

# Scrutiny Panel

13th July 2023

Mayor, Cabinet & Corporate Leadership Team

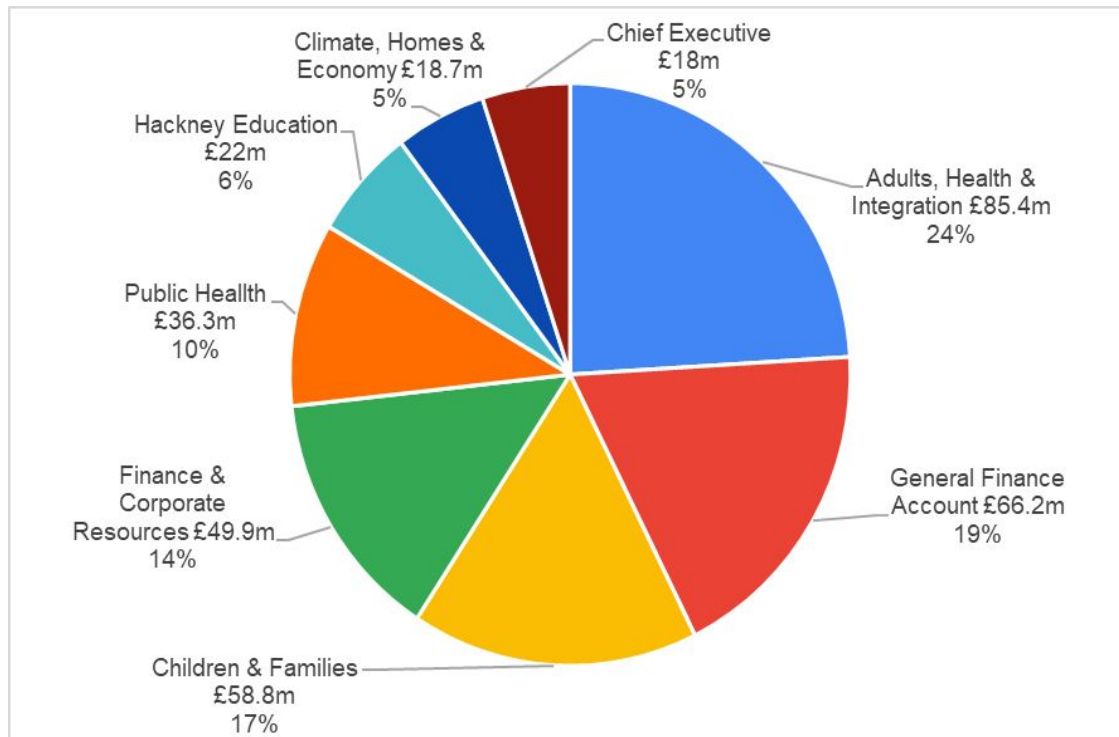
Budget Overview Presentation

# Contents

- Overview of the Council's budget for 2023/24 including funding sources
- Reminder of the Medium Term Financial Plan (MTFP) position
- Key facts on the Council's Finances
- Summary of historic savings and budget growth
- Children's & Education
- Adults, Health & Integration
- Climate, Homes & Economy
- Finance & Corporate Resources
- Chief Executive's Directorate

