of Finance, Housing and Neighbourhoods)
Other People in Attendance	Mayor Philip Glanville (Mayor), Councillor Robert Chapman (Cabinet Member for Finance, Insourcing and Customer Service), Councillor Christopher Kennedy (Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture), Councillor Carole Williams (Cabinet Member for Employment, Human Resources and Equalities), Statutory Deputy Mayor Anntoinette Bramble, Councillor Sade Etti (No Place for Hate Champion), Councillor Susan Fajana-Thomas (Cabinet Member for Community Safety and Regulatory Services), Councillor Clayeon McKenzie (Cabinet Member for Housing Services), Councillor Guy Nicholson (Deputy Mayor for housing supply, planning, culture and inclusive economy), Councillor Anna Lynch and Councillor Sheila Suso-Runge
Members of the Public	
Officer Contact:	Tracey Anderson  0208 3563312  tracey.anderson@hackney.gov.uk

Councillor Margaret Gordon in the Chair

1 Appointment of Chair for the Scrutiny Panel in the Municipal Year 2023/24

Members noted the confirmed appointment to the position of Chair for the municipal year 2023/24, Cllr Margaret Gordon, as agreed by Full Council at its Annual Meeting on 17th May 2023.

2 Apologies for Absence

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

Apologies for absence were received from Cllrs Joseph and Billington.

Cllr Laudat Scott, Cllr Troughton, Cllr Young, Cllr Terbet-Delof, Cllr Ogundemuren, Cllr Ozsen, Cllr Kam Adams all attended on-line.

3 Urgent Items / Order of Business

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

4 Declarations of Interest

There were no declarations of interest.

5 Cabinet Question Time- Mayor Glanville (19:05 -19:50)

The Chair explained that a key element of the overview and scrutiny function was to hold the Mayor and Cabinet to account. The Mayor's Question Time was the responsibility of the Panel, and for these discussions notice was given of the topic areas which will be the focus of discussion at the meeting.

The Chair outlined the key areas to which the Panel expected responses was as set out below.

Manifesto commitments

- Update on the progress and monitoring of the manifesto commitments
- Impact of budgetary pressures on the manifesto commitments

Senior leadership changes

- The impact of changes to the senior leadership on the organisation and political leadership, and mitigations of any further impacts

ICT and hybrid meetings

- Permanent ICT solution for formal council hybrid meetings
- Update on the aftermath of the cyber attack

- Digital divide and how the Council can ensure all residents are informed about council information and consultations

The Chair then invited Mayor Glanville to respond to the key questions sent in advance of the meeting. The key points are summarised below.

Manifesto commitments

The Council adopted its Strategic Plan in November 2022, which was framed around the Mayor's priorities and reflected the 2022-26 Manifesto commitments of the Labour administration.

Since its adoption, significant work had been undertaken in response to the housing crisis. In December 2022, Cabinet approved a new house building programme which would deliver 300 of the 1,000 council homes the Council had committed to between now and 2026.

The operating context had become even more challenging, however, with build costs going up by around 40% in the last two years. Demand was increasingly outstripping supply in the rental market too.

The Council had continued to campaign to improve standards in the private rented sector and offer support to residents who were faced with eviction. £400k had been set aside for environmental health officers to help those in the private rented sector to secure the repairs needed to ensure homes were safe and free from damp and mould.

The Council also continued to invest in its leisure estate, developing proposals for a new teaching pool at London Fields Lido and improvements to the facilities at West Reservoir. In addition, the options for the refurbishment of Kings Hall Leisure Centre would soon be shared with the local community to get their views.

Improvements to Shoreditch Park had now been completed, including a new outdoor gym. A number of playgrounds had also been refurbished, and street public toilets would be free to use across the borough.

The Council had committed to exceeding its own climate action targets by installing 4,000 electrical vehicle charging points across Hackney by 2026, alongside significant investment in cycle provision.

The Council had worked with schools and community organisations to inform thinking about how it would spend Mayor of London funding for free school meals, and was taking on board the implications and opportunities for local work to complement this.

The Strategic Plan would be monitored year-round to measure and evaluate the impact of the Council's work, and to help it understand problems in a more holistic way. The Strategic Plan was being aligned with individual service plans through financial resource planning and performance and risk management, and looking at long-term outcomes and theories of change.

The Council would continue to work in the open by creating opportunities for residents to participate in this work, ensuring services and decisions were co-designed and informed by local communities.

The financial challenge in delivering the Strategic Plan was significant. The Council had faced £140m worth of cuts in recent years, coupled with the impact of the pandemic and cyber-attack. As well as this, demand in children's and adult social care had hugely increased, with £27m of demand growth in children's social care alone.

ICT and hybrid meetings

Cabinet was committed to finding a permanent ICT solution for formal council hybrid meetings. A working group had recently been set up which included both Cabinet Members, Scrutiny Members and backbenchers to look at the options and benchmark against other local authorities.

Significant progress had been made in recovering from the impact of the cyber-attack. There were very few areas of the Council's work where the cyber-attack continued to be a reason why it could not deliver a service, although there continued to be a financial impact in terms of reconciliation.

Work would continue in terms of modernising the digital tools and systems used by services across the Council, for example in Housing Services and in particular its repairs and maintenance service. These would include both in-house and off-the-shelf solutions.

