

<b>Chair</b>	<b>Councillor Margaret Gordon</b>
<b>Councillors in Attendance</b>	<b>Cllr Mete Coban, Cllr Peter Snell, Cllr Ben Hayhurst, Cllr Sade Etti, Cllr Sophie Conway, Cllr Sharon Patrick</b>
<b>Apologies:</b>	<b>Cllr Polly Billington</b>
<b>Officers in Attendance</b>	<b>Tim Shields (Chief Executive), Ian Williams (Group Director Finance and Corporate Resources), Deirdre Worrall (Director Neighbourhoods and Housing Finance), Rob Miller (Director of ICT), Tracey Anderson (Head of Scrutiny and Ward Forums), Jarlath O'Connell (O&amp;S Officer)</b>
<b>Other People in Attendance</b>	<b>Mayor Philip Glanville, Cllr Rebecca Rennison (Cabinet Member for Finance, Housing Needs and Supply), Cllr Nick Sharman (Chair of Audit Committee)</b>
<b>Members of the Public</b>	
<b>YouTube link</b>	<a href="https://youtu.be/cFul4SrJmKk">https://youtu.be/cFul4SrJmKk</a>
<b>Officer Contact:</b>	<b>Tracey Anderson</b> <input type="checkbox"/> 020 8356 3312 <input type="checkbox"/> tracey.anderson@hackney.gov.uk

---

## Councillor Margaret Gordon in the Chair

- 1 Apologies for Absence**
  - 1.1 An apology for absence was received from Cllr Billington.
- 2 Urgent Items / Order of Business**
  - 2.1 There was no urgent business and the order of business was as on the agenda.

### 3 Declarations of Interest

3.1 There were none.

### 4 Chief Executive's Question Time

4.1 The Chair stated that a key element of the scrutiny function is to hold the Mayor, Cabinet and senior officers to account in public as part of a Cabinet Question Time Sessions. The Chief Executive Question Time is the responsibility of the Scrutiny Panel. He had been given advance notice of the topic areas which would be:

- Harassment and bullying policy
- Ongoing impact of the Cyber attack
- Recovery plan from Covid-19.

4.2 Chair welcomed to the meeting:

- Tim Shields (TS), Chief Executive

#### *Harassment and bullying policy*

4.3 TS stated that the Scrutiny Panel had been interested in this topic in the past but that had related to an issue in a specific service and much work had been done on this issue since. Subsequent to that more intensive work on tackling the issue has been done by managers across the organisation. For this item he wanted to speak more broadly about the subject. He suggested there was scope for the unions to be more involved in relation to aspects such as micro aggressions as well as bullying and harassment and they've worked with the unions' BME groups and with the Council's own Equalities Champions. One issue of focus was ensuring that the common standards are also applied to agency workers and this is made clear to them.

4.3 TS added that, more broadly, the pandemic had of course changed how the Council works in every respect. Senior managers have held numerous webinars and Q&A sessions with staff on Covid impacts, on working from home as well as on the bullying and harassment policy linked to supporting staff in terms of their mental health. The Council has introduced diversity champions who have trained senior managers across the organisation and, just that day, introduced new Mental Health Champions. The organisation is now more focused on supporting the workforce throughout covid. There has also been a gradual increase in the staff survey results with good feedback on the support received from senior managers. The survey results were demonstrating that managers do care and were flexible and so the Council would be in a good position to progress. There has also been a renewed commitment to greater diversity in senior roles.

#### *Cyber Attack*

4.4 TS stated that the attack in October was a major and sophisticated criminal act. Many systems were still unavailable. The council's investment in modern cloud technology had paid off and meant that it was able to carry on with essential functions. Teams had worked tirelessly through it all. He cautioned that the nature of the work to be done in recovering lost systems and data will be lengthy and slow. Workarounds had been put in place, housing benefit was

being paid and housing repairs actioned. Some systems were already recovered and others on their way to being restored or replaced and they continue to update the website on what is available. They had now also published the Electoral Register following a huge amount of work on processing a backlog of electoral information into a new system. He added that he shared residents' and businesses anger at this attack and the huge disruption it has caused. The focus is on bringing all systems back and recovering data and they have risk managed the data theft aspect. They were working closely with the National Crime Agency and the Metropolitan Police on that. The data that had been published on the dark web was relatively small compared to what the Council holds and the Information Commissioner was consulted throughout and has been complimentary of the Council's efforts.