# Net revenue Budgets by Directorate

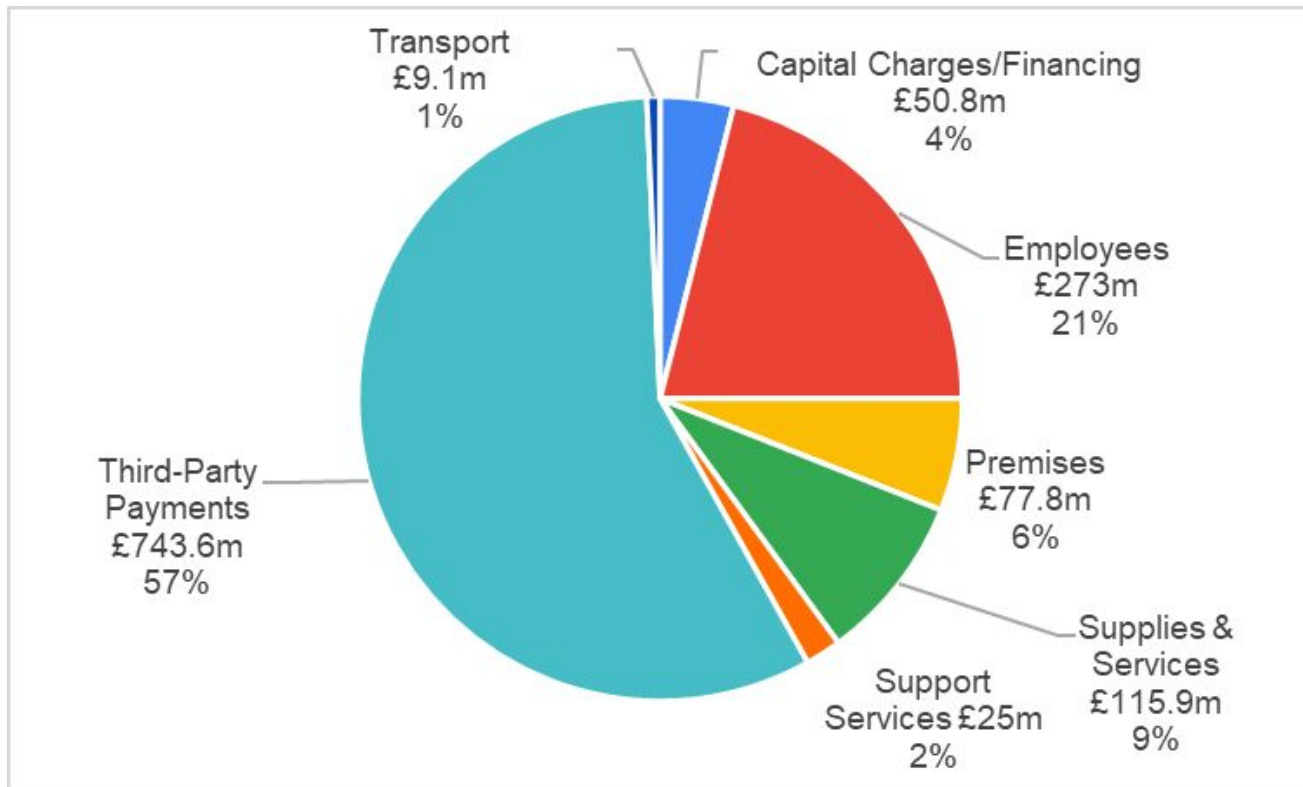
On the 1st March 2023, Council approved net revenue budgets of £355.4m for 2023/24



The General Finance Account contains corporate items:

- NWLA Levy,
- Corporate contingencies,
- Pension Back funding,
- Concessionary Fares,
- Provision for repayment of external debt & revenue contributions to capital
- Pay award provision for 2023/24
- Funding set aside for manifesto commitments

# Gross revenue budget (£1.2bn)

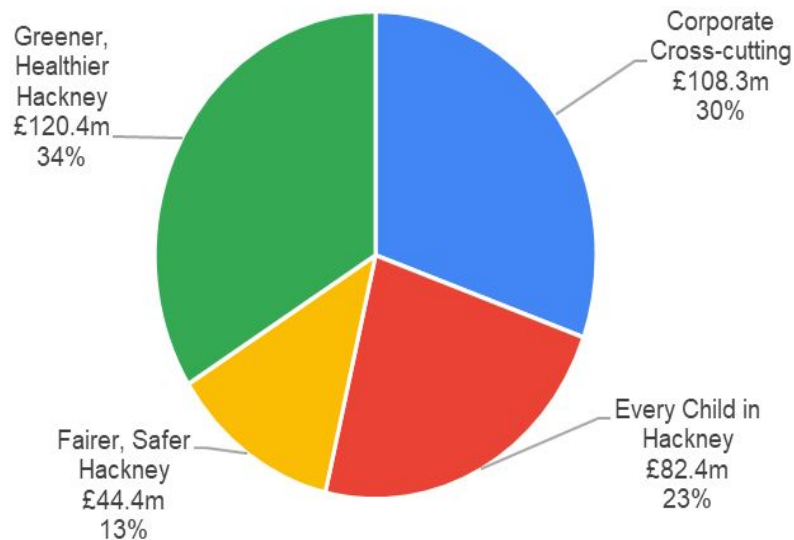


Third party payments includes:

