

MINUTES OF A MEETING OF THE CABINET

MONDAY 27 FEBRUARY 2023

Livestream of meeting: https://youtu.be/h6SMjv_pBjs

Councillors Present:	Mayor Philip Glanville in the Chair Deputy Mayor Anntoinette Bramble (Vice-Chair), Cllr Robert Chapman, Cllr Mete Coban, Cllr Susan Fajana-Thomas, Cllr Christopher Kennedy, Cllr Clayeon McKenzie, Cllr Guy Nicholson, and Cllr Caroline Woodley
Present virtually:	Cllr Carole Williams
Officers in Attendance:	Mark Carroll, Chief Executive Dawn Carter-McDonald, Director of Legal, Democratic and Electoral Services Ian Williams, Group Director Finance and Corporate Resources Rickardo Hyatt, Group Director Climate Homes Mark Agnew, Governance Officer Rabiya Khatun, Governance Officer Tessa Mitchell, Governance Services Team Leader
Officers Present virtually	Jacquie Burke, Group Director Children and Education Helen Woodland, Group Director Adults, Health and Integration James Gleave, Strategic Planning Manager

The Mayor's announcements included the following:

- The Budget 203/24
- One year anniversary of the illegal invasion of Ukraine
- Turkish, Kurdish and Syrian communities following the catastrophic earthquakes in Turkey and Syria
- Brianna Ghey and standing in solidarity with the trans and non-binary community

1 Apologies for Absence

1.1 Apologies for absence were noted from Cllr Williams.

1.2 Cllrs Etti, Moema and Williams joined the meeting virtually.

2 Urgent Business

2.1 There were no items of urgent business to consider.

3 Declarations of Interest

3.1 There were no declarations of interest.

4 Notice of Intention to Conduct Business in Private, Any Representations Received and the Response to Such Representations

4.4 No representations were received.

5 Questions/Deputations

5.1 Since the publication of the agenda, the Chair advised that Cllr Garbett had asked a question which would be addressed at Full Council later this week.

6 Unrestricted Minutes of the Previous Meeting of Cabinet

RESOLVED:

That the minutes of the previous meeting of the Cabinet held on 23 January 2023 were agreed.

7 Unrestricted Minutes of Cabinet Procurement and Insourcing Committee

7.1 The Mayor reported that the minutes of the meetings of the Cabinet Procurement and Insourcing Committee had been reinstated on the Cabinet agenda as a standing item.

7.2 The Cabinet Member for Finance highlighted that the Mental Health Network contract which had been awarded, would be implemented using voluntary organisations that had the skills, knowledge and expertise within Hackney to deliver this service for the people in the borough. It was also a good example of the Council's sustainable procurement policy.

7.3 The Mayor thanked officers for their work on this contract.

RESOLVED:

That the minutes of the previous meeting of the Cabinet Procurement Insourcing Committee held on 16 January 2023 were noted.

8 FCR S098 Capital Update and Property Disposals And Acquisitions Report

8.1 The Mayor introduced the report providing an update on the capital programme agreed in the 2022/23 budget and emphasised the importance of the Council's investment in the Mosaic Adult Social Care system, the granting of 99 year leases to UKPN of two substation sites to enable adequate power supply to the new GP surgeries that were being developed and the continued programme of refurbishment to public conveniences in parks and green spaces as well as the introduction of further cafes/catering outlets in the borough's parks.

RESOLVED:

That the scheme for Adults, Health & Integration as set out in section 11 be given approval as follows:

Mosaic: Resource and spend approval of £720k in 2023/24 to deliver key case management and finance follow-on actions for the Mosaic Social Care System, as well as to deliver the integration to health and electronic care monitoring that were out of scope of the recovery project, but required for ongoing service delivery.

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

Parks Public Convenience and Cafes: Spend approval of £225k (£50k in 2022/23 and £175k in 2023/24) is requested to continue the programme of refurbishment to public conveniences in parks and green spaces and introduce further cafes/catering outlets in our parks.

3 To approve the granting by the Council to UK Power Networks a lease of 99 years for the two substation sites within the properties known as r/o 2-28 Belfast Road, Stoke Newington N16 6UN and The Portico, 34 Linscott Road, Hackney E5 0RD at a peppercorn rent.

4 To authorise the Group Director of Finance and Resources and the Director of Strategic Property Services to finalise any outstanding issues in connection with the completion of the lease and to agree the final commercial terms.

5 To authorise the Director of Legal, Democratic and Electoral Services to agree, negotiate, settle, sign and complete the final form of the lease and enter into it on behalf of the Council together with any ancillary documentation relating to the transaction.

REASONS FOR DECISION

1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered and to approve the property proposals as set out in this report.

2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where, however, resources have not previously been allocated, resource approval is requested in this report.

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

9 FCR S099 2021/22 Overall Financial Position Report - December 2022

9.1 Cllr Chapman, Cabinet Member for Finance introduced the report highlighting the overspend of approximately £8m this year, marginally up from the previous year. The performance was good considering the extreme pressures that the Council had been facing from the cost of living crisis and the impact of inflation on the budget.