The Council continued to work to close the digital divide and make better use of digital technology to modernise and innovate to create better experiences for residents and staff. This included investment in the library estate digital capacity, extra staff in Hackney Service Centre to assist residents whilst using digital services, and partnership working with broadband providers to offer faster, more reliable internet services to residents living in council homes.

In recognition of the broader digital divide, the Council continued to publish newsletters such as Love Hackney which had recently been expanded to include over 120,000. Housing Services alone produced thousands of leaflets and posters to ensure the Council effectively communicated with residents living in council-managed homes. Community translation was also increasingly facilitated being in partnership with community organisations and elected members.

Senior leadership changes

It was recognised that there had been some uncertainty in terms of senior leadership whilst the Chief Executive had been on a period of extended leave. During that time the Corporate Leadership Team had been expanded and the Group Director of Finance and Corporate Resources had been made Acting Chief Executive.

As the Acting Chief Executive (and s151 Officer) would be leaving the Council in the coming weeks, there was a need to appoint both an Interim Chief Executive and s151 Officer. The Appointments Sub Committee had recommended to appoint Dawn-Carter McDonald as Interim Chief Executive, Jackie Moylan as s151 Officer and Louise Humphreys as Monitoring Officer (as Dawn-Carter McDonald was the current Monitoring Officer and could not hold the role of Head of Paid Service at the same time). This was subject to endorsement by Full Council on 24th July 2023.

Questions, Answers and Discussion

A Panel Member asked for further information on the expanded Corporate Leadership Team and how it would work alongside the Mayor and Cabinet to deliver on the Council's strategic properties.

The Mayor explained that the Council had undergone a substantial period of recruitment during 2021/22 to appoint to a number of corporate director positions. It was now investing in senior management through an expanded Corporate Leadership Team, and continued to review the strengths and weaknesses of the corporate leadership structure as it stood.

With experienced senior officers moving on from the Council, it was particularly important to invest in existing staff to ensure a smooth transition and interim arrangements. There was confidence that the officers stepping up into new leadership positions would be successful, and would bring with them both professional expertise and place-based institutional memory.

A Panel Member asked whether the Mayor was concerned that the Council's commitment to build 1,000 new council homes between now and 2026 would not be able to be fulfilled due to the financial challenges facing the Council.

The Mayor explained that a significant amount of financial modelling was undertaken by the Council in ensuring the commitment to build 1,000 new council homes between now and 2026 was deliverable. When the new council homes programme started there was a funding gap of around £1m, but this gap had almost been closed.

New council homes would be delivered through a mix of methods, including accelerating existing programmes for council homes, a new programme of council homes, buying back council homes and new town centre developments. The Council would also continue to lobby the government alongside other London Boroughs and the Greater London Authority to make the case for higher levels of grant funding which would align more closely with inflationary levels.

A Panel Member asked for an update on the progress of delivering new council homes on Morning Lane (Tesco site) development in Hackney Central.

The Mayor explained that the Council had recently appointed architects to explore new ideas for homes, workspaces and community spaces Hackney Central and Dalston, and look at how it can maximise community and social return from them.

This included exploring the development potential of town centre sites, Morning Lane (Tesco site) and bus garage sites. In terms of Morning Lane (Tesco site), it was hoped that around 140-160 new homes could be delivered alongside retaining a Tesco supermarket, incorporating opportunities for businesses and more jobs, and high-quality and greener public spaces.

The Council was using the feedback and priorities of residents, community groups and businesses to ensure changes benefit local people, and was now looking to appoint a development partner to work in partnership to develop the site.

A Panel Member asked whether more could be done to communicate to residents about the impact that the cyber-attack had on delivering Council services, and in explaining why it made and continued to make difficult decisions in response.

The Mayor explained that it was important to remember that the cyber-attack was a criminal act, and so much of the initial communication around the incident itself had to be limited both due to the investigation and the threat of any further issues.

Having said this, the Council had since worked diligently to explain the narrative of events as a means of addressing the concerns raised by residents and informing good practice and partnership working.

At some point in the autumn an independent cyber security assessment would be published, outlining what happened and a judgement of the Council's response. This may be an opportunity to communicate with residents, as well as to engage Scrutiny members and backbenchers.

A Panel Member asked whether the Mayor was concerned that the Council's work on maximising and shaping green employment opportunities and supporting a circular economy would be affected by the financial challenges facing the Council.

The Mayor explained that work was underway to support green employment opportunities through the Council's employment and skills service. Hackney Community College and Guild East in the Olympic Park were two examples of training providers helping people find work in the green economy.

The Council was developing a Housing Retrofit Strategy for all council housing in line with the Climate Action Plan, and had secured over £20m of decarbonisation and retrofit funding across the Housing Revenue Account (HRA) and General Fund. It was hoped that this would also unlock green employment opportunities for residents.

Hackney Light and Power had been set up as a publicly owned municipal energy services company to accelerate efforts to deliver renewable energy across the borough, and was employing and investing in local people to support its work.

Two zero emissions networks had been set up in Stoke Newington and Shoreditch, with plans to identify funding to scale this up across the borough. Two circular economy zones had also been set up in Hackney Central and Hackney Wick to increase sharing, little libraries, refill points and other community swap events and schemes.