- Housing benefit Subsidy
- Dedicated Schools Grant

# 2023/24 Net Budget £355.4m

*The budget report sets out investment across our Strategic Plan priorities*



Priority	Description
Fairer, Safer Hackney	We will tackle inequality through poverty reduction, and anti-racism, providing at least 1000 more Council homes as we improve standards of our existing homes, and creating pathways into decent jobs. We will improve our customer services. We will create safe, vibrant, and successful town centres and neighbourhoods and foster strong, cohesive communities and a more inclusive economy.
Greener, Healthier Hackney	We will continue to lead the way in the fight against climate change, working towards a net zero Hackney, with cleaner air, less motor traffic, and more liveable neighbourhoods. We will transform adult and children's social care, tackle physical and mental health inequalities and continue to support, value, and give voice to our older and disabled residents.
Every Child in Hackney	We will work to ensure every child and young person in Hackney has the best start in life; shaping a more inclusive and high performing education system, maintaining our early years and youth services, keeping children safe and investing in their mental health and well being, providing access to outstanding play, culture, and sport, and opportunities; tackling child poverty, and supporting those families who need us most.

# Council funding sources

The Council's General Fund activities are funded by a mix of local taxation and Government Grants, for 2023/24:

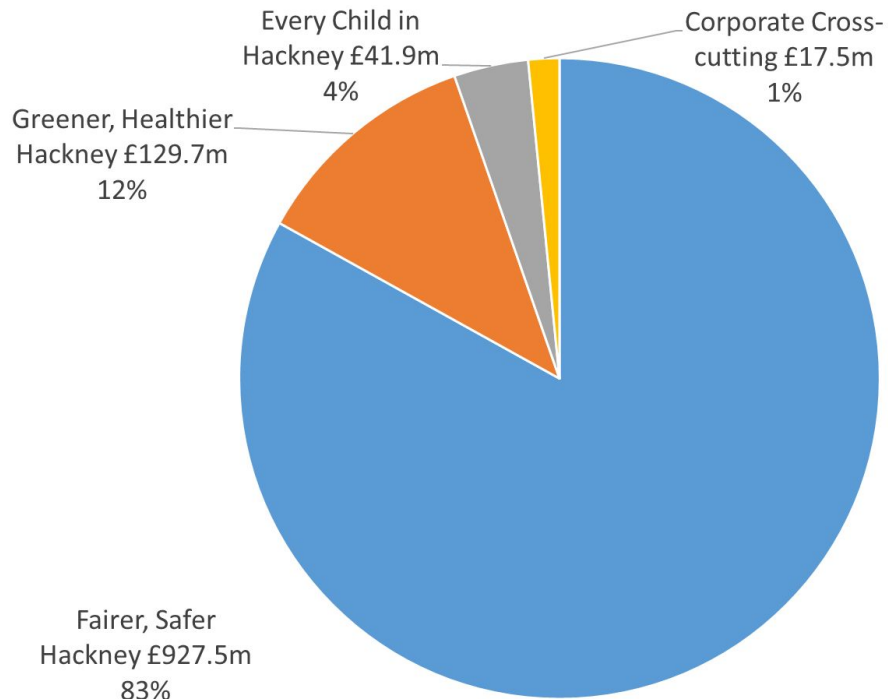
- Council Tax (£103.3m)
- Business rates including Top Up Grant (£116.4m)
- Revenue support grants and other non ring-fenced grants (£78m)
- Specific grants (£57.7m)

The Council receives around £230m in respect of housing benefits, the vast majority of which is paid out in benefits.

Dedicated Schools Grant (DSG) after deductions for recoupment for academies, national non domestic rates and direct funding for high needs by the ESFA, is £237m.

