

Covid Recovery Deep Dive Review

AUDIT COMMITTEE MEETING DATE
2021/22

5th January 2022

CLASSIFICATION:

Open

WARD(S) AFFECTED

All Wards

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1. INTRODUCTION AND PURPOSE

1.1 For several years now the Audit Committee has been undertaking deep dives into areas where a potential risk to the Council's financial position has been highlighted by the Committee. Most recently the Committee have taken a close look at the Council's approach to Covid-19 recovery, recognising that the pandemic continues to have an ongoing impact on the needs of residents in the borough as well as on Council Services.

1.2 The review has encompassed three deep dive workshops focussing on the following areas:

Workshop one (26th July 2021):

- Strategic Approach to Covid Recovery;
- New Ways of Working/Workforce Strategy; and
- Adult Learning/Employment & Skills

Workshop two (29th September 2021)

- Responding to the strategic challenges (building on information heard at the first workshop)
- New ways of working (new ways of working building on what has been done to respond to the pandemic including work with the community and voluntary sector and work with front-line services)

Workshop three (17th November 2021)

- Evaluation of ways of working through the pandemic
- Poverty reduction framework in the context of Covid recovery
- Updated on organisational development & the workforce strategy.

1.3 In October 2021, the Audit Committee received a report, focussed on the agenda of the first workshop, which provided a brief overview of the financial context to the pandemic and highlighted the issues emerging from the review of the Council's approach to New Ways of Working/Workforce Strategy and Adult Learning/ Employment & Skills from the first workshop.

1.4 The report concluded that evidence heard by the Committee demonstrated a clear and focussed response to the impacts of the pandemic on the community and the workforce. The unforeseen extent of these impacts meant that services had to work flexibly and responsively to implement new ways of working and service delivery. It was noted that the Council was looking to capture the learning from these experiences and look to harness opportunities that have been identified - for example, the extended partnership working, use of technology, hybrid working and the potential these initiatives offer.

- 1.5 This report summarises the learning from the second and third workshops where the Audit Committee reviewed the evaluation of our Covid-19 response, examined how the Council identified and planned a response to the strategic challenges that have emerged in the context of Covid-19 (with a particular focus on the Poverty Reduction Framework) and also sought further information around the longer term particularly in respect of the workforce strategy.
- 1.6 Finally, at sections 6 and 7 of this report the Chair’s summary of findings and conclusions from all of the sessions are drawn together to provide the key messages and lessons learnt from the deep dive.

2. STRATEGIC RESPONSE & CORPORATE CHALLENGES

Strategic recognition and acknowledgement of the impact of Covid-19

2.1 Following the onset of the pandemic in early 2020, the Council was quick to acknowledge that the unprecedented circumstances we were experiencing were likely to have an enduring impact on the Council and the local community. We responded by:

- Developing a community impact assessment (March 2020)
- Refreshing the Corporate Plan in the context of Covid-19 (July 2020)
- Refreshed the community impact assessment (January 2021)
- Used new impact assessment to refresh corporate challenges going beyond 2021/22 (June 2021).
- Fleshed out corporate challenges and developed responses to these challenges (September 2021).

Following on from this work an update of the current corporate plan will be taken to Cabinet in the new year and we will start to develop new priorities.

Refreshed corporate plan and corporate challenges

2.2 Hackney’s refreshed Corporate Plan (adopted July 2020), simplified and consolidated the 9 Corporate Priorities from 2018’s Plan into 7. It is cross cutting in nature, focusing on key inequalities (specifically racial inequality) and the needs of the most vulnerable - which have come even more to the fore during the pandemic.