*Recovery plan from Covid-19*

- 4.5 TS reflected that they had thought recovery would be in Sept 2020 which of course hadn't happened. The impacts for example on young people and on businesses, just two examples, were immense and the Council had continued to provide services whether it be support to business through grants, to residents through food parcels or prescription deliveries, it all involved teams of staff working in completely different ways.
- 4.6 Regarding the financial implications, TS stated that budget proposals were being brought at the end of February for 21/22. The strain on the council's finances was immense despite the positive support received from central government. In the short term, everyone has to wait for lockdown to ease but the Council now knows more about how to start up services again quickly. There is still great uncertainty re timelines and when recovery can begin. Schools had been set to re-open on 8 March but this seems unlikely. Other issues such as the travel corridors and Brexit would also impact. In the longer term, the impact on mental health, on social care and on the economy will be great. While it is clear what support is needed now it is not clear what the long term impacts really will be. As soon as national timelines are clarified they will immediately start to work with schools and businesses etc. He concluded that the Council has in its back pocket a number of worked up plans which would kick in should they need them but it was not realistic at present to have one master plan to deal with everything.

**Q&A**

- 4.7 All Members in their responses paid tribute to the Chief Executive, who had recently announced his retirement, thanking him for his immense contribution over the years and for being a bedrock of stability for the Council.
- 4.8 The Chair welcomed that the Pulse study had shown an improvement and asked how that compared with past results, what the trends were and how many grievances there had been recently. TS replied that the concerns originally related to one particular team. He was only aware of 1 or 2 cases per year before 2020. During 2020 case loads had dropped considerably, most likely because staff were working from home. The main focus of the recent survey therefore was on mental health relating to home working and barriers to home working. He'd been very impressed by the collaboration across Directorates in the aftermath of the pandemic.

- 4.9 The Chair asked what reassurance would be given to the public on data published following the leak. TS replied that a recovery plan was put in place for each of the systems and data sets accounting for what might be lost or subsequently published elsewhere. This was devised with the National Crime Agency and the National Cyber Security Centre. When the data dump happened in Jan the response focused on any use of people's bank details as part of that and where any personal information was compromised those individuals were immediately contacted. The scale of the 'data dump' was small and involved a lot of rather mundane information such as HR manuals. Staff worked tirelessly to risk assess the loss and give assurances. Postal voters were written to for example asking for a refresh of their signatures and dates of birth as that data had become locked and inaccessible. Ian Williams added that all data that had been published had since been taken down.
- 4.10 A Member asked what action the Chief Executive was taking to ensure a stable transition as two new Group Directors would be starting soon and he would also be departing. TS commented, re institutional memory, that he could always be contacted for advice if needed. He stated he promoted the restructure which had begun in November and Ajman Ali had been confirmed in his post as GD for Neighbourhoods and Housing and Helen Woodland would be joining in March as the GD for Adults, Health and Integration. By the time he departs the GD of Children's and Education would also be in place and the appointment process of his replacement would be advanced. In the next tier, Directors of Legal and Governance and of Housing and of Adult Services would be filled in the next few weeks. When he leaves his role would be the only substantive senior appointment to be filled and he was confident that a smooth transition would be in place.
- 4.11 A Member praised the transparency and candour of the Council after the cyber attack and asked whether the attack had been worse than expectations and how the Council would resist any similar attack in future and how it would up its game. TS replied that the intention was, being a public sector body, to be as transparent as possible, whereas that would not be the case in the private sector. The Information Commissioner had been contacted immediately and they were very open with them. The attack had greatly impacted on the Council's legacy system and the aim now is to move as much as possible to a cloud system. As they addressed the legacy systems the aim is to strengthen security even more and the Director of ICT has been very open with colleagues in other public bodies to make sure that everyone is better protected.
- 4.12 A Member praised the ongoing capability and success of the Volunteer Hub and its ability to deploy volunteers at short notice and asked how library staff and others had been adapting to their changed roles during lockdown. TS thanked Members for their comments and added that the volunteering had been a great success in the Vaccination Centres for example. The usage of volunteers was still variable and he praised the staff that had stepped up in Parking, Libraries etc. In the first wave they had struggled with the Shielding Nest work because the data had not been as good as it could have been, so much work had gone into better identifying vulnerable people, matching the government's shielding lists with local health bodies' lists. The government had also now narrowed the Shielding Nest to the Clinically Extremely Vulnerable. Supermarkets and Pharmacies had also stepped up and provided many more slots and more delivery options. In terms of re-deployments there had been

great work around distribution of PPE and on food delivery in the first wave but the second wave was quite different however. Large numbers of re-deployed staff were being used and there had been a Skills Assessment done for the majority of the staff which had aided with planning.