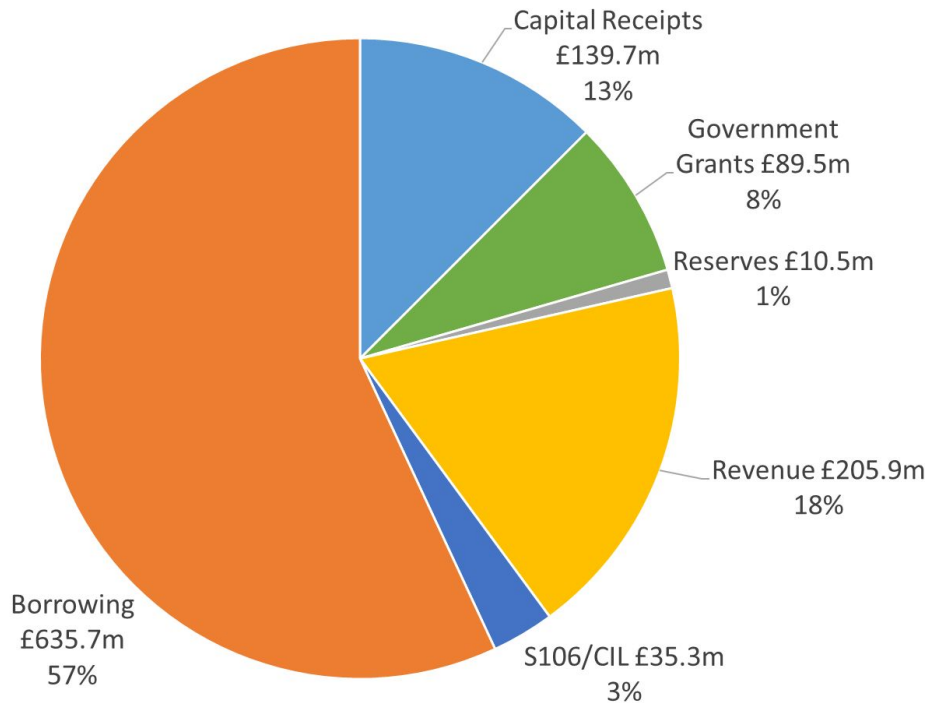
The Housing Revenue Account is ring-fenced which means that we must budget for all costs to be covered by housing rents.

# Capital Programme £1.1bn (2022/23 - 2025/26)



Priority	Example Projects
Fairer, Safer Hackney	Maintaining the homes of our Council residents, Housing Regeneration Schemes delivering more and improved homes, the Britannia Scheme also delivering new homes, Stoke Newington Library Refurbishment, investment in temporary accommodation and new GP surgeries.
Greener, Healthier Hackney	Essential Maintenance to Leisure Centres including Kings Hall, London Fields Learner Pool, Parks Infrastructure, Parks Depot, Highways Planned Maintenance, Waste & Fleet Replacement and specific Green projects including Cycle Hangers and Electrical Vehicle charging points.
Every Child in Hackney	Investment in the maintenance of our schools and delivery of additional in-borough, SEND places.
Corporate Cross-cutting	Stoke Newington Town Hall and investment in ICT to support a range of our services.

# Capital Programme Financing £1.1bn



- Capital resources are depleting
- Increased need to fund capital expenditure via borrowing
- The General Fund for 2023/24 £6.2m is budgeted for MRP and interest charges and this is anticipated to increase to around £20m by 2026/27.



# Medium Term Financial Plan (MTFP)

The Budget Report includes an update of the MTFP at Appendix 5:

Year	2024/25 £m	2025/26 £m	2026/27 £m
<b>Medium Case</b>	-22.162	-39.692	-57.583
<b>Best Case</b>	-17.176	-25.039	-41.008
<b>Worst Case</b>	-27.490	-55.003	-81.969

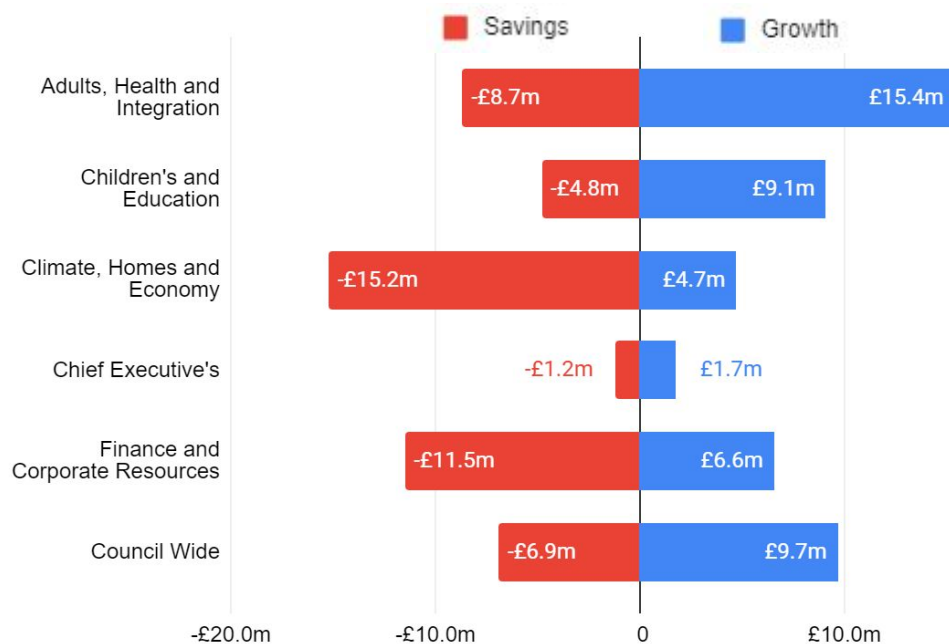
The MTFP sets out the assumptions on which the forecast is based and the scale of the challenge ahead as well as how the Council needs to respond including the need to make some hard choices.

