



UNRESTRICTED MINUTES OF A MEETING OF THE CABINET

HELD ON MONDAY, 20TH JULY, 2020

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[HTTPS://YOUTU.BE/HBDL5PWSS-Y](https://youtu.be/HBDL5PWSS-Y)**

Present: Mayor Philip Glanville in the Chair

Councillors

Deputy Mayor Anntoinette Bramble (Vice-Chair)

Cllr Jon Burke

Cllr Christopher Kennedy

Cllr Clayeon McKenzie

Cllr Guy Nicholson

Deputy Mayor Rebecca Rennison

Cllr Caroline Selman

Cllr Carole Williams

Mayoral Advisers

Cllr Sem Moema

Cllr Yvonne Maxwell

Also in Attendance: Cllr Rathbone

**Officers: Tim Shields – Chief Executive
Ian Williams – Group Director Finance & Corporate Resources
Ajman Ali – Interim Group Director – Neighbourhoods & Housing
Dawn Carter-McDonald – Interim Director of Legal & Governance
Clifford Hart – Senior Governance Services Officer**

External attendees : Young Co-Chairs Shekeila Scarlet and Jermain Jackman

1.	APOLOGIES FOR ABSENCE
	An apology for absence was received on behalf of Councillor Woodley. NOTED
2.	URGENT BUSINESS

	<p>The Mayor advised that there were no items of urgent business.</p> <p>The Mayor also advised that there were two TO FOLLOW reports at Items 8 & 9 and reasons for lateness would be given when the meeting reached those items.</p> <p>The Mayor also advised that the order of business would be varied to consider agenda item 17 after item 3.</p> <p>NOTED</p>
3.	DECLARATIONS OF INTERESTS
	<p>There were no declarations of interests.</p> <p>NOTED</p>
4.	Hackney Young Futures Commission "Valuing The Future Through Young Voices" - non key report
	<p>The Mayor welcomed to the meeting the Young Co-Chairs Shekeila Scarlet and Jermain Jackman.</p> <p>Deputy Mayor Bramble and Councillor Selman both gave an introduction to the report before the meeting.</p> <p>Jermain Jackman and Shekeila Scarlet both then highlighted to the meeting the findings of the Hackney Young Futures Commission "Valuing The Future Through Young Voices" report as circulated.</p> <p>A full recording of the consideration of this item can be found in the media link attached to the meeting.</p> <p>On a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>i. that the recommendations contained within the report and the "Asks" findings as made by the Commission, as detailed in Appendix 1 in the main report be agreed noting:</p> <p>a. how they will feedback to young people in the borough about how Council and its Partners are going to respond to the report in a timely way; and</p> <p>b. how they will continue to engage and involve young people in decision-making in the future, post-Commission.</p> <p>REASONS FOR DECISION</p> <p>Fulfill a commitment within the Mayor of Hackney's 2018 Manifesto.</p> <p>Consider recommendations outlined in the Hackney Young Futures Commission "Valuing The Future Through Young Voices" report.</p>
5.	Notice of intention to conduct business in private, any representations received

	and the response to any such representations
	There were no representations received. NOTED

6.	QUESTIONS, DEPUTATIONS AND PETITIONS
	There were none. NOTED

7 To confirm the unrestricted minutes of the meeting of Cabinet held on 29 June 2020

RESOLVED

That the unrestricted minutes of Cabinet held on 29 June 2020 be confirmed as an accurate record of the proceedings.

8.	To receive and note the unrestricted minutes of the Cabinet Procurement Committee held on 8 June 2020
	RESOLVED That the unrestricted minutes of the Cabinet Procurement Committee held on 8 June 2020 be received and noted.

9.	2020/21 OVERALL FINANCIAL POSITION, PROPERTY DISPOSALS AND ACQUISITIONS REPORT WHICH TAKES ACCOUNT OF THE ESTIMATED FINANCIAL IMPACT OF COVID 19 AND THE ON-GOING EMERGENCY - KEY DECISION NO.FCR Q 87 TO FOLLOW
	<p>Deputy Mayor Rennison introduced the report and advised the meeting that the reasons for lateness in circulating it were in order to give the most accurate assessment of the council's 2020/21 financial position, and to include Hackney's grant allocation from the third Emergency Fund tranche of funding from the Ministry of Housing, Communities and Local Government (MHCLG). This was not published until 16th July.</p> <p>The Mayor thanked Deputy Mayor Rennison for her introduction.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>That the overall financial position for May 2020, covering the General Fund and HRA, be agreed.</p> <p>REASONS FOR DECISION</p> <p>To facilitate financial management and control of the Council's finances</p>

CHILDREN, ADULT SOCIAL CARE AND COMMUNITY HEALTH (CACH)

The CACH directorate is forecasting an overspend of £13.0m after the application of reserves and drawdown of non-COVID-19 grants. COVID-19 related expenditure accounts for £11.5m of the reported overspend. A detailed explanation of the additional COVID-19 costs follows this narrative.

Children and Families Service (CFS)

The service is forecasting a £2.208m overspend against budget after the application of reserves. This includes a £1.735m forecast in respect of COVID-19 related spend. The draw down from reserves includes:

- £3.869m from the Commissioning Reserve, set up to meet the cost of placements where these exceed the current budget.
- £1.6m for additional staffing required to address a combination of increased demand across the service and management response to the Ofsted inspection.

The forecast also incorporates £4.650m of Social Care Grant funding (that is an additional £3.450m in 2020/21). Set against this, there is a significant increase in spend driven by looked-after children (LAC) and leaving care (LC) placements costs within Corporate Parenting where spend is forecast to increase by £3.7m (£0.9m relates to COVID-19) and an increase in forecast spend on staffing across Children and Families Services of £2.3m (£0.6m relates to COVID-19) compared to last year. Of the latter, £1.6m is linked to increased staffing levels agreed in response to increased demand and additional posts agreed to assist in responding to the Ofsted recommendations arising from the inspection in November 2019 in which the Council received a '*requires improvement*' judgement. The paragraphs below explain in more detail areas where a significant variance is forecast.

Corporate Parenting is forecast to overspend by £1.66m after the use of £3.9m of commissioning reserves (this includes £0.943m of COVID-19 expenditure). This position also includes the use of £2.5m of Social Care funding mentioned above. Gross expenditure on LAC and LC placements (as illustrated in the table below) is forecast at £26.4m compared to last year's outturn of £22.7m – an increase of £3.7m (this includes £0.943m of COVID-19 expenditure).

Placements Summary for LAC and Leaving Care - gross costs

Service Type	Budget	Forecast	Forecast Variance	Funded Placements*	Current Placements
Residential	3,131	6,730	3,599	17	36
Secure Accommodation (Welfare)	-	96	96	-	-
Semi-Independent (Under 18)	1,570	3,053	1,483	24	47
Other Local Authorities	-	83	83	-	2
In-House Fostering	2,400	2,226	(174)	99	92
Independent Foster Agency Carers	6,488	7,509	1,021	132	149
Residential Family Centre	-	241	241	-	2

(P&Child)					
Family & Friends	569	1,059	490	26	49
Extended Fostering	-	118	118	-	4
Staying Put	200	665	465	10	35
Overstayers	290	856	566	11	34
UASC	700	1,083	383	16	26
Semi-independent (18+)	1,370	2,720	1,350	72	112
Total	16,718	26,439	9,721	408	588

*based on the average cost of placements.