Fairer	Safer	Greener
1. Poverty reduction 2. Rebuilding an inclusive economy 3. Lasting solutions to London’s housing crisis and homelessness	6. Reducing harm	7. Responding to the climate emergency

4. Supporting children and families to thrive		
5. Community wellbeing and tackling health inequalities		

- 2.3 The Audit Committee workshop heard how the Council had been and continues to deliver against these priorities [Responding to strategic challenges: Audit committee Sept 2021](#). Some of the key elements for each are reiterated below.
- 2.4 Poverty reduction: This challenge ensues throughout the pandemic notably more residents are on Universal Credit and short term solutions to the crisis (e.g temporary UC uplift, temporary eviction ban and ending of furlough schemes) alongside existing pressures from changes in the benefits system impact our residents disproportionately. In response to this we have developing our revised poverty reduction framework. Further details of this response are set out at section 4 below.
- 2.5 Rebuilding an inclusive economy: Some of Hackney’s most prevalent businesses such as the creative sector, retail, leisure and hospitality industries have been hardest hit by the pandemic and will take the longest to recover. Government financial support was provided, but short-term. There has also been increases in unemployment and in residents on Universal Credit. Our response includes focus on championing and supporting local businesses and maximising local affordable workspace and connecting residents to high quality employment support and opportunities, as well as shaping opportunities in the Green Economy.
- 2.6 Lasting solutions to London’s homelessness crisis: Increase in homelessness in the borough with individuals and families under pressure from austerity . Supply not meeting demand in social housing. Inadequate regulations and sometimes poor conditions in the private sector market. In response we revised the lettings policy and continue to develop a housing needs service that is personalised, preventative and multi tiered. A new Housing Strategy is under development which will consider different models of house building and supply. We are also working to improve the private sector option through our private landlord licensing scheme.
- 2.7 Supporting children and families to thrive: Pre-pandemic we had seen an increase in referrals to the children’s social care services as well as an increase in children in care and number of young people with Education, Health and Care Plans (EHCP). The pandemic put further pressure on families, some who were already living in poverty, as well as the loss of Education for extended periods and the impact this could have. We have reshaped our early help offer at the front door and are taking a whole family approach to the support we provide. We have revised our Hackney Child Wellbeing framework signed up to by partners across Hackney and continue to deliver the Childhood Adversity, Trauma and Resilience Programme.

- 2.8 Community Wellbeing and tackling inequalities: Covid-19 disease has directly disproportionately affected some minority ethnic groups, older people, men, people with underlying health conditions (esp multi-morbidity), care home residents and staff, those working in other public facing occupations, as well as individuals and families living in socially deprived circumstances. In addition, the longer-term economic consequences of the pandemic will continue to affect some of our most vulnerable residents and communities. The Health and Wellbeing Board formally adopted a Health in All Policies (HiAP) approach in 2020 and refreshed its membership to reflect the contribution of wider Council and other local partners in achieving its aims. The approach systematically and explicitly takes into account the health implications of the decisions we make.
- 2.9 Reducing harm: The issue of violence is recognised as a complex one which manifests in many contexts. Public perception surveys and community insight show that Hackney has a significant challenge on confidence and trust in Policing. The pandemic, including lockdowns, has exacerbated many of the issues implicated as underlying causes of violence, for example poverty, inequality, trust and confidence. We continue to work on a whole systems approach and are also refreshing our Community Safety Strategy. In addition, our Community Resilience Partnership is developing an action plan to build trust and confidence.
- 2.10 Climate emergency: Recognition that we need to work differently as an organisation ensuring climate change is embedded in our decision making and that we collaborate with our communities on solutions. Funding is a significant issue and Central Government solutions are not forthcoming. Meeting net zero widely will also require increased action from people, as consumers, workers, households, businesses and citizens, as over half the emissions reductions needed nationally involve people making low-carbon choices. We have refreshed our internal governance around this major issue and are developing the Hackney Climate Action Plan for 2022. We are leveraging more community engagement e.g. Climate Summit in November 2021 to kick start behaviour change. We are also strengthening our lobbying positions with National Government on funding through working with London Councils and the LGA.
- 2.11 A set of institutional and cross-cutting challenges have also been identified, going forward:
- **Financial context** - rising demand, existing cost pressures, debt collection, funding gap, national picture, specific impacts on Voluntary and Community Sector - exacerbated by increase in employers' NI contributions
 - **Health and social care white paper** - brings an opportunity to move further towards integration but also brings more change and uncertainty
 - **Cyber attack** on Council- ongoing impacts present a range of risks to capacity, delivery and community confidence in Council services and data collection