The Chair of the Audit Committee asked about how the Council engages with residents to ensure they understand the steps it was taking to improve repairs and maintenance on council managed estates and to support estate regeneration, as well as the increasing financial pressures on both the HRA and capital spending.

The Mayor explained that it was important for the Council to have an efficient and effective repairs and maintenance service, as well as increasing the supply of council homes within the borough. Investment in improving the way council homes are managed had therefore been identified as part of the 2023/24 HRA budget proposals.

There were real financial difficulties around the HRA, which was largely due to government decisions and inaction. Around £700m had been taken out of the HRA due to the decisions of the government around rent, which was roughly equivalent to the funding needed to retrofit the Council's entire housing stock.

In terms of estate regeneration, it was important that all projects were delivered through close collaboration with local residents from start to finish and through meaningful engagement on smaller projects such as green infrastructure.

6 Council Budget (19:50 - 21:15)

The Chair explained that the budget update was a fixed item on the agenda of Panel meetings to allow scrutiny members to retain oversight of the Council's budget, receiving quarterly finance updates and conducting budget scrutiny sessions.

It was explained that the budget scrutiny process had been amended for the 2023/24 municipal year. It would now commence with an overview of the Council's budget for 2023/2, accompanied with information about the spending priorities and pressures for each directorate.

To commence the budget scrutiny session the Panel asked the Mayor, Cabinet and Corporate Leadership Team to provide the following information.

- Overview of the Council's budget
- The Directorate budget for 2023/2024
- Directorate budget spend priorities for 2023/2024
- Directorate budget service pressures
- Update on the progress of budget savings that were agreed for implementation 2022/2023.

The Chair began by inviting the Cabinet Member for Finance, Insourcing and Customer Service to make some opening remarks.

The Council had seen a 40% cut in government grants since 2009/10. While more grant funding had been made available recently, for example for the Social Care grant, this did not cover the huge increases in demand and prices.

The local government pay award would also have an impact on the Council's budget, as there would be no further funding available from government over the amount that they had assumed.

As set out in the Medium Term Financial Plan (MTFP), the Council was looking at a medium case budget gap over £22.162m for the current financial year, which meant that some difficult spending decisions would need to be made over the coming months to bridge the gap.

Whilst the scale of the financial challenge ahead was significant, the Council was committed to providing the services that communities relied on and, in setting its budget, would be completely focused on its strategic priorities and commitments.

The Chair then invited the Group Director Finance and Corporate Resources to give a short verbal overview of the Council's budget.

The Council approved net revenue budgets of £255.4m for 2023/24 on 1st March 2023. This was broken down between directorates and the General Finance Account, which contained corporate items such as the North London Waste Authority (NLWA) levy, concessionary fares, provision for repayment of external debt and revenue contributions to capital and pay award provision.

The gross revenue budget was £1.2bn for 2022/23, a significant element of which was third party payments including the Housing Benefit Subsidy and Dedicated Schools Grant (DSG) totalling £743.6m (57%).

The Council's General Fund activities were funded by a mix of local taxation and government grants. For 2023/24, this included Council Tax (£103.3m), business rates including the Top Up Grant (£116.4m), revenue support grants and other non-ring-fenced grants (£78m) and specific grants (£57.7m).

The Council received around £230m in respect of housing benefits, the vast majority of which was directly paid out in benefits. The DSG after deductions for recoupment for academies, national non domestic rates and react funding for high needs by the Education and Skills Funding Agency was £237m. The Housing Revenue Account (HRA) was ring-fenced, meaning the Council needed to budget for all costs to be covered by housing rents.

The Council was expecting to spend £1.1bn on the capital programme between 202/23 - 2025/26 across a range of areas such as investing in the maintenance of schools and delivery of additional in-borough SEND places, maintaining council homes and building more and improved homes, essential maintenance to leisure centres, investment in temporary accommodation and new GP surgeries.

The capital programme was funded by a range of measures such as borrowing, capital receipts, government grants, revenue and S106/Community Infrastructure Levy (CIL). However, capital resources were depleting and there was a need to increasingly fund capital expenditure via borrowing.

Cabinet Members were working closely with officers to balance the budget over the MTFP period, and proposals would be presented to scrutiny councillors at various stages of their development to ensure their views were taken into consideration.

The Council was legally required to set a balanced budget in advance of the financial year, and the law also dictated how much the Council could increase its council tax without going to a referendum.

Compared to some local authorities, Hackney had a low council tax base, meaning it was particularly vulnerable to government cuts and it had little certainty beyond the following financial year over a large proportion of its funding which made planning challenging.

A 1% increase in council tax would raise an additional £1.1m of income. However, a 1% increase in pay costs Hackney around £2m. Since 2010, the Council had seen a significant decrease in real terms external funding and national issues like inflation in fuel prices had led it to provide an additional £8.5m in the budget since 2022/23.

The Chair then invited the Group Director Children and Education to give a short verbal overview of the Children and Education Directorate budget.

Children & Families planned to spend approximately £58.8m (net) in 2023/24. The service encompassed statutory children's social care services and early help and statutory youth justice provision delivered by the Early Help and Prevention Service.

Hackney Education planned to spend around £22m (net) in 2023/24. This service ran all the education services within the borough, and also oversaw the DSG and other school grants which totalled circa £258m. Its functions included ensuring the Council was compliant with its legal obligations, as well as providing a range of educational services through the delivery of a traded offer.