The gross position of £9.7m for placements excluding any income is then mitigated by reserves of £3.9m; £2.2m Social Care Grant; UASC Income of £1.7m; and other income of £0.2m to get to the net reported position of a £1.66m overspend.

One of the main drivers for the cost pressure in Corporate Parenting continues to be the rise in the number of children in costly residential placements which has continued to grow year-on-year and the number of under 18s in high-cost semi-independent placements. Where children in their late teens are deemed to be vulnerable, and in many cases are transitioning from residential to semi-independent placements, they may still require a high-level of support and in extreme circumstances bespoke crisis packages.

The forecast for Looked After Children (LAC) and Leaving Care Placements is an increase of £3.7m compared to last year, including approximately £0.9m in relation to COVID-19 additional expenditure. If we exclude the COVID-19 expenditure, the increase compared to the 2019/20 outturn is £2.8m, and this is largely attributed to increases in semi-independent placements (both under and over 18s) of £2m; and residential care £1.2m; and IFAs £0.5m. Management actions are being developed by the service to reduce the number and unit cost of residential placements. Given that the average annual cost of a residential placement is approximately £200k, a net reduction in placements would have a significant impact on the forecast.

This year we continue to see significant pressures on staffing, however this has been offset by the social care grant funding which has been allocated to the service. This is mainly due to a number of posts over and above those in the establishment recruited to meet an increase in demand (rise in caseloads), additional capacity to support the response to the Ofsted focused visit at the end of last year and cover for maternity/paternity/sick leave and agency premiums. Given the outcome of the recent inspection referred to above, alongside further increased demand in the system, as well as the ongoing impact of COVID-19, it is likely that staffing costs will continue to be above establishment and this is being built into future financial plans.

The Disabled Children's Service is forecast to overspend by £40k. Staffing is projecting an overspend of £146k due to additional staff brought in to address increased demand in the service. This is offset by £135k of additional social care grant. Commissioning is projecting a £596k overspend attributed to care packages (£391k Home Care, £255k Direct Payments, £50k Short Breaks) and (£80k) on other expenditure. This is offset by a £476k reserve drawdown.

The Safeguarding and Learning Service is forecast to overspend by £29k after the use of £62k of additional social care grant. The overspend relates to The overspend relates to the risk around an income target for which the service has yet to develop clear plans.

The Directorate Management Team is forecast to overspend by £358k after a drawdown of £635k reserves for post Ofsted staffing pressures and £166k Social Care Grant for the creation of 2 Service Manager posts. £469k of staffing pressure in relation to COVID-19 is forecast in this area, this includes an estimate of additional staffing relating to delays in closing cases.

Clinical Services is forecast to overspend by £74k as the income generated from the specialist clinicians is not confirmed for the year and there is an expectation that the Adoption Support Fund will be lower than previous years as this will be managed via the London Regional Adoption Agency.

Children's Health, Commissioning and Reporting is forecasted to overspend by £55k mainly due to the agency premium on the Service Commissioning Manager post.

Overspends across the service are partly offset by small underspends in Children in Need, Access and Assessment, NRPF, Youth Justice and Young Hackney.

Hackney Learning Trust (HLT)

HLT has a budget of £27.3m net of income of £240m. This income is primarily Dedicated Schools Grant of which the majority is passported to schools and early years settings or spent on high needs placements.

As at the end of May 2020, HLT is forecasting to overspend by around £8.7m. Approximately £3.6m of this is the forecast financial impact of the COVID-19 outbreak. The balance of the overspend (£5m) is mainly as a result of a £7m forecast overspend in SEND (Special Education Needs), offset by forecast £2m of savings in other areas of HLT. The £7m overspend in SEND is a result of previously reported factors, mainly a significant increase in recent years of children and young people with Education Health and Care Plans (EHCP's).

The Government has formally confirmed its intention to ensure that local authorities are not left with the burden of SEND cost pressures and have issued new funding regulations which state that deficits arising from Dedicated Schools Grant (DSG) shortfalls will not be met from local authorities' general funds unless Secretary of State approval is gained. The finance team are working on what exactly this will mean for the Council's finances and are also consulting with the auditors and other Councils. At this time, it is thought that it is unlikely these changes to funding regulations will have a material impact on the forecast. The Government's expectation is that the DSG overspend will remain in the Council's accounts as a deficit which will then reduce in future years as additional funding is received. However, the Government's commitment to this additional funding and the level this will be at is not clear. There is therefore a financial risk to the Council of carrying this deficit forward and we will need to consider options for mitigating this risk which might include setting aside a reserve equivalent to the deficit at year end.

A summary of the HLT variance from budget is as follows

	Variance £'000	Variance due to COVID £'000	Forecast variance excluding C19 £'000
SEND Forecast (excluding transport)	5,544	311	5,233
SEND Transport	1,723	63	1,660
HLT forecast other	1,437	3,270	-1,833
Net variance	8,704	3,644	5,060

The detailed impact of COVID-19 on Children's Services (including HLT) and costs is detailed below

Impact of COVID-19 on Children's Services (including HLT) Costs and Income

Additional Spend	Reduced Income	Net Effect	Sub-Service	Variance Narrative
640	-	640	Family Learning Intervention Project Young Hackney and Domestic Abuse Intervention Service Children in Need, Access & Assessment and Disabled Children's Services Directorate Management Team	<p>Workforce Pressure:</p> <p>Termination dates for some FLIP staff have been extended and support is being provided to other service areas (including EDT) via Rapid Support.</p> <p>This is for an additional YH business support officer and DAIS intervention officer due to a peak in workload created by COVID-19</p> <p>Delays in CIN agency staff leaving due to COVID-19 lockdown; A&A staff unable to obtain work permit due to COVID-19; additional DCS staff due to increase in workload.</p> <p>Increase staffing pressure due to workload cases that are not closed as a result of COVID-19.</p>
690	-	690	Corporate Parenting (LAC)	This relates to CP placements costs, and is due to delays in step-downs, placements being extended (i.e. beyond their 21st birthday) as well as additional support hours. Also increased residential placements due to unavailability of foster carers during this period.
315	-	315	Corporate Parenting	Care Leavers: April/May actual = £18k plus June £18k plus July £27k, then £27k a month for 8 months =£279k. Close to £315k so not affected

			no Recourse to Public Funds(NRPF)	NRPF: This is for increasing the subsistence payment by 25%, £25 internet allowance for each family and Free School Meal allowance for childrens who are not receiving school meal allowance from their school from COVID-19 lockdown.
90	-	90	DCS / Short Breaks	This assumes pressure to apply a 10% increase to DCS home care packages in line with home care for adults providers.
2,400		2,400	ASC - Care Support Commissioning	Additional funds provided to care providers - estimated across 12 month.s
648		648	ASC - Provided Services & ASC Commissioning	ASC - Workforce Pressures: Cost of engaging additional care staff to cover permanent officers shielding or self-isolating. Estimated cost of support workers for COVID-19 Urgent Housing Pathway (£54k).
1,413		1,413	ASC - Care Support Commissioning	A number of care packages across ASC are now being funded by NHS discharge funds. This is the full year estimate of the additional demand cost of care packages not being supported by NHS discharge funding.
	300	300	ASC - Care Support Commissioning	ASC - Loss of care charges income
150			ASC Commissioning	Delay in delivery of Housing Related Support savings
55		55	Public Health (PH)	PH - COVID 19 Triage Service: Contracted cost for the year
740		740	PH	PH - Additional Mortuary costs
375			PH	Delay in delivery of PH savings in Substance Misuse and the Healthier City and Hackney Fund
30	344	374	HLT	High Needs and School Places: Kench Hill Charity grant and loss of SEND traded income.
50	1,125	1175	HLT	Education operations: Loss of traded income and additional ICT costs
	826	826	HLT	Early Years, Early Help and Wellbeing: Loss of child care income in children's centres.
	362	362	HLT	Schools Standards and Performance: Loss of traded income.
906	-	906	HLT	Contingencies and Recharges: Mainly potential payments to schools to compensate for loss of children's centre income and potentially supporting schools with additional costs

				through COVID-19 in areas not covered by Government schemes.
8,502	2,957	11,459	Total	

Adult Social Care & Community Health

The May 2020 revenue forecast for Adult Social Care is an overspend of £6.4m. COVID-19 related expenditure accounts for £4.9m of the reported budget overspend. This does not include COVID-19 NHS discharge related spend of £0.56m where there is an agreement to fully recharge the cost to City and Hackney CCG.

