

**LONDON BOROUGH OF HACKNEY COUNCIL**

**CABINET DECISION NOTICE - Monday, 22 February 2021**

This document outlines the decisions taken at the above Cabinet meeting.

Unless otherwise indicated, executive decisions listed in this document will come into force and may then be implemented 5 working days after publication of this document unless the decision is called in. During that period the Director of Legal & Governance Law may call-in a decision for scrutiny if so required by no fewer than 5 Members of the Council ( Part 4 of the Council's Constitution; Scrutiny Procedure Rules: Call-in Procedures).

**Date of Publication:**

23 February 2021

**Last Date for Call-In:**

2 March 2021

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- 6. To consider the unrestricted Minutes of the Previous Meeting of Cabinet meeting held on 25 January 2021.**

**RESOLVED:**

**That the Minutes of the 25 January 2021 were approved.**

- 7. To receive the unrestricted Minutes of the Previous Meetings of Cabinet Procurement Committee meeting held on 18 January 2021.**

**RESOLVED:**

**That the Minutes of the 18 January 2021 were approved.**

- 8. General Exception Report - 2021/2022 Budget and Council Tax Report**

## **RESOLVED**

**Cabinet is recommended to consider the report and make the following recommendations to Council for approval:**

**3.2 Council is recommended:**

**3.2.1 To bring forward into 2021/22 the Council's projected General Fund balances of £15.0m and to note the Housing Revenue Account (HRA) balances of £11.2m**

**3.2.2 To agree for approval the directorate estimates and estimates for the General Finance Account items set out in Table 1, below.**

**3.2.3 To note that the budget is a financial exposition of the priorities set out within the Corporate Plan included at Section 6 below.**

**3.2.4 To note that in line with the requirements of the Local Government Act 2003, the Group Director, Finance and Corporate Resources, is of the view that:**

**The General Fund balances of £15.0m and the level of reserves, particularly in relation to capital, are adequate to meet the Council's financial needs for 2021/22 and that considering the economic uncertainty they should not fall below this level. This view takes account of the reserves included in the Council's latest published 2019/20 Accounts and the movements of those reserves since that date – which have been tracked through the Overall Financial Position (OFP) Reports, and the latest OFP projections. Note also, that the projections in the HRA Budget to maintain the balance at £11.2m by 31 March 2021 are also considered to be adequate at this point in time but will need to continue to be reviewed in the light of the challenges facing the HRA. The HRA balance has reduced from £15m in 2020-21 because of the need to set up a provision for Thames Water agency refunds but there is a plan to get back up to £15m by increasing the savings plan over the medium term to replenish reserves.**

**The General Fund estimates are sufficiently robust to set a balanced budget for 2021/22. This takes into account the adequacy of the level of balances and reserves outlined above and the assurance gained from the comparisons of the 2021/22 budget with the projected spend identified in the December 2020 OFP. The overall level of the corporate contingency has been set at £2m.**

**3.2.5 To approve the proposed General Fund fees and charges as set out in Appendix 8 for implementation from 1st April 2021.**

**3.2.6 To continue the policy requiring the Group Director, Finance and**

**Corporate Resources to seek to mitigate the impact of significant changes to either resources or expenditure requirements.**

**3.2.7 To note the summary of the HRA Budget and Rent setting report agreed by Cabinet on 25th January 2021.**

**3.2.8 To authorise the Group Director, Finance and Corporate Resources to implement any virements required to allocate provision for demand and growth pressures set out in this report subject to the appropriate evidence base being provided.**

**3.2.9 To approve:**

**The allocation of resources to the 2021/22 Non-Housing capital schemes referred to in Section 24 and Appendix 7.**

**The allocation of resources to the 2021/22 Housing indicative capital programme referred to in Section 24 and Appendix 7, including the HRA approvals previously agreed by Cabinet on January 25<sup>th</sup> 2021.**

**3.2.10 To note that the new capital expenditure proposals match uncommitted resources for the year 2021/22.**

**3.2.11 To agree the prudential indicators for Capital Expenditure and the Capital Financing Requirement, the Authorised Limit and Operational Boundary for External Debt, the Affordability prudential indicators and the Treasury Management Prudential Indicators for 2020/21 as set out in Section 25 and Appendix 3.**