Approximately £34.1m of the Children & Families net budget was attributed to staffing costs. 39% of the budget £22.9m would be spent on the Corporate Parenting Service, which was responsible for all areas related to the safeguarding and welfare of children who were in the care of the Council.

The Domestic Abuse Intervention Service (DAIS) provided information and support, intervened to reduce risk and worked to protect victims from harm (1% / £0.5m of budget). The Access & Assessment Team acted as a single point of contact for children in need of support or protection and included the Multi Agency Safeguarding Hub (MASH) and Early Help Hub (7% / £4.3m).

The Safeguarding & Learning Service provided support for Independent Chairs for Child Protection Conferences and Looked After Reviews, Local Authority Designated Officer (LADO) for allegations against staff and volunteers, and learning and development for foster carers and staff members amongst others (5% / £2.7m).

Clinical Services was an integrated and specialist Child and Adolescent Mental Health Services (CAMHS) for children accessing Children's Social Care Services, the Family Support Service, Young Hackney and the Youth Justice Service. (3% / £1.8).

62% (£13.7m) of the Education budget was attributed to the Early Years, Early Help & Wellbeing Service which consisted of Funded Free Early Years Entitlement, Early Years Quality Improvement, child-minding, Children's Centres and Early Help, Pupils Out of School and the Specialist Intervention Service.

The Contingencies and Recharges Service included overall directorate budget for recharged overheads, DSG Growth, contingency and support budgets as well as insurance costs (17% / £3.8m). The School Standards & Performance Service was a combination of statutory and traded services, made up of School Improvement & Performance, School Governance, the Virtual School, Hackney School Music Service and Continuous Professional Development and Early Career Teacher programmes (1% / £0.2m).

In order to meet the MTFP the directorate had been reviewing the social care practice model and the layers of management so the structure was standardised and streamlined with fewer tiers. It was also looking to consolidate the Children, Education and Health commissioning function across the directorate to allow for effective market engagement and an opportunity to explore joined up commissioning arrangements across the portfolio.

Finally, it was undertaking a base budget review of Early Help Services which offered a wide- range of targeted and specialist interventions for young people that need extra support, as well as arrange of play and sports opportunities on a universal basis.

The main areas of budget pressure in the directorate continue to be in Corporate Parenting, Looked After Children (LAC) and Disabled Children Services. Since 2019/20 there had been significant cost increases, as well as a change in the profile of

placements linked to the complexity of care for children and young people coming into these services.

The other main budget pressure in the directorate was as a result of over-established posts, and the directorate was working towards addressing this pressure as part of the service redesign which would take place later in the year.

Within Hackney Education, SEND pressures continued to increase year on year as a result of a continuing increase in recent years of children and young people with Education and Health Care Plans (EHCPs). The directorate was working with Newton Europe/CIPFA to secure £1m through the SEND Developing Better Value (DBV) programme. The grant application would include an action plan to spend the grant allocation towards targeted work streams which may help to mitigate some budget pressures.

A statutory override which allowed a deficit balance of £17.1m to be carried in the Council's accounts had been extended to March 2026. However, this continued to remain a risk for Hackney in the event there was no further funding provided by the Department for Education to mitigate this balance.

The directorate had taken a number of management actions to mitigate these budget pressures. This included a foster first approach in which all children under the age of 16 would be offered a foster placement as first option, with residential and semi-independent to be agreed in exceptional circumstances.

As part of the analysis of high cost placements, the service is also targeting a reduction through a process of continual review. The cost reduction will be achieved by reviewing the top 30 high cost care arrangements and seeking a 5% reduction in costs through analysis of care package support and through targeted negotiations with care providers.

The directorate was also looking to reduce agency spend through regular reporting and scrutiny through the Workforce Development Board for sign-off for new agency staff, which would enable close monitoring of the use of agency staff and related expenditure.

The Chair then invited the Group Director Adults, Health and Integration and Director of Public Health to give a short verbal overview of the Adults, Health and Integration Directorate budget.

The Adults, Health and Integration directorate had a gross budget of £120.8m. The majority of the budget was spent on commissioned services for care, although there significant in-house service provision too (7.6% / £9.2m).

Within the directorate sits Public Health, which had a net budget of £37.5m. Public Health services were funded by an annual government grant, which was ring fenced for use on public health functions. As well as consultant staff, there were also teams of staff that had been in-sourced to deliver specific services.

Across the directorate, around £20.6m was spent on staffing. This included staffing across a range of service areas from Initial Contact and Response to integrated teams such as Integrated Discharge, Mental Health and Integrated Learning Disabilities Services.

The bulk of the budget was spent on external commissioned care for adults with a disability or older people following an assessment of need, and included community based care such as Home Care (£21.5m), Day Care (£2.3m) and Supported Living (£18.2m), as well as long-term Residential (£20.7m) and Nursing Care (£8.1m) placements.

Most long-term Residential and Nursing Care placements were out of borough as there was not a substantial provision of Residential and Nursing Care in Hackney. The Council therefore sought to minimise their use, however this had led to increased spend in that area. The directorate commissioned a range of other services (£6.5m) such as those in the voluntary sector, the Taxicard Scheme and the Integrated Independence Team.

The Adult Social Care Service was not free at the point of use and there were therefore some income streams such as for care charges, specific grants (for example Social Care, Improved Better Care Fund and Better Care Fund) and health funding (for example Section 75, NHS-funded Nursing Care and joint funded placements).