The overall position for Adult Social Care last year was an overspend of £4.027m. The revenue forecast includes significant levels of non-recurrent funding including iBCF (£1.989m), Social Care Support Grant (£4.644m), and Winter Pressures Grant (£1.405m).

The non-recurrent funding we have received was only intended to be a 'stop-gap' pending a sustainable settlement for social care through the planned Green Paper, however this is subject to ongoing delay. The implications of any loss of funding will continue to be highlighted in order that these can be factored into the Council's financial plans. This will include ensuring that it is clear what funding is required to run safe services for adults. Alongside this the service continues to take forward actions to contain cost pressures.

Care Support Commissioning (externally commissioned packages of care) contains the main element of the overspend in Adult Social Care, with a £4.99m pressure. COVID-19 related expenditure accounts for £4.2m of the total budget pressure. The forecast also includes £1.4m of the Winter Pressures grant to fund the ongoing additional care package cost as a result of hospital discharges. The full £1.4m was committed at the beginning of the financial year.

Care Support Commissioning (£k)

Service type	2020/21 Budget	May 2020 Forecast	Full Year Variance to budget	Variance from Apr 2020	Management Actions
Learning Disabilities	16,735	17,541	806	-	<ul style="list-style-type: none"> - ILDS transitions/demand management and move on strategy - Three conversations - Review of homecare processes - Review of Section 117 arrangements - Personalisation and direct payments - increasing uptake
Physical and Sensory	13,748	17,353	3,606	-	
Memory, Cognition and Mental Health ASC (OP)	8,297	8,747	450	-	
Occupational Therapy Equipment	740	718	(21)	-	
Asylum Seekers Support	170	325	155	-	
Total	39,689	44,684	4,994	-	

Physical & Sensory Support is forecasting an overspend of £3.6m. This includes a

forecast of £2.4m of additional funding support for care providers in response to the COVID-19 pandemic. The remaining pressure of £1.2m relates directly to the number and complexity of care support packages in Physical and Sensory Support. The gross forecast spend on care packages in Physical Support is £17.8m (£17.3m in 19/20) and in Sensory Support is £1.18m (£1.04m in 19/20). The forecast includes £350k of iBCF and £755k of Winter Pressure funding towards care packages in 2020/21.

Memory, Cognition and Mental Health ASC (OP) is forecasting an overspend of £450k. The gross forecast spend on care packages for 20/21 is £8.9m (£9.7m in 19/20). £500k of Winter Pressure funding and £350k of iBCF have been applied to these care packages in 20/21.

The Learning Disabilities service is forecasting an overspend of £0.8m. There continues to be increased pressures related to new clients and the cost of the increasing complexity of care needs for Learning Disability clients. The gross forecast spend on care packages in Learning Disabilities is £31.9m (£30.9m in 19/20). The forecast also includes significant non-recurrent funding from the iBCF (£1m) and Social care (£4.6m) grants. In addition, a contribution from the NHS of £2.7m (£2.1m in 2019/20) for jointly funded care packages for service users has been factored into the forecast. This is building on the work completed in 2019/20 to agree the share of funding for complex care packages.

The Mental Health service is provided in partnership with the East London Foundation Trust (ELFT) and is forecast to overspend by £1.185m. The overall position is made up of two main elements - a £1.35m overspend on externally commissioned care services and £167k underspend across staffing-related expenditure. The gross spend on care packages in Mental Health (ELFT) is £4.95m (£4.9m in 19/20).

Provided Services is forecasting a £267k overspend which is largely attributed to:

- Housing with Care overspend of £642k, of which £595k is in relation to the significant cost of additional agency staff cover employed for staff absences due to shielding or self-isolating due to COVID-19.
- Day Care Services are projected to underspend by £328k, primarily due to the current staff vacancies across the service and that the Oswald Street day centre is currently closed.

Preventative services are forecasting an overspend of £7k. Forecast underspends on Concessionary Fares (£57k) and the Median Road Resource Centre (£198k) are offset by pressures of staff costs within the Hospital Social Work team and the Information and Assessment team.

ASC Commissioning is forecasting a £48k underspend which masks significant one-off reserve funding of £1.579m in 2020/21 supporting activity within commissioning - across teams and projects including the project management office, the commissioning team, the direct payments team and supporting the Lime Tree and St Peters' care scheme prior to recommissioning. Dedicated Facilities Grant has been applied in 2020/21 to the Telecare contract. Additional grant funding has been received for domestic violence services resulting in a favourable £70k variance to budget.

Care Management and Adult Divisional Support is forecasting a £35k overspend.

Public Health

Public Health is forecasting a breakeven position, and this includes £55k for the COVID-19 triage service and delays in the delivery of planned savings (£375k).

The Public Health grant increased in 2020/21 by £1.569m. This increase included £955k for the Agenda for Change costs for eligible staff working in organisations such as the NHS that have been commissioned by the local authority. The remaining grant increase has been distributed to Local Authorities on a flat basis, with each given the same percentage growth in allocations from 2019/20. There will be a separate grant allocation for PrEP related activity for which we will receive £344k.

The service has pressures in demand led services including sexual health and is working closely with commissioners to ensure future provision remains within the allocated sexual health budget in future financial years. In this year this is being offset by underspends in other areas of the service and from the increased grant allocation.

Hackney has been allocated £3.1 of the total £300m announced by Government to support Local Authorities to develop and action their plans to reduce the spread of COVID-19 in their local area as part of the launch of the wider NHS Test and Trace Service. This funding will enable the local authority to develop and implement a tailored local COVID-19 outbreak plan. A working group has been established and plans are being developed to allocate these funds accordingly.

Mortuary costs have substantially increased as one tragic consequence COVID-19, and the response to the pandemic plan required the Mortality Management Group to activate the Dedicated Disaster Mortuary (DDM) plans for London. Additional capacity was required rapidly to ensure that there was enough capacity to meet predictions in the initial wave. This has come at an increased cost of approximately £23m to date across London, and based on ONS figures, Hackney's estimated additional cost is likely to be £740k. This has been factored into the reporting position this month.

NEIGHBOURHOODS AND HOUSING

The forecast position for Neighbourhoods and Housing Directorate as at May 2020 is a £14.6m overspend, all of which is a direct result of COVID-19. The forecast includes the use of £1.2m of reserves, the majority of which are for one off expenditure/projects. Of the £14.6m, £10.9m is an income shortfall and £3.7m is additional expenditure.