- 4.13 A Member asked what the timeframe was for finalising the Bullying and Harassment Policy and asked whether diversity would increase at senior level following the restructure. TS undertook to provide the exact date for the launch. It was currently with the Diversity Champions for review, he added. Re senior level diversity, he added that a specialist Consultancy had been engaged to help redesign and improve the senior management recruitment process. They had changed the language, the advertising and the whole approach in order to make it more inclusive. This was a difficult area in which to bring about change, but he was looking forward to their report and the learning from it would be cascaded down to inform other management recruitment within the organisation. He added that those Members invited onto senior management selection panels will already have noticed the change of approach.

<b>ACTION:</b>	<b>Chief Executive to confirm the date for the launch of the new Bullying and Harassment policy</b>
----------------	-----------------------------------------------------------------------------------------------------

- 4.14 Members asked for the outgoing Chief Executive's advice to councillors on areas where they need to hold his successor to account. TS replied that he'd suggest they hold the new CE to account on the vital need to support businesses and the local economy. Covid has placed huge burdens on the Treasury and one thing councillors should do is to keep talking about supporting local businesses. He added that councillors needed to keep doing what they did as they were not generally valued enough by the public. They did this work in their spare time and it was hard work and they often received abuse. He added that his response to critics often was that they had a choice and if they didn't like the approach of the councillors they could always try to get themselves nominated and elected.
- 4.15 A Member asked about the need to rebuild the local economy. TS replied that Hackney doesn't have high streets containing massive retail chains which are currently in trouble and instead had smaller, more niche, businesses. During Covid the Finance Dept had to flip from collecting revenue from businesses to paying out business grants to keep them afloat and there had been amazing work done here by the finance and grants teams. New schemes had kept coming on stream with changing grant conditions. The critical thing was to get those grants out quickly so that the businesses are in a position to start up quickly after lockdown. He added that the campaigns to Shop Local were also crucial here.
- 4.16 Members asked what the CE was most proud of during his tenure at Hackney. TS replied that there were a number of things but he recalled in particular getting the Woodberry Down development moving again. Also the work around the Building Schools for the Future which got £167m for schools. He also mentioned the Pembury Estate project and the Young Black Men project. Creating a borough that was safe, has less crime, better housing, fantastic education had been the goal. The Council was hugely resourceful and was

now strong. It was also a nice place to work as evidenced by how many who leave and later return.

- 4.17 The Chair thanked the Chief Executive for his attendance and all Members again thanked him for his contribution to the Council.

<b>RESOLVED:</b> That the discussion be noted.
------------------------------------------------

## 5 Quarterly Financial Update

- 5.1 The Chair welcomed to the meeting:

- Mayor Glanville
- Deputy Mayor Rebecca Rennison (RR), Cabinet Member for Finance, Housing Needs and Supply
- Ian Williams (IW), Group Director Finance and Corporate Resources

- 5.2 Members gave consideration to the following reports:

1. Tabled presentation on the *Council Budget* for 2021/2022 from the Group Director
2. Council's *Monthly Overall Financial Position (OFP)* Report - This report provides information about the Council's latest budgetary position in 2020/21.
3. *Capital Programme* report - This report provides information about the Council's Capital Programme.
4. *Housing Revenue Account* budget 2021/22 including tenants rents and service charges.

- 5.3 In introducing the item the Deputy Mayor stated that the papers contained a lot of tracking data on the development of the finances during the pandemic but that she'd like Members to focus on the need to plan early for the 2022/23 budget. She thanked Scrutiny Members for their input so far on the development of the budget. She added that more detail on the Government's spending commitments had just come in.

### Q&A

- 5.4 A Member asked about the Housing Revenue Account budget and how sustainable projections can be, considering the current financial situation many residents find themselves in. She asked how HRA Capital Budget spending decisions were made and how proportions were allocated e.g. repairs, vs buy back vs building new council properties.

IW replied that the HRA was one of the most challenging parts of the budget – the cash element of housing income. The Council had put in place a package of support to tenants around employment and further work is ongoing. Where tenants have difficulties the aim is to ensure that they are not chased separately by each part of the Council and that instead help is offered and he's discussed this with the other Group Directors. Overall the level of rent arrears is increasing which is a concern but in terms of the overall sustainability of the HRA it is in a much better place in Hackney than in other boroughs.