**3.2.12 To confirm that the authorised limit for external debt of £536m agreed above for 2021/22 will be the statutory limit determined under section 3(1) of the Local Government Act 2003. Further reassurance about the robustness of the budget is the confirmation that the Council's borrowings are within the boundaries of prudential guidelines.**

**3.2.13 To continue to support the approach of using reserves to manage emerging risks and liabilities and to note the latest reserve position.**

**3.2.14 To note that at its meeting on 27 January 2021 the Council agreed its Council Tax Base for the 2021/22 financial year as 72,039 in accordance with regulations made under section 33(5) of the Local Government Finance Act 1992. The Council Tax Base is the total number of properties in each of the eight council tax bands A to H converted to an equivalent number of band D properties.**

**3.2.15(1) To agree that the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31A to 36 of the Localism Act 2011.**

**The authority calculates the aggregate of: (in accordance with Section 31A (2) of the Act)**

- (a) £1,199.503m being the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.**
- (b) £2m being such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices.**
- (c) £nil being the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure.**
- (d) £nil being such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.**
- (e) £18.171m being the amount which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of the 1988 Act, and**
- (f) £nil being the amount which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.**

**3.2.16(2) The authority calculates the aggregate of: (in accordance with Section 31A (3) of the Act)**

- (a) £1,116.488m being the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices.**

(b) £nil being the amount which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act.

(c) £nil being the amount which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account for the year, and

(d) £13.967m being the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2) (a), (b), (e) and (f) above.

3.2.17 £89.219m being the amount by which the aggregate calculated under subsection (1) above exceeds that calculated under subsection (2) above, the authority calculates the amount equal to the difference; and the amount so calculated is its Council Tax Requirement for the year.

3.2.18 being the amount at (3.2.17) divided by the amount at (3.2.14) above, calculated by the Council, in accordance with section 31A of the Act, £1,238.47 as the basic amount of its council tax for the year

3.2.19 That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council tax for 2021/22 for each part of its area and for each of the categories of dwellings.

**Valuation Bands Hackney**

A	B	C	D	E	F	G	H
825.65	963.25	1100.86	1238.47	1513.69	1788.91	2064.12	2476.95

3.2.20 That it be noted that for 2021/22 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

**Valuation Bands GLA**

A	B	C	D	E	F	G	H

242.44	282.85	323.25	363.66	444.47	525.29	606.10	727.32

**3.2.21** That having calculated the aggregate in each case of the amounts at 3.2.19 and 3.2.20 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for 2021/22 for each of the categories of dwellings as shown below.

**Valuation Bands Combined Hackney/GLA**

A	B	C	D	E	F	G	H
1068.09	1246.10	1424.11	1602.13	1958.16	2314.20	2670.22	3204.27

**3.2.22** To agree In the event of any changes to the proposed levels of the GLA Precept as set out in 3.2.20 following the consideration of its budget on 25 February 2021, to (a) delegate authority to the Group Director Finance and Corporate Resources to reflect any amendments to the GLA Precept in the Council's Council Tax billing information and (b) to agree to convene a further meeting of full Council to consider any such amendments in accordance with the requirements of the Local Government Finance Act 1992

**3.2.23** To agree, subject to the decision of Members on recommendations 3.2.16 to 3.2.18 that Hackney's Council Tax requirement for 2021/22 be £89.219m which results in a Band D Council Tax of £1,238.47 for Hackney purposes and a total Band D Council Tax of £1,602.13 including the Greater London Authority (GLA) precept. An analysis of the tax base total Band D Council Tax across Council Tax Bands is shown in 3.2.21 above and an exemplification of the taxbase and discounts by band, is shown in Appendix 5.

**3.2.24** To agree that in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992, and the new provisions included in the Localism Act 2011, the increase in the Council's Council Tax requirement for 2021/22 as shown at Appendix 9 is not excessive (5% or above) and therefore does not require the Council to hold a referendum.