Environmental Operations is showing an overspend of £3.4m which is made up of £2.4m related to a shortfall in income mainly from commercial waste and hygiene services due to the lockdown as businesses have closed and all services which require going to residents' homes have been paused in line with Government guidelines. A further £625K expenditure relates to additional supplies and services such as PPE, and hand sanitisers for all staff.

The Parking service is showing a net overspend of £6.3m of which £6.5m is an income shortfall (so an underspend of £0.2m before COVID-19). The current lockdown has meant a reduced amount of income in all income streams within Parking. In the first two months of the lockdown, parking income has dropped by 44% from last year. If this pattern is maintained for the full year then income is likely to be in the region of £14.6m against a budget of £25.8m, which would be a shortfall in income of £11.2m in the parking account. The current forecast in parking income is £19.3m, which is still a shortfall in income of £6.5m (25%) from budget. This forecast assumes easing of the lockdown and people's behaviour going back to

some sort of normality in the coming months. The Parking income model is being updated on a weekly basis, taking into account actuals being received and activity volumes which will inform the forecast accordingly in the coming months.

Market and Shop Front Trading is overspent by £806k of which £795k is income shortfall and £5k additional expenditure which is a direct result of the lockdown. Combined Markets and Shop Trading income budget is £1.6m and it is expected that half of this will be achieved as the lockdown is lifted.

Even though the lockdown is beginning to be lifted on markets' activities it is difficult to make the markets safe for social distancing and therefore, take-up of market stalls is limited because the footfall into markets is restricted due to the need to maintain social distancing. This will continue to be the case for the foreseeable future and will be reflected in the reduced income forecast in the markets' budget over the coming months.

Streetscene is showing a net overspend of £476k which is due to the lockdown. The current forecast is showing a shortfall in income of £504k against a budget of £2.4m. The service is expecting things to improve in the coming months as the lockdown eases in the construction industry.

Other than the impact of COVID-19, Libraries & Heritage and Leisure and Green Spaces are forecasting a break-even position and the impact of COVID-19 on these services is listed in the table below.

Planning is forecasting an overspend of £813k which is due to a shortfall in planning application fee income. The shortfall in planning application fee income is linked to a decline in the number of very large major applications being received rather than a significant fall in overall planning application numbers. There are a number of large schemes at the pre-application stage which are due to be submitted in early 2020/21. The development industry is also putting on hold the submission of major planning applications until there is more clarity on the impact of COVID-19, Brexit and the Hackitt review on build cost and sales value as this impacts the viability and deliverability of their schemes.

Despite a 20% uplift in planning fees 2 years ago, the income has consistently fluctuated between £1.5-1.7m over the past 3 years. With a budget of £2.2m and a plateau in the housing market, this budgeted level of income is unachievable this year. The income target for minor applications of £1.2m is forecast to be achieved, however the cost of determination of minor applications is more than the fee received as Local Authorities have not yet been afforded the option by the Government of setting their own fees. In practice, major applications help subsidise minor applications therefore the shortfall in new major applications will also detrimentally affect this cross subsidy.

The Head of Planning is taking the following actions to address this budget pressure for 2020/21:

- The implementation of a new planning back office system will deliver process and cost efficiencies especially within the planning application registration and validation process, these efficiencies will help offset any underachievement of income.
- Review of the Planning Service cost base including non-staff costs.
- Benchmarking with other planning authorities with a focus on sustainable caseloads.
- Review of the Growth Team activity and Planning Performance Agreements

Impact of COVID-19 on N&H

Additional Spend	Reduced Income	Net Effect	Sub-Service	Variance Narrative
61	101	162	Libraries & Heritage	The service is not expecting any income during 20/21 for library fines, room bookings, sales etc due to the current closure and future uncertainty of when and how the service will reopen. The additional expenditure is based on a prudent approach to security where the contract has not changed despite the closures. Also additional deep cleaning will be required before the service can reopen in whatever form and some allowance has been made for this.
2,700		2,700	Leisure Services	This is the estimate of additional costs required to support GLL who manage the Leisure centres within Hackney. £700k has already been utilised for Qtr 1 being taken from the contract surplus share which GLL holds on Hackney's behalf.
145	379	524	Events & Green Spaces	Parks & Green Spaces have two main areas of expenditure relating to COVID-19, which are additional emptying and cleaning of the bins (£74k) across parks and green spaces and cleaning of the toilets (£71k) (which had to be re-opened due to increased usage of the parks since lockdown). The loss of income is primarily down to the Events Team - as no bookings are expected this year and Parks in general where all income including from internal sources is on a much reduced expectancy or none at all (corporate volunteering and General parks Events).
625	2,569	3,194	Environment Ops	Environment Ops has three main areas of expenditure that have been impacted heavily by COVID-19. The use of agency staff to cover both sickness and staff absences, use of agency staff to cover food deliveries for the council, internal vehicle cleaning every day and where required to help the service or Council (£357k). The ongoing purchase of PPE and other equipment to aid daily operational works, such as masks, gloves and sanitisers (£268k). The virus has also had a large impact on income especially Commercial Waste due to so many

					businesses closing during the ongoing lock down (£2,361k). Hygiene Services - the inability to go into people's homes and buildings (£117k) and (£50k) on Bulky waste collections which had a significant drop off in requests in Apr and May 20. Whilst the lockdown has started to ease and businesses slowly start to reopen there is still much uncertainty surrounding how many clients will reopen or struggle to continue in business or pay existing charges.
		6,500	6,500	Parking	There has been a significant impact on Parking services due to COVID-19 in all income areas from PCNs, Pay and Display, Suspension and Permits. Current full year income forecast is £19.3m against a budget of £25.8m which is a shortfall in income of £6.5m. There are various minor underspend variances in other areas of the service of (£233k) giving a net overspend position of £6.3m.
	5	795	800	Markets and Shop Front Trading	Market stalls and Shop Front Trading have been heavily impacted by COVID-19 as shops and markets have been closed since the lockdown. There has been no income in April or May 2020. As the lockdown continues with the Government advice on markets being able to open the take up has been very little and it's difficult to make the areas safe for social distancing.
		504	504	Streetscene	All the variance relates to income shortfall. Whilst the current circumstances have decimated some areas, in particular around NRSWA (s74), there are some signs of recovery. The service anticipates that utilities and developers will start to use their services as lockdown eases and "normal" circumstances resume. The forecast figures are a current cautious projection for this year.
	159	24	183	Community Safety, Enforcement & Business Regulation	Civil Protection - £159k overspend consists of expenditure for: 1) PPE 2) Overtime, extra staff costs and other expenses for staff recruited for COVID-19, after authorisation by Gold. 3) Training provided to other teams such as Gold Loggists. 4) Extra infrastructure and equipment costs for needs such as temporary mortuaries, the Mobile Testing Unit site, the PPE Sub regional

				Hub, Food Hub etc. Enforcement - reduced income £24k due to fewer Fixed Penalty Notices.
3,695	10,872	14,567		

FINANCE & CORPORATE RESOURCES

Finance and Resources is forecasting an overspend of £11.364m (before the inclusion of reduced council tax and business rates income of £20.500m, primarily reflecting lower forecast collection rates). Of this £11.011m is owed to COVID-19, which leaves a non-COVID overspend of £353k which is spread across various services.

The impact of COVID-19 on the directorate is as follows: -

Commercial Property is forecasting a £2.5m rental loss relating to COVID-19. £1.5m is expected to be written off and currently we have a 'deferred' amount of £0.94m. Of this 50% is assumed to be paid by year end. There is also increased expenditure on security and patrols of retail properties during lockdown.