The directorate had seen a 30% increase in the total number of people receiving care and support since 2020. For some services such as home care, the increase has been even more significant (43%). The complexity of care was also increasing. In October 2020 there were 514 clients with care packages that exceeded £800 p/w, and by May 2023 this had increased to 751 clients.

In addition to rising demand, unit costs had also increased significantly. Between 2019/20 and 2022/23, home care unit costs had increased by 7%, supported living by 36%, residential by 10% and nursing by 15%.

The directorate had delivered a range of savings over the previous five years, and had budget savings of £5.6m for Adult Social Care and £3m for Public Health over the next period. In addition to this, cost reduction measures had delivered efficiencies totalling £1.3m since 2021/22 and further cost measures had been developed for 2023/24. This included more robust Quality Assurance processes, recovery of unused Direct Payments and a reduction in agency staff use.

The Chair then invited the Group Director Climate, Homes and Economy to give a short verbal overview of the Climate, Homes and Economy Directorate budget.

The Climate, Homes & Economy directorate delivered a wide-variety of front-line services, and was leading on 1756 manifesto commitments. Key priorities included leading on the Council's response to the climate emergency through the Climate Action Plan, delivering a modern housing service and new council homes, establishing and maintaining relationships with key businesses in the borough, and establishing and delivering against key shared objectives with community safety partners.

The directorate was responsible for two budgets - the General Fund and Housing Revenue Account (HRA). The General Fund budget 2023/24 incorporated a range of services including Streetscene (£6.2m), Environmental Services (£21.5m), Parking, Markets & Street Trading which would generate an income of £16m, Leisure, Parks and Green Spaces (£6.3m), Planning & Building Control (£2.2m), Community Safety, Enforcement & Business Regulation (£6.8m), Economy, Regeneration & New Homes

(£2.6m), Adult Skills (£1.3m), and Housing Policy & Strategy which was a net nil budget as it was funded by Right to Buy Receipts, rents and external funding.

A number of savings had been brought forward or realised in the 2023/24 financial year. This included increasing the fees and charges in line with CPI for specific services like parking and commercial waste, introducing fees and charges for certain inspection/enforcement activities so that landlords who require intervention pay for the cost of enforcing housing standards, inflationary increases in non-statutory fees in Environmental Services, and various management restructures, service integration and expansion of traded services.

There were a range of General Fund budget pressures. This included overspend in relation to the impact of increased demand led pressures on the Waste and Street Cleaning Service, non-delivery of previously approved vacancy factor savings in Environmental Operations and Community Safety, Enforcement & Business Regulation, continuing impact of inflation on supply chains and non-delivery of the savings relating to the established of the Commercial Waste company.

The HRA budget 2023/24 incorporates a range of housing services including the Tenants and Leaseholders Service. This service made an income of £154,583.1m through the collection of rent and arrears, and had an expenditure of £26,837.9m on providing a range of landlord services. The budget also included Repairs and Maintenance (£36,355.3m), Estate Services (£11,012m), Planned Asset Management (£4,118.1m), Transformation (£1.378.7), and Central Housing, Finance & Resources (£74,880.3m).

A range of HRA savings had been identified for the 2023/24 year, with the largest being the reduction to Revenue Contribution to Capital Outlay (£1.12m). There were budget pressures across the HRA budget, which included the need to maintain and improve rent collection rates and reduce the level of rent arrears and housing services, the continuing impact of inflation on materials for repairs and maintenance and the supply chain, the local government pay award (the impact of which is £1.5m above the planning assumption), and the demand for repairs, including damp and mould response and lift repairs.

The Chair then invited the Group Director Finance and Corporate Resources to give a short verbal overview of the Finance and Corporate Resources Directorate and Chief Executive Directorate budgets.

Finance & Corporate Resources directorate delivered a range of front-line and support services for a net budget of £50m, from the provision of temporary accommodation through to providing finance, ICT and HR support to the rest of the Council.

The directorate was delivering against a number of key priorities including the hosting of the Money Hub and support through the Benefits & Housing Needs Service, leading on the Sustainable Procurement Strategy, hosting the Energy Unit, developing Hackney Light & Power and also driving the medium-term financial planning and annual budget setting process.

The services in the directorate's budget 2023/24 were Audit & Anti-Fraud (£1.2m), Financial Management & Finance Support (£6m), Human Resources & Organisational Development (2.7m), Revenues (£4m), Benefits & Housing Needs (£10.2m), Customer Services (£2.9m), Facilities Management (£7.2m), Support Service (£3.1m),

Registration Services which generated an income of £0.1m, ICT (£12.4m), Procurement (£1m) and Strategic Property which generated an income of £0.7m.

The directorate also oversaw the Pension Fund (which was part of the Local Government Pension Scheme), reporting to the Pensions Committee which was responsible for strategic decision-making for the Hackney Pension Fund, including setting the Fund's overall investment strategy. The Fund's assets (£1.9bn as at 31st March 2023) were managed by external managers and the Council had over 23,000 scheme members.

Responsible investment was a key part of the Pension Committee's approach to fulfilling this core fiduciary duty, and the Fund was an early adopter of taking climate risk into consideration and setting specific targets to manage such risks.