9.2 The Mayor and Deputy Mayor highlighted that despite the cost pressures, the Council had continued to invest in schemes and financial support packages for the borough's residents, children and families. They thanked the Finance team and the Cabinet Member for Finance for their work on the report.

RESOLVED:

There are no official recommendations in this report, the purpose of this report is to provide Cabinet with an update on the overall financial position for December covering the General Fund, Capital and the HRA.

REASON FOR DECISION

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

10 FCR S097 2023/24 Budget and Council Tax Report

10.1 The Mayor introduced the report setting out the budget proposals that showed the position in relation to the development of the 2023/24 Revenue Budget including the effect of savings proposals. The Mayor thanked officers and the Cabinet Member for Finance for their contribution to the report.

10.2 Following the results of a recorded vote set out below, the recommendation was agreed.

For: Deputy Mayor Bramble, Cllr Chapman, Cllr Coban, Cllr Fajana-Thomas, Mayor Glanville, Cllr Kennedy, Cllr McKenzie, Cllr Nicholson, Cllr Woodley,

Against: None

Abstentions: None

RESOLVED:

1 To consider the report and make the following recommendations to Council for approval:

2 Council is recommended:

2.1 To bring forward into 2023/24 the Council's projected 2022-23 General Fund balance of £15.0m with the aim of increasing this to £20m over the medium-term period to 2026/27 noting the Housing Revenue Account (HRA) balances of £13.7m.

2.2 To agree for approval the directorate estimates and estimates for the General Finance Account items set out in Table 2 in Section 14 of this report.

2.3 To note that the budget is a financial exposition of the priorities set out within the Strategic Plan summarised at Section 6 below.

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 which currently stand at £15.0m and the level of other reserves are adequate to meet the Council's financial**

needs for 2023/24 and that considering the economic uncertainty they should not fall below this level and that the aim is to increase these to £20m over the medium term period to 2026/27 from a review of current earmarked reserves.

- This view takes account of the reserves included in the Council's latest published 2021/22 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 £13.7m by 31 March 2023 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. In 2019/20 the HRA balance reduced from £15m because of the need to set up a provision for Thames Water agency refunds. There is a plan to get back up to £15m through the savings programme over the medium term to replenish reserves and in 2021/22 we were able to increase the HRA balance by £1.4m to £13.7m.
 - The General Fund estimates are sufficiently robust to set a balanced budget for 2023/24. This takes into account the adequacy of the level of balances and reserves outlined above and the assurance gained from the comparisons of the 2022/23 budget with the projected spend identified in the December 2022 OFP. The overall level of the corporate contingency has been set at £2m.
- 2.5 To approve the proposed General Fund fees and charges as set out in Appendix 7 for implementation from 1st April 2023.
- 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.
- 2.7 To note the summary of the HRA Budget and Rent setting report proposed to Cabinet on 27th February 2023.
- 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.
- 2.9 To approve:
- The allocation of resources to the 2023/24 capital programme referred to in Section 22 and Appendix 6.
- 2.10 To note that the new capital expenditure proposals match uncommitted resources for the year 2023/24.

- 2.11 To agree the prudential indicators for Capital Expenditure:- the Capital Financing Requirement; the Authorised Limit and Operational Boundary for External Debt; the Affordability prudential indicators; and the Treasury Management Prudential Indicators for 2023/24 as set out in Section 23 and Appendix 3.**
- 2.12 To confirm that the authorised limit for external debt of £777m agreed above for 2023/24 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.**
- 2.13 To continue to support the approach of using reserves to manage emerging risks and liabilities.**
- 2.14 To note that at its meeting on 23rd January 2023 the Council agreed its Council Tax Base for the 2023/24 financial year as 78,108.86 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.**
- 2.15 To agree that the following amounts be now calculated by the Council for the year 2023/24 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) £1,291.628m 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) **£1.568m 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.**

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

- (a) **£1,191.936m 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) **£nil 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.**

2.17 £103.260m 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.

2.18 £103.260m being the amount at (2.17) divided by the amount at (2.14) above, calculated by the Council, in accordance with section 31A of the Act, £1,339.15 as the basic amount of its council tax for the year.

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 2023/24 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
£892.77	£1,041.56	£1,190.36	£1,339.15	£1,636.74	£1,934.33	£2,231.92	£2,678.30

2.20 That it be noted that for 2023/24 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
£289.43	£337.66	£385.90	£434.14	£530.62	£627.09	£723.57	£868.28

2.21 That having calculated the aggregate in each case of the amounts at 2.19 and 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 2023/24 for each of the categories of dwellings as shown below.

Valuation Bands Combined Hackney/GLA

A	B	C	D	E	F	G	H
£1,182.20	£1,379.22	£1,576.26	£1,773.29	£2,167.36	£2,561.42	£2,955.49	£3,546.58

2.22 To agree, subject to the decision of Members on recommendations 2.15 to 2.17 that Hackney's Council Tax requirement for 2023/24 be £103.260m which results in a Band D Council Tax of £1,339.15 for Hackney purposes and a total Band D Council Tax of £1,773.29 including the Greater London Authority (GLA) precept.