Additional cost pressures in Revenues and Benefits sum to £2.5m. The collection of benefits overpayments has reduced by £1m because of COVID-19. The remaining £1.5m is primarily owed to additional staffing requirements across the service to deal with increased workload resulting from COVID-19 (particularly claims management), and there are also increased administrative costs associated with re-billing (print costs and postage costs), reduced court cost income and anticipated additional expenditure on the Discretionary Crisis Support Scheme.

Customer Services is reporting a COVID-19 related cost of £282k relating to additional staff and software needed to add capacity to handle the support for vulnerable residents.

There is an estimated £1.8m of Housing Needs costs arising from COVID-19 which result from two main sources. Firstly, the service has incurred additional staff costs to carry out the rough sleeping initiative and to move people into emergency accommodation and latterly into more settled accommodation; and has incurred additional direct costs of emergency accommodation. The service has also incurred costs with landlord incentives, required to secure accommodation and is forecasting having to make provision for those residents in Temporary Accommodation unable to pay their rents due to COVID-19.

Registration Services have been severely affected by COVID-19 which has created a forecast £700k shortfall resulting from a significant reduction in Ceremony Services (75%) and Citizenship Awards (50%). The impact of COVID-19 has led to a decrease of approximately 61% of income compared to last year whilst expenditure on staffing has also increased as there has been a requirement for sessional staff to cover front line services whilst some vulnerable staff work from home.

The Central Procurement and the Energy Team is forecasting COVID-19 related costs of £2.7m. The COVID expenditure relates to PPE which is being managed as a coordinated effort across the council with the ordering being led by Procurement. The spend on PPE to date is approximately £1.7m. It is difficult to try to estimate the usage going forward, and a number of items of equipment are still held in stock such that in some instances the stock levels will be sufficient for several months.

However, the use of PPE will probably be required over a longer period of time than may have been anticipated at the start of lockdown, so a forecast of £1m further expenditure has been added to the spend to date to try to account for this.

There is a £242k COVID-19 cost in ICT resulting from the requirement for additional agency staff and equipment to ensure staff are able to work from home; and there are additional operational costs in Facilities Management (Cleaning) arising from COVID-19.

CHIEF EXECUTIVE

Overall, the Directorate is forecasting to overspend by £1.211m of which £1.123m is owed to COVID-19.

Policy, Strategy & Economic Development are reporting an overspend of £612k all of which is due to COVID-19, arising from food parcels for residents who cannot access or afford food during COVID-19 (£500k) and Emergency Grants to 4 organisations in the Voluntary Sector to provide COVID-19 related services (£121k)

Communications is forecasting an overspend of £590k, most of which is due to the impact of COVID-19, which has reduced film income by £100k; venues income by £350k (refunds and lost bookings) and advertising income by £52k

Housing Revenue Account (HRA)

The impact of COVID-19 on the HRA is to increase expenditure and reduce income by £7.4m.

It is estimated that there will be increased arrears of £5.9m in respect of dwelling rents, tenant charges and commercial income arising from COVID-19. It is assumed there will be an increase in irrecoverable debts and therefore an increase in the bad debt provision. Income, especially rent collection, is being monitored on a weekly basis and improvements in the rent collection rate will inform the level of provision for bad debts as the year progresses.

There is also likely to be a further reduction in rent income and tenant charges during the year arising from voids, increased expenditure on Housing Repairs and reduced Commercial properties income - Q1 rental charges have been deferred and Property Services are currently reviewing deferral of Q2 rents. It is estimated that income collection will reduce by £100k as some properties will require rent reductions / rent free periods. Any non-payment of rents will be accounted for within the bad debt provision. In addition, Community halls income is forecast to reduce by £150k due to a lack of bookings.

There are also variations from budget which are not related to COVID-19 but the only significant variation is within Special Services. The Special Services variance is due to increased costs of the integration of the Estate Cleaning service which is being reduced over 3 years. The overspend here is offset by variations to budget within other services.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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

KEY DECISION NO. FCR Q90 - TO FOLLOW

The Mayor, in his introduction to the report advised the meeting that he would be addressing a number of matters at the forthcoming Council meeting on 22 July, but he wanted to express some comments and concerns in relation to the report before the meeting this evening. The Mayor commented that the coronavirus pandemic, and the wider impact the pandemic had had on people's lives, continued to be the most disruptive period for the borough in a generation. The Borough had lost 222 friends, neighbours, family members and valued members of our community, and 34,000 employees in Hackney businesses had been furloughed. It was a fact that Hackney's Jobcentre Plus centres were processing around 1,000 new Universal Credit claims a week, a 60% increase since the beginning of March, and there had been more than 1,000 new applications for Council financial support.

The Mayor stated that whilst the Borough had gotten through the worst period of the pandemic, the challenges that the borough had faced would continue. But residents, volunteers, local charitable and voluntary organisations, local NHS and care staff – and of course council staff – should still be proud of everything they had achieved over the last four months. Together all had ensured that the Borough had got through these extraordinary times while keeping the #HackneySpirit going throughout. It was a fact that all had to come together to meet the priorities of the administration for the Council including:

1. Supporting the local NHS system, and helped save lives.
2. Working cooperatively with communities to help our most vulnerable.
3. Having directly intervened in the local economy to support people's livelihoods
4. Keeping Hackney's vital frontline council services running throughout.

1. Support our local NHS system, and help save lives.

- 800,000 items of PPE issued – from the beginning supply levels of PPE identified, centrally tracked and well procured, and worked with other local public bodies on their own supply.
- Nearly 3,000 people have been tested at the Dalston testing centre which Hackney advertised and supported.
- Hundreds of banners with social distancing measures advertised supplied to the borough's 58 parks and green spaces.
- Posters and banners issued to local businesses to help advertise social distancing measures.

2. Work cooperatively with our communities to help our most vulnerable.

- 2,000 local volunteers recruited to support vulnerable residents
- 2,000 households registered with the Council's emergency food supply – a new service that was set-up in a matter of days.
- Through this new service, 14,000 emergency food parcels have been delivered so far.
- 4,000 Rose Vouchers, which can be exchanged for fresh fruit and

vegetables, have been accepted at Council-run markets.

- 7,300 calls have been made to vulnerable tenants and leaseholders, with over 400 elderly and vulnerable Council tenants receiving help, advice or simply a friendly chat through the Council's Let's Talk initiative.
- Around 20,000 families and single people on low incomes have received a further rebate of up to £150 on their Council Tax bill.
- £500,000 invested into the Council's Discretionary Crisis Support Scheme, which residents can apply to for urgent financial support with emergency needs.
- A further £120,000 invested to support Discretionary Housing Payments for those needing support to pay rent.
- The Council has also set up a £100,000 fund to support local residents financially impacted by the coronavirus crisis but unable to access the welfare system due to their immigration status.

3. Directly intervene in the local economy to support people's livelihoods

- A package of support for the local economy, worth £100 million.
- A four-month rent-free period from April to July for all of nearly 50 voluntary and charity organisations renting Council buildings, with an ongoing review of any future payments.
- A three-month no-quibbles rent deferral for all 300 other commercial tenants, with an ongoing review of future payments, as well as suspension of enforcement or eviction proceedings.
- £58.2million in grants paid to nearly 4,000 businesses.
- Further £3.4m discretionary grants launched, specifically supporting businesses excluded from the previous tranches of BR relief and grant funding, with rateable businesses over £51K.
- Advice and support sent to over 250 cultural and creative organisations, and took part in two roundtable discussions with cultural organisations in the borough.