- **Changes in leadership** - Council, CCG and voluntary sector
- **Partnerships risk of returning to silo working** after working in such a coordinated way during the pandemic - opportunities through Integrated Care Partnerships and Neighbourhoods for new roles for local areas in **responding to future waves of covid or future pandemics**
- **Digital exclusion** - as more services become digital by default
- **Engaging residents in more reactive times** when there are also low levels of trust in the state, even in health services, and polarised views in communities
- **Key inequalities** are worsening which places a greater strain on community life

2.12 Clearly responses to these challenges need to be similarly cross-cutting and primarily require us to work differently. Principally, going forward we need to be confident about :

- **Working with uncertainty:** Regular short and medium term horizon scanning to ensure policy making is forward looking and takes account of what is likely to become a live issue and community impact assessment Ensuring we have confident politically astute leadership and decision making / governance suited to working with a lot of uncertainty
- **Engaging residents and co-production** Revisiting the way we engage with residents. Place based working - to improve reach .
- **Tackling inequality** through a Digital inclusion action plan and cross cutting equality objectives and proactive work.

2.13 The financial challenge is not a new one, but given 10 years of austerity and the loss of £140m in Government funding, the options to respond become more limited as we plan to make sure we balance our books while limiting the impact on frontline services. At the current time, we are close to a position of balancing the budget for 2022/23 but recognise that in order to continue with our record of sound financial management we need a different approach going forward. For the 2023/24 financial year and beyond we plan a different approach by undertaking a Policy Based Budget Review which will look to develop the budget through a more fundamental review of what we do, how much it costs and how it aligns with Council's priorities.

2.14 As noted above, a clear theme of responding to our challenges involves the need to work differently, be it in a cross-cutting way and/or in partnership with our local community or simply, as the pandemic has shown, more flexibly. Part 5 of this report will cover in more detail the impact this has on our workforce strategy and how we will implement this.

3.0 COVID-19 RESPONSE EVALUATION TO NEW WAYS OF WORKING IN THE PANDEMIC

3.1 In Spring 2021, the London Office of Technology and Innovation awarded a Covid Innovation grant to Newham and Hackney. The grant supported our work

to embed key elements of our pandemic recovery as the new normal, ensuring we adopt preventative approaches to protect residents from reaching crisis. As well as investment in developing tools and approaches, the grant paid for an evaluation of our work by independent academics at UCL's Institute of Innovation and Public Purpose.

- 3.2 The Head of Policy presented to the Audit Committee deep dive session on the new ways of working through the pandemic and on UCL's draft evaluation [UCL Key findings and implications](#) (draft Subject to final changes following a peer review). The session heard how staff of both the Council and across the voluntary sector had been supported in the preventative approaches and that a key element of embedding the approach was ensuring that we listened and acted on the feedback of staff on the frontline of service delivery.
- 3.3 UCL evaluated the impact of work to date. They studied best practice literature to iterate our Theory of Change by identifying 6 key "capacities" that are key to delivering on preventative approaches: Increased knowledge; Work culture and strengthened cohesion; Trust and engagement; Resource access and strength based approach; Appropriate referrals and holistic care; and Service system integration. They then conducted in- depth interviews with 18 staff members to assess the extent to which the components of our work are developing these capacities. The areas where they found there was more work to be done was in resource access and strength based approach and appropriate referrals and holistic care.
- 3.4 The evaluation stated that '*. it is crucial to recognise that the programme relies heavily on its service workers to be the mechanism for change and improvement. The limited agency of link workers over cases and existing varied saturation of referral forms and pathways and resources within this multi-organisational setting remains a structural barrier even when the system has the most skilled, educated, engaged, connected and empathetic service worker.*'
- 3.5 The report recommended that we invest further in the change process and service redesign to ensure referral processes are smoother and services work more harmoniously and specifically, that we:
 - scale peer support sessions across the council
 - invest in joint training sessions across LBH / VCS organisations
 - refresh the approach to onboarding staff to the digital tool
 - amend the approach that the pilot used in future link work delivery
- 3.6 The Change Support Team has been addressing the recommendations throughout Autumn 2021, particularly focusing on refreshing the link work model and the approach to onboarding staff to the digital tool. The recommendations are also picked up in developing the revised Poverty Reduction framework and work will continue with colleagues in Policy and Strategic Delivery, Customer Services and Organisational Development teams to address the implications across the organisation.