- 2.23 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 2023/24 as shown at Appendix 8 is not excessive (5% or above) and therefore does not require the Council to hold a referendum.**
- 2.24 To agree the Treasury Management Strategy for 2023/24 to 2025/26, set out at Appendix 3.**
- 2.25 To agree the criteria for lending and the financial limits set out at Appendix 3.**
- 2.26 To approve the MRP statement setting out the method of calculation to be used, as set out in paragraphs 23.19-23.28 below.**

REASONS FOR DECISION

1 The Council has a legal obligation to set its Council Tax and adopt its annual budget. This report is seeking formal approval of the 2023/24 budget.

2 Previous decisions in this context relate to:

- The Overall Financial Position reports presented monthly to Council during 2022/23.
- The Calculation of the 2023-24 Council Taxbase & Local Business Rates report approved by Council on 25th January 2023

11 FCR S170 Housing Revenue Account Budget 2023/24 including Tenants Rents and Service Charges

11.1 Cllr McKenzie, Cabinet Member for Housing introduced the report outlining the budget for the Housing Revenue Account (HRA) including rents and service charges for Hackney Council homes for the financial year 2023/24. The budget proposals had been developed to ensure the financial sustainability of the HRA against a backdrop of unprecedented challenges for the Council and Hackney residents including the cost of living crisis, the financial challenges from the pandemic, the criminal cyber attack and high levels of inflation.

11.2 The proposals included below inflation rent increase of 7% for 2023/24 with the Council's rents remaining among the lowest in London. The budget proposals for 2023/24 included savings of £14.2m being made to balance the budget whilst protecting core housing services, reducing the resources to invest in housing stock in 2023/24, investing an additional £1m to improve the repairs service and tackle damp and mould in Hackney's council homes, investment of £51m in the council's housing assets, and continued investment in tenant sustainability services to provide and signpost to support to prevent rent arrears.

RESOLVED:

- 1 To approve the HRA budget proposals as set out in section 11 and Appendix A.**
- 2 To approve the increase in rent of 7% in line with the Social Housing Regulator's rent cap and agree that rents will increase on average by £7.53 from £107.59 per week to £115.12 per week with effect from Monday 6th April 2023.**
- 3 To approve the increase in HRA fees and charges as set out in Appendix B.**
- 4 To approve the increase in tenant service charges as set out in paragraph 12.4; and the service charges for the Concierge service as set out in paragraph 12.5.**
- 5 To approve the increase in Shared Ownership rent at 7% as set out in paragraph 12.10.**
- 6 To delegate to the Group Director of Finance and Corporate Resources in consultation with the Cabinet Member for Housing Services and Resident Participation and Cabinet Member for Finance, Insourcing and Customer Services the setting of communal heating charges to reflect the unit costs of utilities.**
- 7 To agree the Housing Capital Programme budget as set out in Section 15 to be included in the Overall Council Capital budget for approval as part of the Council Budget and Council Tax Setting Report to be approved under item 5 on this agenda.**

REASONS FOR DECISION

1. The Local Government and Housing Act 1989 Section 76 requires local authorities with a Housing Revenue Account (HRA) to set a budget for the account, which is based on best assumptions, that avoids a deficit and furthermore to keep the HRA under review.

2. Local authority rent setting powers are set out in section 24 of the Housing Act 1985, this provides that:

(1) A local housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.

(2) The authority shall from time to time review rents and make such changes, either of rents generally or of particular rents, as circumstances may require.

12 CHE S165 Hackney Local Plan Local Development Scheme

12.1 Cllr Nicholson, Deputy Mayor for Housing Supply, Planning, Culture and Inclusive Economy introduced the report setting out the updated Local Development Scheme and the programme for the production development plan documents and supplementary planning documents along with other planning documents. The Local Development Scheme was expected to deliver on the growth strategy and policy objectives set out in Hackney's Local Plan and help the Council respond to the climate emergency.

RESOLVED:

To approve the Local Development Scheme, attached as Appendix 1 to this report and also resolve that the Local Development Scheme is to come into effect on 7 March 2023.

REASONS FOR DECISION

1 The Planning and Compulsory Purchase Act 2004 (as amended) places a statutory duty on the Council to maintain an up-to-date Local Development Scheme (LDS). The LDS must set out the documents which, when prepared, will comprise the Local Plan for the area and the timetable for their preparation and revision. It must be made publicly available and kept up-to-date so that local communities and interested parties can keep track of progress.

2 The current version of the LDS came into effect on 8 January 2018 and covered the period 2018 to 2021. This revised LDS covers the period 2022-25 (Appendix 1) and fulfils this requirement as it sets out the timetable for the production of the Council's local plans and supplementary planning documents.

13 New items of Unrestricted Urgent Business

13.1 There were no new items of exempt urgent business to consider.

14 Exclusion of the Press and Public

RESOLVED: That the press and public be excluded from the remainder of the meeting as item 15 below may contains exempt information, as defined under paragraph, 3 & 5 of Part 1, schedule 12A of the Local Government Act 1972.

15 New items of exempt urgent business

15.1 There were no items of restricted urgent business to consider.

Duration of the meeting: 18.00-18.35 hours.