4. Keep our vital frontline council services running.

- Earmarked £12 million additional spending in frontline services.
- Hundreds of Council staff redeployed to other vital services where they have closed.

The Mayor commented that as the Council left the worst period of this crisis, it was right that there be some reflection, and for the everyone to be proud of everything achieved together. Issues such as poverty, equality, sustainability, and well-funded public services were now at the forefront of the national public debate. But under a Labour administration here in Hackney, these issues had always been its priority, and building a fairer, safer and more sustainable Hackney was, and still would be the administration's mission, and that mission was restated from this time and a pledge to rebuild a better Hackney. The Council would continue to support its communities, rebuild a fairer economy, and ensure

Hackney's recovery was a green recovery.

The ambitions included:

- Using this once in a generation opportunity to end rough sleeping.
- To want to ensure that no one in Hackney goes hungry — that anyone with an empty fridge and cupboards knows where they can turn to for help.
- To make sure that the vulnerable get the support they need — not just from council services, but voluntary and community sector partners too.
- support an inclusive economy, one that was fairer, worked for residents and shared growth and opportunity with local people.
- To keep building the homes the borough needs, and not forget about the housing crisis that had compounded the impact of the pandemic on some of Hackney's residents.
- To make sure there was a clear employment and skills offer available to all — whether someone was coming off furlough and losing their job or were a young person leaving school or college and needing support to start their career.

The Mayor emphasised that none of this would be easy, or achieved quickly, partly because there would be a need for staying flexible and keep listening to Hackney's residents' most pressing needs. But there was also a growing financial challenge as the report before Cabinet set out. The Council's finances illustrated that Hackney had done 'whatever it had taken' to support its services, residents, businesses and the voluntary sector — but this had cost the Council an additional £70 million this year, an unprecedented budget gap. This was not however an 'emergency budget' nor did the report signal one in the autumn. Hackney had continued to have sound financial management that meant that the Council would not need to make in-year cuts. But the lack of a long-term, sustainable funding model continued to be a threat to council services.

The Mayor commented that Hackney would continue to lobby the Government, and demand no return to austerity, for the sake of frontline staff and vulnerable residents. At the same time, none of this Plan could be achieved alone or in silos. It was no coincidence that Cabinet was also considering today the work of the Hackney Young Futures Commission (YFC). The YFC was one example of the commitment to more deeply involve local people, in this case local young people, in shaping the future direction of the borough. This would continue to be an iterative and adaptive process as the Council grappled with the health, social and economic challenges ahead.

In commending the report to Cabinet for approval the Mayor advised that the reason for the lateness of the report was because in order to give the most accurate assessment of the council's financial position going forward, and to include the grant allocation from the third Emergency Fund tranche of funding from the Ministry for Housing, Communities and Local Government (MHCLG) and technical information from MHCLG on the working of the sales, fees and charge compensation scheme. The former was not published until 16th July and the latter had still not been made available and so the Council was still forced to use estimates and projections in the report.

There being no points of clarification or questions on a MOTION by the Mayor it was:

RESOLVED

- i. **That approval be given to Appendix 1 of the report being the**

- refreshed direction of travel for the corporate plan and priorities detailed in the main body of the report, which takes account of the direct and indirect impacts of the pandemic and response and includes some key public policy asks;
- ii. That the financial considerations that underpin the direction of travel, as set out in the medium term financial plan provided as Appendix 2 of the report be approved; and
 - iii. That the updated 2021/22 Budget forecast which reflects the additional costs pressures and income reductions resulting from Covid-19 and the outline of its impact on the financial position over the following two years, be noted.

REFRESHED DIRECTION OF TRAVEL FOR THE CORPORATE PLAN

Hackney adopted a new Community Strategy and Corporate Plan in 2018. An update on progress against the Corporate Plan was taken in February 2020.

This report takes stock of the direct and indirect impacts of pandemic and considers the ways that community, businesses and the Council has been affected. The report sets out how our corporate plan will change to take account of this and the financial impacts on the Council and partners, setting out the ways of working and direction of travel for our corporate priorities.

Even before the pandemic, we were trying to progress priorities in an extremely challenging context. The situation is now far worse and so this refresh of the corporate plan is needed, to set the direction of travel for the Council in terms of the corporate priorities we should all be focused on and to put this in the context of the latest financial assessment. The main risk is that we are unable to make progress with our priorities without changes to the way we work, to public policy and a fairer financial settlement

The refresh of the corporate plan covers:

The Impacts on the Community

The Council's Response

Resetting our Corporate Plan:

Principles for re-opening services and moving to a new normal for the workforce

Revisiting our existing corporate plan

Ways of working

Workforce strategy

Reset of strategic priorities

Planned investment in 2020/21 budget to tackle poverty and inequality

Asks of central government

2021/22 BUDGET FORECAST AND OUTLINE MEDIUM TERM FINANCIAL PLAN

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

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The Council could have chosen to do nothing and continue to work on the existing corporate plan. This has been rejected because we would be ignoring impacts and missing opportunities to work differently and learn from our

response. We would be out of step with other local authorities making collaborations more difficult. We would lose the confidence of our staff, partners and communities who will be looking for the Council to lead a process to take stock and reset priorities.

The Council could have chosen to adopt a completely new vision and corporate plan. We have not done this because our analysis of impacts tells us that we were focused on the right priorities and approaches: poverty reduction, inclusive economy, housing, climate emergency, serious violence, children and families, community wellbeing and health inequalities and also a focus on the key inequalities. We also concluded we had identified the right ways of working in terms of workforce and engagement. This report identifies what more we need to sharpen our approach or accelerate our response, or to adopt different ways of working, rather than starting again.

With regards to the budget forecast and medium term financial plan, this is primarily an update on the council's financial position and there are no alternatives here.

11. CAPITAL UPDATE REPORT- KEY DECISION NO. FCR Q 72

The Mayor introduced the report.

There being no points of clarification or questions, on a MOTION by the Mayor it was:

RESOLVED

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

Final Devolved Formula Capital (DFC) Allocation Capital Funding: Resource and spend approval of £414k in 2020/21 is requested for the allocation of the DfE grant to individual schools maintained by Hackney Council for 2020/21;

- ii. That approval be given to the schemes for Neighbourhood and Housing (Non) as set out in section 9.3 of the report as follows:

Electrical Power Upgrade to 80 Eastway: Virement and spend approval of £100k in 2020/21 to finance the power upgrade at 80 Eastway.

- iii. That approval be given to the S106 schemes as set out in section 9.4 of the report and resource and spending approval as follows:

S106	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total
	£'000	£'000	£'001	£'000
Capital	812	140	15	967
Total S106 Resource and Spend Approvals	812	140	15	967

S106	2020/21 £'000	2021/22 £'000	Total
	£'000	£'000	£'000

Revenue	105	60	165
Total Revenue S106 Approval	105	60	165

- iv. That the expenditure plans and associated resources to be carried from 2019/20 to 2020/21 as set out in section 9.5 of the report and summarised below be approved:

Directorate	Slippage 19/20
	£'000
Children, Adults & Community Health	130
Finance & Corporate Resources	(1,480)
Neighbourhoods & Housing	361
Total Non-Housing	(989)
Housing	16,805
Total	15,816

- v. That the schemes outlined in section 9.6 of the report be noted.