In terms of budget pressures, the directorate was still seeing the impact of the Covid-19 pandemic and cyber-attack, and was investing in arrears recovery and housing benefits processing. Pressures continued on temporary accommodation, as it did across London, and cost pressures in ICT reflected the new technologies in use. Pressures on businesses also impacted on collection rates for areas such as commercial property and additional provision for bad debts may therefore need to be made.

The Chief Executive directorate delivered the core strategic functions of the Council as well as some frontline delivery. Key priorities included working with the Council's services and partners to achieve better outcomes for residents, leading on the Council's overall tackling poverty strategy, developing a new Equality Plan, and delivering the outcomes of the 'Our Libraries' consultation.

The directorate's budget for 2023/24 included Legal, Governance and Election Services (£1.5m), Policy, Strategic Delivery and Communications (£4.6m), Communications, Culture & Engagement (£3.1m), Libraries and Heritage (£6.6m) and the Chief Executive's Office (£1.5m).

In terms of savings for 2023/24, these included the estimated savings to be achieved from the Libraries Review (£125k), inflation on legal fees (£50k) and opportunities to generate income across the Engagement Culture & Organisational Development Service (£50k).

There were income targets across the directorate services, venues and events, film locations services and external legal services and there were overachievements of income from venues and film location services, the non-delivery of income remained a risk and a potential budget pressure. The directorate was forecasting an underspend and would continue to seek opportunities to deliver in-year savings to support the overall financial position of the Council.

Questions, Answers and Discussion

A Chair asked how resources were allocated across council directorates, and how resource allocation compared to other statistical neighbours and if there was any areas divergence? The Chair also asked for further details about the 12 areas of possible savings, in particular how these areas had been identified?

The Cabinet member for Finance, Insourcing and Customer Services responded that whilst the council would need to meet financial commitments to deliver statutory services and that there was a general desire to preserve frontline services, all financial decision making was ultimately political. A benchmarking process commenced in 2022 to identify those areas for which there was a comparatively high spend in Hackney and this had informed those 12 priority areas identified for savings.

The Group Director for Finance concurred with the Cabinet member, and added that the Council faced financial pressures for services over which it had little control such as increased demand for statutory social care services. The Council also needed to be mindful of 21 new financial performance indicators through which local authorities would be assessed, noting that per head funding in Hackney was second highest across London, and that council tax rates in London were comparatively lower than those set elsewhere.

A Panel member asked if there had been any long term analysis as to how individual directorates had fared in respect of savings requirements and the proportion of their budget they had lost (noting that ASC was losing 2.7% of its budget in the planned savings over the MTFP period).

The Cabinet member for Finance, Insourcing and Customer Services referred to a slide in the report pack which demonstrated that whilst Adult Social Care had been required to find savings of £8.7m over the last 5 years, it had also received additional investment of £15.4m. Long term comparisons were also difficult to make as the funding mechanisms frequently changed. It was noted that in recent years, Council Tax funding had allowed for an adult social care precept, which in Hackney had been allocated in full to the adults social care service. It was acknowledged that adult social care services faced significant and ongoing budget pressures arising from increased demand for services and the increasing complexity of support that older people now often required.

A panel member asked for further details about the cumulative SEND overspend, and what was the risk that this accumulated liability will ultimately need to be met by the Council?

The Interim Chief Executive responded that the statutory override principle was well documented and reviewed in the Audit Committee deep dive report, and it was also noted that the council was doing further budget work in this area in 2023/24. Whilst local authorities had in effect been able to create a negative reserve for the cumulative SEND overspends, Hackney had created a positive entry reserve which would partially offset this deficit should the government fail to compensate local authorities for cumulative SEND overspends. It was noted that in total, the cumulative SEND deficit for all local authorities was estimated to be in the region of £6 billion.

A panel member noted that as the Capital Programme was now mostly funded through borrowing, what was the exposure of the Council to variations in interest rate repayments?

The Group Director responded that these resources would be used to benefit the needs of local communities, noting that two GP services had been developed in Hackney through the use of council extended borrowing facilities. Similarly, the council was in the process of repurposing education sites using the capital programme on an

invest to save basis, by developing more in-borough alternative provision which was more cost effective than commissioning external education providers.

A panel member questioned officers if there were any identified risks with proposed savings for this year (2023/24) particularly as directorates were already under financial pressure?

The Cabinet member for Finance, Insourcing and Customer Services noted that the first overall financial position of the Council for this financial year would be reported at Cabinet later in July 2023. Whilst exact figures could not be given ahead of that paper release, it was noted that children's and adult social care services continued to face particular demand pressures.

The Interim Chief Executive noted that savings proposals identified for the year ahead were regularly stress tested to ensure that these were deliverable. A review of savings proposals across the council would suggest that most were on track to deliver, though there were a few which were challenging.

The Chair of the Audit Committee was concerned that local residents were not fully aware of the financial pressures that this and other councils were facing, the scale of the savings that might be required and those services most likely to be affected and what impact that it may have on them, and was therefore keen to understand how local residents would be engaged and involved in these budget setting processes?

The Cabinet Member for Finance noted that an extensive public engagement exercise with the public was planned for the autumn which would support an open and frank dialogue about the pressures faced by local government. A more detailed process was envisaged next year which would support a more deeper discussion and understanding of council finances.