**3.2.24** To agree the Treasury Management Strategy for 2021/22 to 2023/24, set out at Appendix 3.

**3.2.25** To agree the criteria for lending and the financial limits set out at Appendix 3.

**3.2.26 To approve the MRP statement setting out the method of calculation to be used, as set out in paragraphs 25.21-25.26 below.**

#### **REASONS FOR DECISION**

The Council has a legal obligation to set its Council Tax and adopt its annual budget. This report is seeking formal approval of the 2021/22 budget

Previous decisions in this context relate to:

- The Council Budget and Council Tax Report for 2020/21 agreed by Cabinet on January 26th 2020.
- The Overall Financial Position reports presented monthly to Council during 2020/21
- The Calculation of the 2021-22 Council Taxbase & Local Business Rates report approved by Council on 25th January 2021

**9. 2021/22 Overall Financial Position, Property Disposals and Acquisitions Report Which Takes Account of the Estimated Financial Impact of Covid19 and the On-going Emergency - Key Decision No. FCR R44**

#### **RESOLVED**

**That the Cabinet:**

- I. Noted the update on the overall financial position for December, covering the General Fund, Capital and the HRA.**
- II. Approved the corporate savings noted at 2.17 and table 3.**
- III. Approved the award to every claimant of working age a council tax discount of £60 up to the limit of their council tax bill as set out in 2.20-2.21**

#### **REASONS FOR DECISION**

To facilitate financial management and control of the Council's finances and approve the directorate savings

**10. Capital Update Report - Key Decision No. FCR R43**

#### **RESOLVED:**

**3.1 That the schemes for Children, Adults and Community Health as set out in section 9.2 be given approval as follows:**

**Clapton Girls Academy Lifecycle:** Spend approval of **£250k in 2020/21** is requested to increase the existing budget to fund the emergency responsive works.

**Career Loft Extensions:** Resource and spend approval of **£222k in 2021/22** is requested to fund the cost of the home extension building works to the homes of three Council in-house foster carers.

**3.2 That the schemes for Neighbourhood as set out in section 9.3 be given approval as follows:**

**Parks Equipment and Machinery 2020/21:** Spend approval of **£750k in 2020/21** is requested to purchase equipment and machinery to carry out maintenance to the borough's parks.

**3.3 That the S106 schemes as set out in section 9.4 and summarised below be given resource and spending approval as follows:**

S106	2020/21 £'000	2021/22 £'000
Capital	35	10
Revenue	60	21
<b>Total S106 Resource and Spend for Approval</b>	<b>95</b>	<b>31</b>

**3.3 That the S106 schemes as set out in section 9.5 and summarised below be noted as follows:**

S106	2020/21 £'000	2021/22 £'000
Capital	593	
Revenue	1,304	
<b>Total S106 Resource and Spend for Noting</b>	<b>1,896</b>	<b>0</b>

## 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.

**11. Bringing In Services - The Hackney Insourcing Model - Key Decision No. FCR R49**

**RESOLVED**

**Cabinet is recommended to approve the Insourcing Policy (Bringing in services: the Hackney insourcing model) attached as Appendix A**

**REASONS FOR DECISION**

The insourcing of existing service contracts was one of the key manifesto commitments of the administration in 2018 and has since become an integral part of the Council's corporate objectives. This key priority called for a review of all outsourced services with a view to bring them back in house or explore other forms of employee ownership or co-op where insourcing is not possible.

The Council's commitment to seek to bring services back in-house is not based on ideology but rather part of the drive to continue to provide high quality services for its residents. The Council strives to explore ways to ensure that quality services are delivered regardless of the model of service provision but there is a clear recognition from the work that has been done so far, in respect of the insourcing commitment, that added benefits such as service integration and better control can be delivered by bringing services in-house.

In taking forward this commitment, the Council has been reviewing all outsourced service contracts, including in adult social care, with a view to bring them in-house where practicable and financially viable. Alongside this work, a formal policy document (Bringing in services: the Hackney insourcing model) that sets out how insourcing decisions will be made has been developed.

The insourcing policy has been produced to both set the direction for the implementation of the insourcing manifesto commitment and to also provide Council officers, particularly Service Heads, with a better understanding of how to appraise in-house service delivery options as part of the 'Make or Buy' decision making process

The policy has had inputs from key stakeholders across the organisation including elected members of the Council, officers at various levels of the organisation particularly Heads of Service and Directors who will be directly involved in the delivery of the insourcing agenda, and there has been extensive work undertaken by the Audit Committee to ensure that the appropriate criteria were being used in deciding both on the priorities

and approach to the insourcing of currently outsourced services and to the decision-making process for cases where insourcing appeared not to be feasible. The Committee also wanted to be assured that appropriate arrangements were in place for the client management and performance reporting of all services, whether insourced or outsourced

The comprehensive consultation and engagement with the diverse stakeholder groups in the Council has enabled the development of the final version of the policy document and the Council has confidence that the criteria applied to the insourcing process are sound and that a robust policy is in place both for the decision making over the feasibility of insourcing activities and for shaping insourced services.