REASONS FOR DECISION

The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.
In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

11. LOCAL PLAN 2033 - ADOPTION - KEY DECISION NO. NH Q17

Councillor Nicholson introduced the report. During the introduction Councillor Nicholson commented on the collaborative efforts of the service in drawing together the proposals and thanked Ms Broughton and the planning officers for their magnificent effort.

The Mayor and other Cabinet Members, in welcoming the report and its proposals thanked Councillor Nicholson for his tireless work in bringing the report to Cabinet for adoption, and all the work of the planning service.

There being no points of clarification, or questions, on a **MOTION** by the Mayor, on a vote there being nine for – Mayor Glanville, Deputy Mayor Councillor Bramble, Councillors Burke, Kennedy, Mckenzie, Nicholson, Deputy Mayor Councillor Rennison, Councillors Selman, and Williams, none against, and no abstentions, it was:

RESOLVED

- i. That approval be given to the adoption of Hackney's Local Plan as detailed in appendix 1 of the report and Policies Map as detailed in appendix 2 of the

	<p>report in accordance with the Planning Inspector's Report of June 2020 and Schedule of Main Modifications as detailed at appendix 3 of the report;</p> <p>ii. That Full Council be recommended to approve the adoption of Hackney's Local Plan (Appendix 1) and Policies Map (Appendix 2) in accordance with the Planning Inspector's Report June 2020 and Schedule of Main Modifications (Appendix 3).</p> <p>iii. That authority be delegate authority to the Group Director of Neighbourhoods and Housing to approve administrative alterations, typographical amendments, to improve cross referencing (e.g para numbering, page numbering) and typographical errors prior to the publication of the final plan.</p> <p>REASONS FOR DECISION</p> <p>The Council is required by legislation to have an up to date Local Plan. The Local Plan will help inform and influence the plan and Hackney's spatial approach to the challenges up to 2033. The National Planning Policy Framework requires Local Planning Authorities to maintain an up-to-date local plan and that it should clearly demonstrate a 5-year housing supply. In the absence of such, the NPPF and its presumption in favour of sustainable development takes precedence, meaning that proposed developments should be granted planning permission unless their adverse impacts "significantly and demonstrably" outweigh their benefits.</p> <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>The alternative is to retain the suite of existing development plan documents, primarily the Core Strategy (2010) Development Management Local Plan (2015), and Site Allocations Local Plan (2016) and adopted Area Action Plans. This has been rejected as it would result in Hackney's Local Plan being out of date. LP33 ensures that Hackney's planning policies are robust, up to date, and opportunities to effect change are maximised.</p>
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12.	S106 PLANNING CONTRIBUTIONS SPD - KEY DECISION NO. NH Q84
	<p>Councillor Nicholson introduced the report.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>i. That approval be given to the adoption of the Planning Obligations Supplementary Planning Document as detailed in appendix 1 of the report to take effect on 23 July 2020 following approval of the Local Plan 33 report by Full Council on 22 July 2020; and</p> <p>ii. That authority be delegated to the Group Director of Neighbourhoods and Housing to approve administrative alterations, typographical amendments, to improve cross referencing (e.g para numbering, page numbering) and typographical errors prior to the publication of final publication.</p> <p>REASONS FOR DECISION</p>

	<p>The current S106 SPD will become out of date on adoption of LP33 so needs to be updated, brought into line with LP33 policies and then adopted to become a material planning consideration while also providing developers with clarity and certainty for submitted proposals.</p> <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>There are no alternative options. The existing Planning Obligations Supplementary Planning Document becomes outdated upon adoption of the new borough Local Plan (scheduled for July Cabinet and Council) therefore it is necessary to update and adopt the revised SPD to provide clarity to developers and decision-makers on the requirements of planning obligations for different types of development as set out in the new borough-wide Local Plan (LP33).</p>
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<p>13.</p>	<p>STATEMENT OF COMMUNITY INVOLVEMENT ADDENDUM - KEY DECISION NO. NH Q89</p>
	<p>Councillor Nicholson introduced the report.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>That approval be given to the Addendum to Hackney's Statement of Community Involvement as detailed in Appendix 1 of the report.</p> <p>REASONS FOR DECISION</p> <p>In line with recent government guidance, the SCI has been updated to outline temporary measures that have been put in place to enable the public to view and access copies of policy documents / materials (including hard copies) whilst COVID-19 restrictions are in place. This update to the SCI by way of an addendum is required to enable the Council to progress with the adoption of the Local Plan and Planning Obligations Supplementary Planning Document.</p> <p>DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</p> <p>The alternative of not approving an addendum to the SCI has been rejected as it will have implications for progressing with plan making including the adoption of the Council's new borough-wide Local Plan, and could also give rise to legal challenge through non-compliance with some requirements of the adopted SCI.</p>

<p>14.</p>	<p>HACKNEY COUNCIL'S SELF-BUILD CHALLENGE - KEY DECISION NO. NH Q85</p>
	<p>Deputy Mayor Rennison introduced the report.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p>

- i. That approval be given to the disposal of two small sites through a 'Self-Build Challenge' bidding process to be administered by the Council; and
- ii. that authority be to the Group Director of Finance and Resources and the Group Director of Neighbourhoods and Housing to agree the terms of the transfers of the sites noted in appendix 1 of the report; and
- iii. that the Director of Legal and Governance be authorised to prepare, agree, settle and sign the necessary legal documentation to effect the proposals and to enter into any other ancillary legal documentation required.

REASONS FOR DECISION

The reasons for providing this report and the recommendations set out within it are:

To deliver on the administration's manifesto commitment to "encourage housing innovation, including cooperative and self-build ideas where this can support the delivery of a blend of housing products that meet Hackney residents' needs."

To support households who are in housing need who would otherwise be unable to live long term in the borough .¹

To support innovation in housing construction and design and encourage environmentally-friendly development.

To offer an opportunity for local residents to build their own home, supporting housing delivery in the borough.

To bring appropriate undeveloped residential sites into use as an intermediate housing option for a local resident/household.

To use the statutory Self-Build Register as well as Self-Build communications to attract interested applicants and bring redundant sites suitable for housing back into productive use.

To use two small sites to pilot a Self-Build Challenge, which will engage self-build or community-led housing initiatives to support affordable housing delivery in the borough and meet local housing need.

The disposal of Housing Land (HRA) is pursuant to S32 of the Housing Act 1985 and the secretary of state general consent order titled The General Housing Consents 2013 Section 32 of the Housing Act 1985.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED

Do nothing - it was decided that this was unappealing because the Council is committed to promoting and facilitating housing delivery in the borough in order to help address the housing crisis. Promoting alternative approaches to housing delivery on small under-utilised sites supports the delivery of housing in the borough.

The sites proposed have been identified by Property Services for disposal.