On borrowing, the focus is to borrow to invest and they do not borrow for Revenue expenditure. He described the recent reports on the council property buy-back scheme which had involved 25 properties. The sources for funding this are a challenge in terms of rules around Right to Buy receipts so they are looking for schemes where they can utilise those receipts better. Over the last year they had done detailed analyses with Members on the challenge of funding HRA so that the distinction between what the choices are can be better understood. RR added that the Council could cover only 1/3 of buy backs on receipts and overall there was no magic fix to these funding challenges.

5.5 A Member asked for clarification on the funding gap, whether it was £11m and if it had been bridged by items other than a council tax rise. RR replied that the gap had started at £22m and they had found £8m in corporate savings from a range of areas. The government had just come in with additional Covid related funding for the coming year which has now effectively bridged that gap. There were no sudden financial decisions that needed to be taken but ongoing savings discussions must continue with Directorates and it was unfortunate that government was requiring councils to make savings in the middle of a pandemic.

5.6 Members asked whether the £3.4m Council Tax Reduction Scheme funding was for one year. RR replied that it was, and she wanted therefore to use it as creatively and constructively as possible. She added that CTRS was structured very tightly in legislation so the Council could not change it in the short term even if it wanted to. The priority now was to have a scheme that can get this money out the door as quickly as possible. She added that when the Council took the scheme on they'd hoped to take the related mapping work over this year. Changes to the caseload and government alterations to the scheme itself meant they couldn't do that. There was a need for the government to make the parameters, in terms of spending, clearer.

On the 22/23 budget the gap had been closed by finding more savings and then a late announcement from the government. For the following year the concern is the government's decision on the Fair Funding issue and she wanted to make sure that the process for next year's budget begins now. After a decade of austerity finding any further savings would not be easy, she added. IW added that the final budget papers would clarify the medium to long term financial plan.

5.7 A Member asked that with the end of the Britannia project in sight what capacity was there to move on to other major capital projects such as King's Hall.

IW replied that Britannia is on track but Phase 2a and 2B were yet to be done. A Capital Management Review was taking place to determine which capital project might be next and they were conscious of the need to be ahead of the game. Resources, people and project management capacity need to be in place as well as the finances. Mayor Glanville added re King's Hall that it was not as easy a site to develop as it is a heritage site and would be more challenging to cross subsidise. There needed to be a plan first on how to fund the work but the priority in the short term was to keep it open and safe.

- 5.8 A Member asked about the transformation of the property portfolio and the need for a uniting vision for supporting both the voluntary sector and the business sector in terms of accommodation.

IW replied that the challenges faced by local high street were considerable but much work was going on by a range of council teams to support them. The first tranche of business grants had been completed. There was an Asset Management Review taking place in conjunction with the Voluntary Sector Lettings Policy to ensure that the Council was deploying its assets better and this involved Property Services, Regeneration, Finance and relevant Service departments. After the first lockdown a programme of support for commercial/VCS tenants was put in place and the Commercial Team had evolved their relationships with those tenants he added. So far, no tenant had to return their keys and the support from the Council was being acknowledged. This work has to be continually developed, however. The pandemic aftermath meant that the Council has to be mindful of the new challenges and to think more about what support can be put in place and to consider carefully the social value aspects. There were many examples of good practice out there, he added.

Mayor Glanville added that Hackney had seen a net increase in the VCS 'affordable use' space and referred to Clapton Common and the Marie Lloyd Centre examples. When the Council received assets back it had to consider carefully how to best deploy them. The first instinct with Hackney Wick developments for example wasn't about maximising income but rather how to best contribute to the wider regeneration of the area and how those assets can contribute to local culture and local VCS economy. This represented a shift in culture, he added. Across the VCS portfolio they had regularised the leases from 2011. They had put in place £4/sq ft rents which hadn't changed since. The Review however has to be completed this financial year because most of the leases with VCS sector are set to expire in 2022. The challenging bit relates to those leases which are in between commercial and VCS rent and about how to scope out value and balance VCS and community uses

- 5.9 A Member asked whether the new senior management structure would have budget implications and what the main budget challenges were from now on.

IW replied that this was the third restructure he had overseen and it was made clear from the outset that costs couldn't increase. There had, prior to this restructure, been a 40% reduction in senior management costs and so an need for increased productivity. There had also been savings from the Voluntary Redundancy Scheme and the savings from both of these meant they could bring in this senior management restructure as cost neutral.