4.0 POVERTY REDUCTION FRAMEWORK

4.1 The Audit Committee deep dive heard early on in the sessions how the pandemic has had a disproportionate impact on communities who were already disadvantaged and in poverty and were keen to explore how the Council was responding to this through its developing Poverty Reduction Framework.

4.2 The Poverty Reduction Framework being developed aims to help to address poverty and the impacts of poverty by a multi-layered approach:

Prevention of the material impacts of poverty

1. Emergency support (e.g. hardship funding, fuel vouchers)
2. Income maximisation and debt support (e.g. welfare and benefits advice, consumer advice, affordable finance)
3. Community Partnerships to tackle the material impacts of poverty

Strategic prevention of the material impacts of poverty

4. Housing affordability, including Homelessness prevention
5. Supporting quality employment, skills and training

Cross Cutting priorities

- Ways of working
- Relationships to other strategic areas (e.g. Health, Education, Community Infrastructure, Anti-Racism).

4.3 The proposal is to include a refreshed framework with the Corporate Plan update going to Cabinet in February and from then on it will be a document which is updated annually.

4.4 There is resource available from the investment in poverty monies set aside as part of the 2022/23 budget setting which builds on work already undertaken throughout the pandemic which will fund:

- a full Time Strategic Delivery Manager working on developing community partnerships network - addressing issues in UCL evaluation - to create the conditions across the partnership
- Extended peer support
- Mental health social workers embedded in benefits and housing.

Going forward it is anticipated that the strategy will be delivered within existing resources as the focus is very much on new ways of working as progressed through the pandemic and evaluated by UCL.

5.0 WORKFORCE STRATEGY

5.1 The Strategic Director for Engagement, Culture, and OD updated the group on the development of the Workforce Strategy, and described the new Chief

Executive's additional priorities for workforce development. Alongside the established strategic objectives, as discussed at the last workshop, the Chief Executive has added two more, placing a new emphasis on becoming a resident focused organisation, and a learning organisation. These two are essential elements of the culture change that will be needed to deliver on the challenges and ways of working outlined in the earlier parts of this report, as described in para 2.14.

- 5.2 The Hackney Values have also been more explicitly referenced in the workplace strategy objectives, which now read as follows;

A STABLE AND SUSTAINABLE WORKFORCE: we will be PROACTIVE in our planning and development of our future workforce, making sure we have the people we need, with the right skills, to tackle the challenges we face, and provide the best services to our residents.

AN ENGAGED WORKFORCE: we will be OPEN with our workforce, communicating and engaging with them regularly and effectively. We will be INCLUSIVE ensuring that all staff have a voice in the organisation, that morale is high, leadership is PROACTIVE, trusted and visible, and that our employees have a good experience throughout their careers in Hackney.

AN INCLUSIVE ORGANISATION: we will be an INCLUSIVE organisation, that is PROUD of its diverse workforce, actively tackles inequalities and discrimination, and that reflects the communities we serve, at all levels of the organisation.

AN EMPLOYER OF CHOICE: we will become an employer of choice in the London public sector that values wellbeing, telling our story as an AMBITIOUS, PIONEERING and INCLUSIVE council to attract the best people to serve our residents. We will work to build our local workforce, providing high quality employment to local people, and harnessing their skills to serve the borough.