	<p>Property Services estimated their value each to be below £100,000 without planning permission. It has been decided that if the sites were instead used through the proposed Self-Build Challenge they would most likely result in a greater receipt or a higher value asset for the Council. Furthermore, disposal would eliminate the Council's ability to meet housing need, whereas the Challenge could enable an intermediate affordable housing product to meet the needs of a local household.</p> <p>The sites were reviewed by Council officers through the Asset Review Process. This process concluded that these sites were appropriate for self-build use but were undesirable to the Council for our Housing Supply Programme due to their small size and their locations. Both of the sites identified are not part of estates that are part of the Housing Supply Programme or Estate Regeneration Programme. Due to this, there wouldn't be any economies of scale for direct Council led development.</p> <p>The sites have been considered for community led housing and to fulfill the administration's commitment to Community Land Trusts. The sites were determined to be too small to fit more than two units maximum and thus unlikely to be of interest to these community-led housing groups. However, groups registered on the Self-Build Register will be notified of the opportunities and welcomed to bid.</p> <p>The Council often receives approaches from registered providers (RPs) who are seeking land to build affordable homes. One option that was considered was to sell or transfer the sites to RPs. In the case of these sites it was decided that it was unlikely that RPs, through a joint venture with the Council, would be able to provide any additionality above the Council's direct delivery approach and thus the offer would be unappealing.</p> <p>Officers have considered using the GLA's Small Site Programme as a method of promotion and funding. It has been decided that the Council will pursue delivery outside of the GLA scheme, but will use the GLA Small Sites Portal to promote the sites. The Council will keep potential future engagement under review.</p>
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<p>15.</p>	<p>KINGS CRESCENT APPROPRIATION OF LAND FOR PLANNING PURPOSES - NON - KEY DECISION</p>
	<p>The Mayor advised the meeting that the report before them had an exempt appendix to consider and if any members wished to ask any points of clarification then they would need to wait to move in to the private part of the meetings.</p> <p>There were no indications of questions regarding the exempt appendix.</p> <p>Deputy Mayor Rennison introduced the report.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>i. That approval be given to the appropriation for planning purposes under S122 of the Local Government Act 1972 of land at Kings Crescent Phases 3</p>

& 4 shown outlined in red on the plan at Appendix 1 of the report , subject to the Secretary of State Consent under S19(2) of the Housing Act 1985; and

- ii. **That the Group Director of Neighbourhoods and Housing and the Director of Legal be authorised to deal with all necessary arrangements to effect the appropriation set out in this report subject to the Secretary of State Consent, under S19(2) of the Housing Act 1985.**

REASONS FOR DECISION

Appropriation of land for planning purposes under section 122 of the Local Government Act 1972 ('the 1972 Act') provides the Council with a mechanism for helping minimise the delay or uncertainty associated with regeneration projects by ensuring that the proposed developments cannot be held up by injunctions in support of third party rights.

In order to de-risk the development of the mixed tenure scheme at Kings Crescent Phases 3 & 4, the appropriation of the land shown within the red line at Appendix 1 is required. As the red line boundary includes existing residential homes, the decision is required to go to the Secretary of State for approval.

The land at Kings Crescent as shown in Appendix 1, for which authority to appropriate is being sought, is currently housing land and the tenancies on the land are administered under the Housing Revenue Account (HRA). The land following appropriation will be transferred to and administered from the General Fund Account. Once the development has been completed, the land will be appropriated as housing land and transferred back to the HRA.

Subsequent to the transfer back to the HRA the Council will lose the benefits of the appropriation for planning purposes. The Council will not, however, lose the protection over whatever was built whilst the land was appropriated for planning purposes, and as such the newly built development would not be subject to an injunction (i.e. third parties whose rights have been injured as a result of the development will not be able to halt the redevelopment). The affected parties may however be able to seek compensation. Exempt Appendix 2 provides further background information.

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

At its meeting in July 2011 the Council's Cabinet agreed to the Estate Regeneration Programme. A further report updating the Programme was approved in March 2014 and subsequently in October 2015 and April 2019. These Cabinet reports outlined the need for regeneration and the Council's approach to the delivery of high quality new build housing and improved living standards across a number of housing estates in the borough.

The Kings Crescent Phases 3 & 4 site is identified within this Programme. As such it is accepted that the site needs to be appropriated for planning purposes.

A 'do nothing' approach has been rejected, as not appropriating the land would put the scheme at risk of time delays and increased costs as a result of possible third party injunctions, and would diminish the commercial and market attractiveness of the project to prospective contractors.

16.	PILOT RESIDENT BALLOT FOR TRINITY COURT (DE BEAUVOIR PHASE 2) - KEY DECISION NO. NH Q88
	<p>Deputy Mayor Rennison introduced the report.</p> <p>There being no points of clarification or questions, on a MOTION by the Mayor it was:</p> <p>RESOLVED</p> <p>That approval be given to the principle of undertaking a pilot resident ballot at Trinity Court (De Beauvoir Phase 2).</p> <p>REASONS FOR DECISION</p> <p>As Hackney is facing an unprecedented housing crisis, the Council is building new genuinely affordable homes across a range of sites in the borough to help meet housing demand, engaging and consulting with the local community and putting residents at the heart of any proposals for redevelopment.</p> <p>To ensure that regeneration brings real benefits to local communities and opportunities are given to existing tenants, the Council has already developed and adopted Local Lettings Policies as well as the Leaseholder and Freeholder Options Document. Moreover, the Council follows the guidance provided in the 'Better Homes for Local People', the Mayor of London's Estate Regeneration Good Practice Guide. The latter sets out good practice and principles to deliver better homes for local communities, and encourages housing providers to openly engage with residents affected by a regeneration project, from its inception. The Mayor of London's Guide encourages the use of ballots when demolition is involved in a regeneration scheme in receipt of GLA funding (specific requirements for ballots are set out in the GLA's Capital Funding Guide).</p> <p>Although the De Beauvoir Phase 2 regeneration project is not in receipt of GLA funding and resident ballots are not mandatory for this project, the Council is committed to placing residents at the heart of decision-making and giving residents at Trinity Court (De Beauvoir Estate) the final say on whether their homes should be included in the redevelopment proposal. Holding a ballot of Trinity Court residents will give them the possibility of voting in favour of or against the demolition and redevelopment of their homes casting a 'yes' or 'no' vote.</p> <p>The experience of undertaking a pilot ballot at Trinity Court will positively contribute to informing the forthcoming resident ballots policy for Hackney that will set out how resident ballots will be implemented in future regeneration projects not in receipt of GLA funding (where they are already required). The experience at Trinity Court will be used to inform the development of the resident ballots policy for other regeneration projects in Hackney.</p> <p>Organising the ballot may generate some additional costs in the De Beauvoir Phase 2 project. For instance, an independent body may have to be appointed to undertake the ballot and give more independence and credibility to the vote. However, the Council already invests in extensive engagement with residents and wider stakeholders when developing regeneration schemes and the ballot would not result in any significant increase in costs.</p>

DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Holding a resident ballot at Trinity Court is not mandatory and an alternative option would be not to undertake the pilot. However, this would be a missed opportunity to:

1. give residents at Trinity Court a say on including their homes in the redevelopment proposal;
2. gain experience useful to better inform the borough-wide resident ballots policy for regeneration projects; and
3. fulfill a commitment within the Mayor of Hackney's 2018 Manifesto.

17. Schedule of Local Authority School Governor appointments

There were no appointments.

NOTED

18. Appointments to Outside Bodies

There were no appointments.

NOTED

19. New items of unrestricted urgent business

There were no items of unrestricted urgent business.

NOTED

20. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

THAT the press and public be excluded from the proceedings of the Cabinet during consideration of Exempt item 21 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

SUMMARY OF EXEMPT PROCEEDINGS**21. KINGS CRESCENT APPROPRIATION OF LAND FOR PLANNING PURPOSES - NON - KEY DECISION**

AGREED – The exempt appendix 2 in relation to agenda item 15 in the unrestricted part of the proceedings.

Monday, 20th July, 2020

22.	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT
	There were no exempt items of urgent business. NOTED

Duration of the meeting: 18:00hrs – 19:10hrs

Mayor Philip Glanville
Chair at the meeting on
Monday, 20 July 2020