On the next immediate challenges IW stated that, notwithstanding the pandemic and the impact of the cyber attack, there would be pressures in Children's Social Care. The austerity welfare reforms and the cuts to school budgets would also impact as there still weren't any national solutions on the level of the dedicated schools grant and or on SEND and the Council wanted a commitment that that be properly funded. Adult Social Care would continue to be a huge challenge which requires a national decision on funding. Temporary Accommodation remains a challenge and there will need to be more spent to bring back the local high streets. RR added that the challenge was immense.



She stated that there had been great discussions with Scrutiny Members over the past year and these needed to continue. She added that it would be easy to just focus on one or two key areas, but the Council had to look at services as a whole. Rough Sleeping for example represented a failure of statutory services generally. The key point was that it was not possible to just pick up one or two big ticket items in isolation.

- 5.10 Cllr Sharman (Chair of Audit Committee) congratulated the Cabinet Member on bringing the 21/22 budget in during such trying conditions saying it was a good result and a good process. He endorsed IW's point on the importance of securing 3-year projections from government. Coming out of Covid would create great challenges for a range of groups who have been adversely affected by it, he added, and there is a need to work towards a three-year budget plan rather than too many quick short-term solutions.

RR replied that they had put additional resources into the budget to plan exactly for this and she thanked IW and his team for rising to the challenge of budget forecasting in the current environment. Reflecting on the situation in Croydon and the Section 114 notice they had to make, she stated that the Auditor Report on it made clear how vital it was to be aware of how issues can build. We have to face the austerity challenge set by government she added, but we also have to be resilient. Finally, she cautioned that many of the new programmes that people want to take forward will have high recurring costs.

- 5.11 Cllr Sharman asked how best to take forward the successful work thus far between Audit and Scrutiny. RR replied that the Working Group had been very useful and had helped inform the budget setting process for the coming year. How do we get to balance the overall financial oversight role with Scrutiny Members wanting to get into the detail of savings proposals needs to be considered and she suggested that she would take a steer from the Chair of Audit and Scrutiny Panel Chair on how this balance might operate.

- 5.12 A Member asked about to build resilience in the voluntary sector and in local businesses and how to be on the front foot on these challenges.

RR replied that she wanted to reassure members that the Council needed to be strict with itself and realistic about building in all the necessary contingencies and fall backs. They had set a balanced budget now and also got resources to fall back on if needed.

Mayor Glanville commented on supporting the local economy to be resilient. He stated that teams in the Council were now working more closely, that communications and engagement was good, and progress was being made in place-based regeneration and housing delivery and this all linked into planning across the Town Centre teams. Teams were increasingly good at making Business Cases to Finance, for example on the enhancement of Hackney Central station. There was a huge amount of resilience in integrated education services regarding the skills offer and back to work schemes for those who will have had a long period of unemployment and he commended the Kickstart programme. adding that the Council needed to maintain investment in these. The Hackney Opportunities Service underpinned by S106 investments was another example. The point here was about making long term investments and this investment can be maintained for now.

- 5.13 The Chair thanked the Mayor, the Cabinet Member and Group Director for their contributions and for making time to attend.

<b>RESOLVED:</b>	<b>That the presentation and reports be noted.</b>
------------------	----------------------------------------------------

## **8 Minutes of the Previous Meeting**

- 8.1 Members gave consideration to the draft minutes of the meeting held on 5 October and noted the matters arising.
- 8.2 Members noted a response from the Director of Communications, Culture and Engagement on the issue of social media training and the Chair undertook to take this forward with officers and Scrutiny Panel members.

<b>ACTION:</b>	<b>Head of Scrutiny and Ward Forums to set up a session with Comms officers and Scrutiny Panel to progress the social media use training.</b>
----------------	-----------------------------------------------------------------------------------------------------------------------------------------------

<b>RESOLVED:</b>	<b>That the minutes of the meeting held on 5 October be agreed as a correct record and that the matters arising be noted.</b>
------------------	-------------------------------------------------------------------------------------------------------------------------------

## **9 Work Programme 2020/21**

- 9.1 Members' gave consideration to the updated work programme for the Panel. The Chair stated that the next meeting would include a discussion panel on food poverty and an update on the Advice Services review.

<b>RESOLVED:</b>	<b>That the updated work programme be noted.</b>
------------------	--------------------------------------------------

## **10 Any Other Business**

- 10.1 There was none.

**Duration of the meeting:** 7.00-9.05 pm