Cabinet Members are working closely with officers to balance the budget over the MTFP period.

# Key facts

- The Council is legally required to set a balanced budget in advance of the financial year.
- The law also dictates how much the Council can increase council tax without going to a referendum.
- Compared to some authorities Hackney has a low council tax base, this means that we are particularly vulnerable to Government cuts and there is a large proportion of our funding (non ring-fenced Government grants) over which we have little certainty beyond the following financial year which makes financial planning challenging.
- A 1% increase in Council Tax raises an additional £1.1m of income.
- A 1% increase in pay costs Hackney around £2m.
- Since 2010, we have seen a significant decrease in real terms external funding
- Inflation in fuel prices has led to the Council providing an additional £8.5m in the budget since 2022/23.

# Five years Growth & Savings/Income Generation



Figures for period  
2019/20 to 2023/24

Does not include Social Care Grant, which has increased by £25.8m over the same period as demand in these services has increased. The Pay Award over this period amounts to £24.4m. This does not include 2023/24 as it's still under review.

# Five years Growth & Savings/Income Generation

	Directorate	2019/20	2020/21	2021/22	2022/23	2023/24	5-year Total
G R O W T H	Adults, Health and Integration	£2.795m	£3.062m	£6.014m	£3.532m	0.00	£15.403m
	Children's and Education	£2.096m	£1.335m	£0.600m	£4.395m	£0.674m	£9.100m
	Climate, Homes and Economy	£1.660m	£1.098m	£0.200m	£1.350m	£0.423m	£4.731m
	Chief Executive's	£0.212m	£0.734m	£0.045m	£0.320m	£0.424m	£1.735m
	Finance and Corporate Resources	£1.351m	£0.247m	£1.646m	£2.115m	£1.222m	£6.581m
	Council Wide	0.00	0.00	0.00	£4.000m	£5.700m	£9.700m
	<b>Total Growth</b>	<b>£8.114m</b>	<b>£6.476m</b>	<b>£8.505m</b>	<b>£15.712m</b>	<b>£8.443m</b>	<b>£47.250m</b>
S A V I N G S	Adults, Health and Integration	(£2.325m)	(£0.150m)	(£2.347m)	(£1.950m)	(£1.894m)	(£8.666m)
	Children's and Education	(£0.187m)	(£0.060m)	(£2.366m)	(£0.785m)	(£1.400m)	(£4.798m)
	Climate, Homes and Economy	(£2.762m)	(£2.993m)	(£3.700m)	(£2.908m)	(£2.858m)	(£15.221m)
	Chief Executive's	0.00	0.00	(£0.754m)	(£0.238m)	(£0.225m)	(£1.217m)
	Finance and Corporate Resources	(£2.850m)	(£2.350m)	(£4.406m)	(£1.595m)	(£0.276m)	(£11.477m)
	Council Wide	0.00	0.00	0.00	(£2.500m)	(£4.400m)	(£6.900m)
	<b>Total Savings</b>	<b>(£8.124m)</b>	<b>(£5.553m)</b>	<b>(£13.573m)</b>	<b>(£9.976m)</b>	<b>(£11.053m)</b>	<b>(£48.279m)</b>
<b>Difference</b>	<b>(£0.010m)</b>	<b>£0.923m</b>	<b>(£5.068m)</b>	<b>£5.736m</b>	<b>(£2.610m)</b>	<b>(£1.029m)</b>	