The policy recognises that the desire to insource services underpins the political priorities of this administration and remains the Council's preferred model of service delivery. However, the Council must make decisions on a sustainable and legal basis. Where the Council looks at proposals of how to deliver any service going forward, the quality of that delivered service and the social and financial value for money must be considered. Furthermore, proposals must be subject to assessment as part of our commissioning processes.

Some of the potential benefits of bringing services in-house articulated in the Council's model for insourcing include:

- Better quality services, compared to under-performing outsourced services;
- Value for money and flexibility whereby councils, by virtue of having direct control of services, are better able to respond to changing needs;
- More strategic, holistic delivery of local public services as part of integrated delivery models, made possible by insourcing of services;
- Contribution to local economy, whereby insourcing can result in stronger local supply chains and enhanced local employment;
- Sustainability, whereby direct control can enable service delivery to reflect environmental considerations and sustainability commitments.

It has become established practice for insourcing considerations to be included in reports to Cabinet Procurement Committee. To ensure effective oversight of the insourcing policy the Cabinet Procurement Committee terms of reference were revised to include the following function:-

*“The Committee will give consideration to proposals for insourcing of existing outsourced contracts as part of options appraisal for future service provision. Where there is a clear demonstration that this option will consistently achieve best value for the Council and its residents, the Committee will have the power to approve the insourcing of contracts.”*

This minor amendment was approved by the Monitoring Officer in December 2020, following consultation with the Mayor and Deputy Mayor, and has been incorporated within the Council's constitution.

## **12. Motorcycle Parking Permits - Key Decision No. NH R10**

### **RESOLVED:**

That Cabinet approved the following:

- I. That motorcycles will be required to hold a valid permit to park in any permit holder bay, and will be governed by the same rules and pricing structure as other vehicle types (such as cars and vans), with the following exceptions:
- II. On-street residents - they will be able to apply for one resident motorcycle permit per person, irrespective of whether or not they already hold a resident parking permit for another vehicle.
- III. Estate residents (subject to availability) - they will be able to apply for one estate resident motorcycle permit per household, irrespective of whether or not they already hold a estate resident parking permit for another vehicle. Estate residents will also have the option to apply for on-street resident permits.
- IV. Businesses - they will be able to apply for up to five business motorcycle permits per business premise, irrespective of whether or not they already hold business parking permits for other vehicles.
- V. That visiting motorcycles will be required to obtain an e-voucher to park in any permit holder bay at current visitor parking permit prices.
- VI. That existing solo motorcycle bays will be converted into permit bays, shared use or pay and display bays for short stay parking with fees aligned to pay and display prices. Maximum waiting restrictions will apply in line with other pay and display bays in certain areas to discourage commuting.
- VII. That on request from residents and businesses, permits, shared use or pay and display lockable solo motorcycle bays will be installed on a case by case basis.

### **REASONS FOR DECISION**

#### **Rationale for the proposed changes**

Hackney Council is taking action to improve air quality and is committed

to delivering net zero emissions by 2040. The Council's Parking and Markets/Street Trading Service is tackling the Council's overall objective through a significant reduction of vehicle emissions, which motorcycles contribute to.

It is widely accepted that CO<sub>2</sub> emissions from transportation contribute to poor air quality, but research has shown that motorcycles emit nitrogen oxide (NO<sub>2</sub>) within the range of petrol and diesel cars. However, currently motorcycles may park for free across the borough with the exception of pay and display bays and only in solo motorcycle bays within parking zone B where the demand for commuter parking is higher.

The Parking and Enforcement Plan (PEP) 2015-20 presents an overview of the policy and procedural basis which will guide the Council's parking-related decisions over five years and is currently being reviewed.

The updated Air Quality Action Plan (AQAP) sets out the Council's ten key priorities to tackle air pollution across the borough through local drivers within our control. It also prioritises the development of the PEP and its recommendations.