A panel member questioned officers on what was hoped to be achieved through the £1m Better Value grant, given that the SEND service has already been assessing opportunities to work more effectively and to achieve savings?

The Group Director for Children & Education responded that participation in the programme would bring access to a range of SEND advisers, and the best practice and learning from other local authorities who have already gone through the Better Value process. The £1m would be invested in extending early help provision to reduce demand for EHCPs. An external service review has validated the approach of the council in prioritising in-house provision and reducing the need for external placements.

A panel member asked what would be done to increase in-house foster carer recruitment and retention which would support the foster first approach and extend possibilities to achieve savings?

The Group Director for Children & Education noted that there were 165 in-house fostering households which was comparatively higher than neighbouring boroughs, and that 70% of children were placed with a foster carer (whether this be in-house or with an independent provider). Unit costs for foster care placements were significantly cheaper than residential care, and whilst Independent foster carers were generally more costly than the in-house team, the differences in costs for some placements were marginal. The foster first approach was working, and was supported by good

social work practice and sound local partnerships. It was noted that the number of looked after children in Hackney had reduced from 431 to 390 over the past two years.

A panel member enquired if there was any exploratory work between children's social care and housing strategy and delivery teams which may identify invest to save opportunities for the delivery of supported housing options for care leavers?

This was a recognised service pressure and the Care Leavers team had developed a new framework to help improve care leavers involvement in decision making which it was hoped would enhance the quality of the supported housing offer. A further paper on this issue was expected at Cabinet in September 2023.

The Chair asked a number of questions on behalf of Living in Hackney members who could not be present. Firstly, what was the budget for housing repairs and maintenance, how does this compare to last year and is the current budget sufficient to address the significant repairs backlog? Secondly, in relation to HRA debt, how much are the debt repayments and is this included in figures presented?

In relation to housing repairs, the Group Director for Climate Homes and Economy noted that there had been a £5m uplift in the repairs budget for this year in view of the ongoing demand pressures and overspend in 2022/23. The repairs and maintenance service continued to face significant increases in service demand which was challenging, and this was expected to intensify over the autumn / winter period. The backlog that had arisen through the Covid pandemic had been addressed in recent months and the service was now responding to increased demand for repairs service which has occurred since that time.

The Interim Chief Executive and Group Director for Finance indicated that as of 31/3/23, the HRA debt stood at £120m. This was financed by £66m of external borrowing and the remainder through a range of internal borrowing mechanisms. It was suggested that a deep dive session on capital expenditure and funding for the capital programme could be provided to members as this was a complex area and which often interacted with treasury management processes.

A panel member asked how the Asset Review process for the corporate property estate was progressing, and when this could be expected to report back to members? What were the prospects of this review identifying savings or increased revenue for the Council?

The Interim Chief Executive and Group Director for Finance responded that the team worked hard to make sure the Council made best use of all its assets and had a good track record in bringing council buildings back into use. Officers were working to ensure that council owned buildings were in a suitable condition for letting and that the rental rates were set at competitive local market rates. Maximising revenues from the corporate estate was of course an important contributor to the financial position of the council, in that such funds could be used to offset budget pressures elsewhere.

Summing Up

The Chair thanked Panel Members for their questions and all witnesses for their responses and engagement with the scrutiny process.

The draft Overview & Scrutiny Public Engagement Protocol was presented. The Chair explained that the draft protocol was aimed at providing guidance and support to scrutiny councillors, officers and members of the public when engaging local people in the work of scrutiny.

The Panel **RESOLVED** to agree to the Overview & Scrutiny Public Engagement Protocol.

8 Minutes of the Meeting (21:25 - 21:30)

The draft minutes of the previous meeting held on 24th April 2023 were presented.

The Panel **RESOLVED** to agree the draft minutes as an accurate record.

9 Scrutiny Panel Work Programme 2023/2024 and Public Consultation Report 2023 (21:30 - 21:40)

The Chair noted that there had been an unprecedented level of engagement with the work programme consultation process which had yielded a wide range of topic suggestions for scrutiny at Scrutiny Panel and across all Scrutiny Commissions.

A panel member enquired what would happen to the topic suggestion lists?

In response, it was noted that scrutiny officers were working through all suggestions and allocating these to scrutiny bodies for consideration and inclusion within their respective work programmes.

10 Any Other Business

The Chair thanked the Interim Chief Executive and Group Director for his long standing contribution to sound financial management and leadership of the council and wished him well in his new appointment.

Duration of the meeting: 7.00 - 9.40 pm

This page is intentionally left blank



<p>Scrutiny Panel</p> <p>4 December 2023</p> <p>Item 9 – Scrutiny Panel Work Programme 2023/2024</p>	<p>Item No</p> <p>9</p>
-------------------------------------------------------------------------------------------------------------------------------	--------------------------------

OUTLINE

Attached is the Scrutiny Panel work programme for the Scrutiny Panel for 2023-24. 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.