# Children's & Education

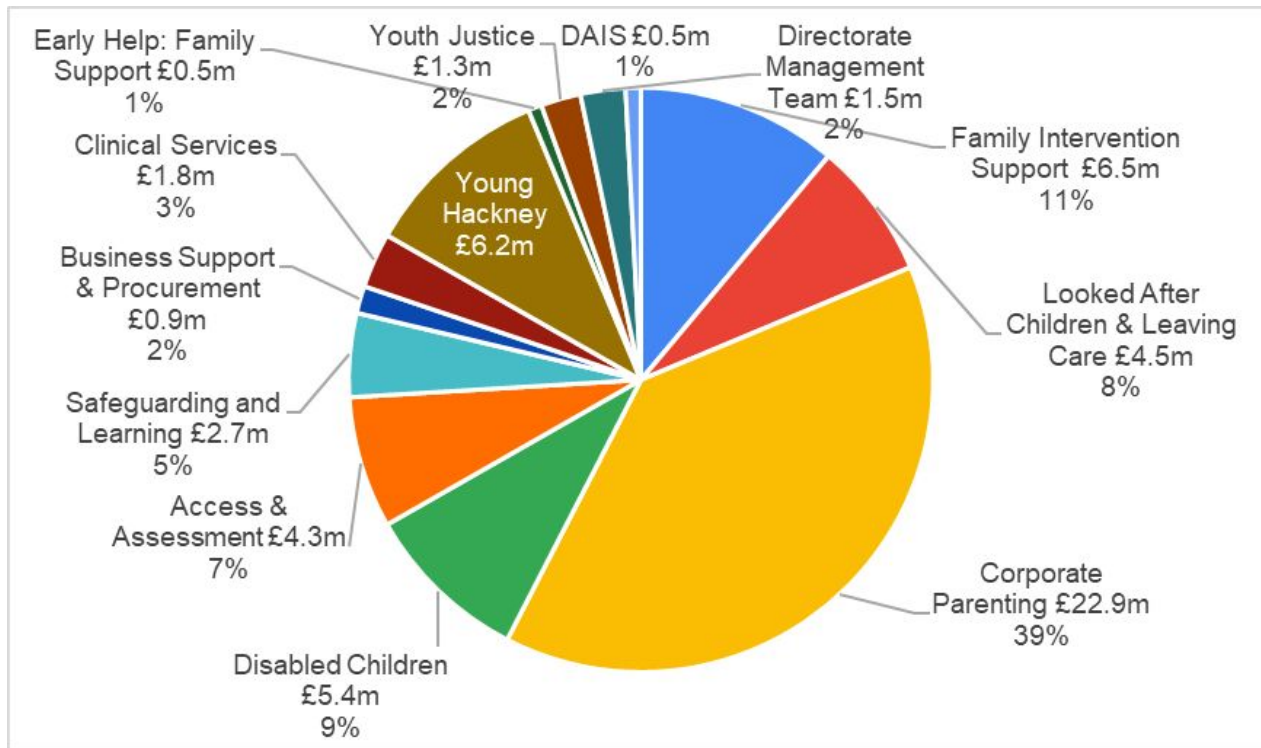
# Strategic Plan & Manifesto Commitments

The Children Education directorate (CFS) plan to spend approximately £58.8m (net) in 2023/24. The Service encompasses statutory Children's Social Care Services and early help and statutory youth justice provision delivered by the Early Help and Prevention Service. Hackney Education (HE) plans to spend around £22m (net) in 2023/24 and runs all the education services within the borough, the directorate also oversees the Dedicated Schools Grant (DSG) and other school grants which total circa £258m. Functions include ensuring the Council is compliant with its legal obligations, as well providing a range of educational services through the delivery of a traded offer. Both directorates work for *Every Child in Hackney* and for a *Fairer and Safer Hackney*.

The directorate is also delivering on key manifesto commitments such as:

- A 10 by 10 Programme to ensure by the time they are 10 years old, every child in Hackney has access to at least 10 different activities.
- Engaging with young people and develop a Climate Action Curriculum that teaches pupils about the causes of climate change and how they can take action in their local areas.
- Leading on from the Young Futures Commission, working with the Mayor of London to develop a mentoring scheme.
- The Hackney Citizens pledge to co-create a 2-year pilot programme for paid SEN Advocates (with lived experience) to engage with school parents evenings, governor meetings and other local policy discussions.
- Working with schools to ensure a whole school commitment to the principles of inclusion, and highlight the Inclusion Quality Mark which demonstrates and celebrates the work that schools do to support diversity.