A LEARNING ORGANISATION: we will develop an organisational culture that is PROACTIVE, OPEN and collaborative, learning from each other and from outside the Council. We will value learning and development, and ensure that every member of staff is able to reach their full potential in the Council. We will be PIONEERING and try new things, learning from our failures as much as our successes, and we will share what we learn with others.

A RESIDENT FOCUSED ORGANISATION: we will develop an organisational culture that puts our residents at the heart of everything we do. We will train, develop, support, and trust our staff to take a resident centred approach that always focuses on getting the best outcomes for the people we serve. Our culture will be respectful and INCLUSIVE of our residents' needs, OPEN and PROACTIVE in the way we serve them, and AMBITIOUS in what we can achieve for them.

- 5.3 The Organisational Development Board has begun work on creating an outcomes framework for these objectives, ensuring that we are clear about what we need to achieve within each one, and how we will measure success.
- 5.4 There are significant challenges in delivering the workforce strategy, and the Chief Executive has launched a review of HR and OD across the organisation, looking at leadership and resourcing across the Council.
- 5.5 The workshop heard an update on the launch of the new Managing for Hackney training programme for managers, which was launched on October 21st with a pilot cohort, sponsored by the Chief Executive. The 12 month long programme is being developed to incorporate the new workforce strategy objectives and the Council's new way of working, with the aims of embedding sound line management practice at every stage of the employee journey, as well as council wide culture change. The second cohort will launch on 18th January with Jacquie Burke as the HMT sponsor.
- 5.6 The workshop also heard an update on the training received by 65 managers throughout the autumn on managing in a hybrid environment.
- 5.7 Both programmes were very well received by participating managers, however it was acknowledged that with current resourcing challenges, it will be difficult to deliver a council wide roll out of either programme with the pace needed to support and deliver the change required.
- 5.8 There was a discussion about staff insight, and the most recent staff engagement survey, which highlights both where we are succeeding as an organisation, and some of the workforce challenges we face. A topline summary of those results has been made available since the workshop took place, and is provided below:

What's going well:

- 86% of staff know what they need to do to be successful in their role
- 84% know how their work contribute to Hackney's goals
- 82% are able to arrange time out of work if they need to
- 78% are proud to work for the Council

Where we have improved the most:

- 75% of staff feel supported to work flexibly which is 10 points higher than the last survey
- 75% of staff feel informed by their manager, up 9 points
- 71% say Hackney's leaders keep people informed, up 7 points

Where we need to improve:

- Just 35% say morale is high. It's important we put strategies in place organisationally, and locally, to raise morale as this is no good for you, or the residents we serve
- Only 30% say their managers have discussed survey results with them, and 27% have seen action taken as a result of surveys
- Only 30% of staff believe that action is taken when someone is not delivering in their role.
- 43% of people believe they have good career opportunities at the council.
- Linked to this, 34% of people believe the right people are rewarded and recognised.

5.9 We are making some headway on the perception of if we are committed as an organisation to equality and diversity in principle (76%) and in practice (62%). We want to see our "in practice" score increase further to close that gap further. Just 50% of staff believe senior managers are committed to inclusivity. This metric was added specifically to track the impact of the inclusive leadership programme. This score has increased since 2020, but clearly there are still fundamental challenges in this area.

5.10 There will be an all-member session held at the end of January, hosted by Cllr Williams, to present a more detailed look at the staff survey results and resulting action planning.

5.11 Since the last workshop, the Chief Executive has launched a review of casework and complaints, to be chaired by the Strategic Director, Engagement, Culture, and OD, reporting into him and to the Mayor. A key strand of this will be to look at the culture change necessary to create an open, reflective resident centred approach, in line with the strategic approach set out in this paper.