This page is intentionally left blank

Overview & Scrutiny

Scrutiny Panel Scrutiny Commission

Rolling Work Programme May 2023 – April 2024

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 13th Jul 2023 Papers deadline: Mon 3 rd July	Mayor Cabinet Question Time	Mayor's Office	Mayor Philip Glanville Cabinet Question Time - CQT session with the Mayor of Hackney.
	Budget Scrutiny	Finance and Corporate Resources Directorate Group Director Finance and Corporate Resources, Ian Williams	Review of the Council's Budget, Spend and Priorities for 2023/2024 and Update on the savings proposals implemented for 2022/23. Information presented to cover: <ul style="list-style-type: none"> • The Directorate budget for 2023/2024 • Directorate planned spend and priorities for 2023/2024 • Directorate budget service pressures • Update on the progress of budget savings that were agreed for implementation year 2022/2023.
	Overview of Scrutiny Commission Work	Chief Executive Directorate Chair Councillor Margaret Gordon	A review of the O&S public and stakeholder consultation response and an outline of the suggestions received for the scrutiny commissions.

Dates	Proposed Item	Directorate and officer contact	Comment and Action
	Programmes for 2023-2024		
Thurs 12th Oct 2023 Papers deadline: Mon 2 nd Oct	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Jackie Moylan	TBC
	Hackney Council Complaints and Enquires Annual Report 2022/2023	Chief Executive's Directorate Business Intelligence, Elections & Member Services Bruce Devile	Annual report of the Council's Complaints and Members Enquires for 2022/23.
	Poverty Reduction	Hackney Council Cabinet Members Cllr Chris Kennedy, Cabinet Member Health, adult social care, voluntary sector and culture Cllr Rob Chapman, Cabinet Member Finance, insourcing and other services Cllr Caroline Woodley, Cabinet Member Families, early years, parks and play	Policy Update over 2 sessions. Session 1 1. Case studies and information about the impact of the Council's poverty reduction work in practice. 2. Governance, accountability structures and how the work is being embedded across the Council. Session 2 Update from the Council on its poverty reduction work to meet the needs of residents.

Meeting moved due to Purdah

Dates	Proposed Item	Directorate and officer contact	Comment and Action
		<p>Cllr Carole Williams, Cabinet Member Employment Skills and Human Resources</p> <p>Chief Executive's Directorate Policy and Strategic Delivery Sonia Khan, Head of Policy and Strategic Delivery</p>	
<p>Mon 4th Dec 2023</p> <p>Papers deadline: Thurs 23rd Nov</p>	<p>Hackney Council Complaints and Enquires Annual Report 2022/2023</p>	<p>Chief Executive's Directorate Business Intelligence, Elections & Member Services Bruce Devile</p>	<p>Annual report of the Council's Complaints and Members Enquires for 2022/23.</p>
	<p>Quarterly Finance Update</p>	<p>Finance and Corporate Resources Directorate Group Director Jackie Moylan</p> <p>Cllr Rob Chapman, Cabinet Member</p> <p>Cllr Anna Lynch, Chair of Audit Committee</p>	<p>Finance Budget reports:</p> <ul style="list-style-type: none"> • Overall Financial Position • Capital Update and Property Disposals and Acquisitions Report <p>Finance update to include information about the following:</p> <ol style="list-style-type: none"> 1. The Council's communication / engagement plans with residents about the Council's budget 2. Update on the budget setting progress and budget gap 3. Update on the Audit Committee work looking at Section 114 notices

Dates	Proposed Item	Directorate and officer contact	Comment and Action
			4. Update on the Audit Committee Task Group for Fees and Charges.
	Executive Response to the Net Zero Scrutiny Panel Report	Scrutiny Panel Chair Cllr Margaret Gordon	Executive response to scrutiny report recommendations
	Executive Response to the Council Tax Reduction Scheme Review Report	Scrutiny Panel Chair Cllr Margaret Gordon	Executive response to scrutiny report recommendations
Tues 30th Jan 2024 Papers deadline: Thurs 18 th Jan	Quarterly Finance Update	Finance and Corporate Resources Directorate Group Director Jackie Moylan	TBC
	Chief Executive Question Time	Chief Executive's Directorate Interim Chief Executive Dawn Carter-McDonald	Question time session with the Chief Executive
	Poverty Reduction	Cabinet Members Cllr Chris Kennedy, Cabinet Member Cllr Rob Chapman, Cabinet Member	Update on the Council's poverty reduction work and right to food manifesto commitment. The Scrutiny Panel discussion is to review how the Council's Poverty Reduction Strategic Framework is working in practice, the impact it is having and how it has been embedded across council services. This update has been held over 2 sessions. Session 1 - April 2023

Dates	Proposed Item	Directorate and officer contact	Comment and Action
		<p>Cllr Caroline Woodley, Mayor of Hackney</p> <p>Cllr Carole Williams, Cabinet Member</p> <p>Chief Executive's Directorate Policy and Strategic Delivery Sonia Khan, Assistant Director of Policy and Strategic Delivery</p>	<p>Information from voluntary sector partners to understand how the council is working in partnership with key local stakeholders in the voluntary sector to meet the needs of residents.</p> <p>Session 2 - Jan 2024 Update from the Council on its poverty reduction work to meet the needs of residents.</p> <ol style="list-style-type: none"> 1. Case studies and information about the impact of the Council's poverty reduction work in practice. 2. Governance, accountability structures and how the work is being embedded across the Council.
<p>Mon 15th Apr 2024</p> <p>Papers deadline: Wed 3rd Apr</p>	<p>Quarterly Finance Update</p>	<p>Finance and Corporate Resources Directorate Group Director Jackie Moylan</p>	<p>TBC</p>

This page is intentionally left blank