Permission to consult on a PEP recommendation to introduce motorcycle parking permits was granted by Cabinet in December 2019. In Spring 2020 the Council consulted on changes to motorcycle parking in Hackney. The consultation initially ran for 12 weeks from 24 February to 18 May and was extended by 12 more weeks to 10 August 2020 due to the coronavirus pandemic.

It is also important to note that the motorcycle consultation was not a referendum, but an important tool in understanding how proposals impact motorcyclists, residents, businesses and visitors to the borough and how best to mitigate them.

Following analysis of the results, it is requested that Cabinet approves the recommendations set out in 3.2 to 3.5 of this report, and the proposals detailed in sections 4.2 to 4.3 of this report.

**13. Resolution to Extend Six Month Rule and Changes to Cabinet and Cabinet Procurement Committee Membership/Portfolios**

**RESOLVED**

**2.1 That the Cabinet noted in accordance with Section 85 of the Local Government Act 1972, Deputy Mayor Rennison's**

non-attendance at meetings for nine months to accommodate her maternity leave;

- 2.2 That the Cabinet noted the appointment of Councillor Rob Chapman to Cabinet as Cabinet Member for Finance , to cover Deputy Mayor Rennison's period maternity cover;
- 2.3 That the Cabinet noted the appointment of Councillor Mete Coban as the Cabinet Member for Energy, Waste, Transport and the Public Realm, following the resignation from the Council of former Councillor Burke;
- 2.4 That Cabinet noted the following other changes to portfolio titles and appointments:
  - Councillor Guy Nicholson appointed as Deputy Mayor for Housing Supply, Planning, Culture and Inclusive Economy.
  - Councillor Sade Etti appointed as Mayoral Adviser for Homelessness, Housing Needs and Rough Sleeping.
  - Councillor Sem Moema to take on responsibility for Housing Strategy, which Deputy Mayor Rennison led on, and therefore be the Mayoral Advisor for Private Renting and Housing Strategy and affordability.
- 2.5 That the Cabinet noted the following changes to the Cabinet Procurement Committee Membership :
  - the appointment of Councillor Kennedy from March onwards to fill the vacant position following the resignation from the Council of former member Councillor Burke.
  - the appointment of Councillor Chapman to the Cabinet Procurement Committee as the Chair of the Committee from March onwards for nine months to accommodate Deputy Mayor Rennison's maternity leave.
15. Unrestricted Items of Urgent Business. Special Urgency Report - Grant Award Acceptance & Spend Approval For Department For Work And Pensions - Kickstart Scheme

**This decision is not subject to call-in, due to the report being a special urgency.**

**RESOLVED**

### **That the Cabinet Approved:**

- I. the acceptance of the grant from DWP for the sum of up to £3,189,549.60 and allow Hackney to agree to the grant**
- II. conditions.**
- III. the draw down of the funding and provide spend approval to create 47 placements at the Council, for which funding will be received in arrears.**

### **REASONS FOR DECISION**

The external funding will enable the delivery of the project at no cost to the Council.

Our participation in the Kickstart Scheme has the following key objectives:

- Generate quality employment opportunities for residents, creating pathways into further employment and apprenticeships.
- Build and strengthen relationships with employers, JobCentrePlus, local anchor institutions and the voluntary sector.
- Deliver against the aspirations set out in the Inclusive Economy strategy to work collaboratively with wider public sector institutions, businesses and third sector organisations to create high quality employment opportunities and pathways; making use of a mechanism (i.e. the Council acting as an gateway organisation) to draw down funding, thus enabling the Council to shape and influence the design of work placements in the wider borough and economy.

Covid-19 has had and will continue to have a profound structural impact on the economy and labour market. The scale of job opportunities in a range of sectors - many of which have typically provided entry level opportunities for young people - has been significantly reduced; and are unlikely to return to pre-pandemic levels.

Placements are being generated and structured in a way which supports the Council's Inclusive Economy agenda, with a focus on well-paid and well-supported placements in growth sectors, and prioritising groups experiencing barriers to opportunities. The funding will enable us to create employment for residents in the context of a labour market severely affected by the Coronavirus pandemic. The funding also gives us the opportunity to build new employer relationships and strengthen existing ones.