5.12 Key outcomes in the short term which the Committee will be interested in are the framework for workforce strategy objectives (expected January 2020) and a report back from Chief Executive's review of HR and OD (expected January 2020)

6 CHAIR'S SUMMARY OF FINDINGS

6.1 Committee Members had a positive and generally encouraging view of the Council's Covid response to the pandemic. Our first workshop investigated reactions during the first 15 months of the pandemic, and we heard good evidence that the Council had adapted its services rapidly and comprehensively. Residents' existing service needs had continued to be met while systems for meeting new demands, especially for supplying food and support for vulnerable residents, had been set up quickly. There was also good

evidence that these new services had been delivered innovatively and flexibly, both drawing on and supporting community-led initiatives. We were pleased that the Council was committed to learning from this experience of unifying Council and community resources and that these lessons would be incorporated into new models of service delivery planning. We were also reassured that business continuity plans had been reviewed and that the Council's Gold structure management arrangements had been enhanced.

- 6.2 Our second workshop concentrated on the long-term threats and opportunities created by the pandemic, and we were impressed by the work the Council has been undertaking in this area in working with communities and other organisations, especially in the community and health service. We were pleased to see that key to the Council's long-term response would be the promotion of new forms of community and resident-focussed service delivery supported by the development of appropriate skills in the Council's workforce. As the Council moves into a new planning cycle with a new leadership following Council elections in May it will be important to ensure these plans are fully integrated into the Council's Corporate Plan and that sufficient resources and focussed leadership at management and political levels are committed to deliver them.

7. CHAIR'S CONCLUSIONS

- 7.1 The need for a long-term plan involving new approaches to service delivery was underlined by evidence that the deep inequalities in the Borough had been further intensified by the pandemic. A range of indicators showed both that disease had differential impacts on Borough residents and that some groups, notably some ethnic minorities, children, older, isolated residents and families in food poverty had all faced particular difficulties. It was therefore important that the Council based its corporate and service planning on a recognition that measures to reach out to these vulnerable groups were essential both to relieving short term impacts of the pandemic and to the identification of long-term social needs.
- 7.2 As a result, the Committee was reassured by officer presentations showing that these challenges had been recognised both in the Council's initial response to the pandemic and in its planning for the post pandemic period. We heard about the range of investigative work being undertaken to develop new forms of working that addressed the Borough's social and economic inequalities. We noted evidence that the development of strong organisational and personal relationships with other organisations, especially in the health service and in the community, had been central to our success and that these links needed to be built on to achieve long-term change. To support this approach a recent review of the workforce's needs and attitudes was being used to develop the culture and skills necessary to support the new more open and participative forms of service delivery. More broadly, there was a commitment that the change programme, together with the investment to support it, would be

incorporated into the review of medium- and longer-term corporate priorities that the Council had recently launched.

- 7.3 In general, the Committee felt that the Council was well placed to cope with the need to respond to short term challenges. This was particularly important given the high probability of the need to respond to further waves of infections. We understand contingent planning arrangements at strategic and service level have been reviewed in the light of the experience of the first phase of the pandemic. Measures have been taken to strengthen strategic management arrangements with more frequent 'gold' level meetings and the formalisation of 'shadow gold' cover at director level. These new arrangements have been invoked successfully in the Council's reaction to the spread of the Omicron variant. The key role of good communication also continues to be recognised, with intranet and internet pages, for example, remaining active and regularly updated. The Committee emphasised the importance of ensuring that these arrangements and the documentation remained live once we return to what will be a new normality.
- 7.4 We also welcomed the Council's commitment to developing the skills of its workforce in response to the proposals for new ways forms of service delivery based on working closely with residents and the community. These plans are at an early stage of development. However, it is important that the new Corporate Plan as it is developed with new priorities, builds on the recent learning of the organisation and is clearly linked into resource and other planning. This includes ensuring that the workforce strategy ensures that staff have the right skills to deliver the new forms of services required. Coupled to clear leadership from the top, this will be essential if the corporate priorities and service initiatives are to be coherent and effective. Only then would the Council be in a position to ensure there was a positive long-term impact on the organisation and on residents' lives as a result of the learning from the pandemic.

8 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 8.1 There are no direct financial consequences arising from this report.

9. COMMENTS OF THE DIRECTOR OF LEGAL

- 9.1 The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. This report is further evidence of the Council compliance with these regulations.
- 9.2 There are no immediate legal implications arising from the report.

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