# 2023/24 Children & Families Net Budget (£58.8m)



# 2023/24 Children & Families

Service	Description	Net Budget £m
Family Intervention Support Services	This includes the Children in Need and Child Protection Service and is responsible for the safeguarding of children and young people assessed as being 'at risk'. Work undertaken in the service includes child in need interventions, child protection interventions, court proceedings and statutory family support to help children remain safe with their families if it is safe	6.5
Looked After Children and Leaving Care Services	The service coordinates the support provided to Looked After Children. The Leaving Care Service ensures that young people are supported to develop independent living skills, offered career advice and training and educational opportunities, and supported to reach their full potential in all aspects of their life.	4.5
Corporate Parenting	The Corporate Parenting Service is responsible for all areas related to the safeguarding and welfare of children who are in the care of the local authority. This includes planning for their future placements via fostering and adoption, supporting rehabilitation home whenever possible, and supporting young people who have previously been in care up to the age of 25.	22.9
DAIS	Domestic Abuse Intervention Service (DAIS) provides advice and support, intervenes to reduce risk and works to protect victims from harm	0.5



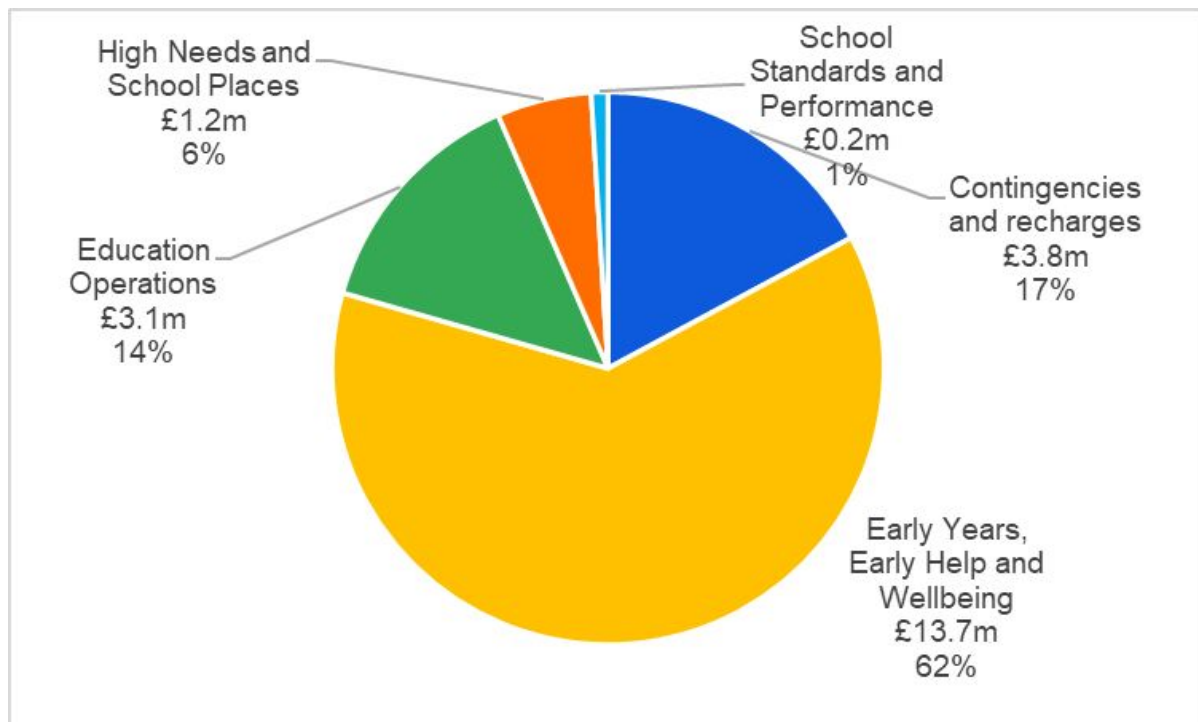
# 2023/24 Children & Families

Service	Description	Net Budget £m
Disabled Children Service	DCS operates a social model of disability in offering assessment and intervention in line with the Children Act to families who are experiencing crises due to the disability of their child and or social isolation as a result of their child's disability in accessing universal or targeted services.	5.4
Access & Assessment, Multi Agency Safeguarding Hub (MASH) and Early Help Hub	The Access & Assessment team acts as a single point of contact for children in need of support or protection. MASH screening activities are undertaken by skilled researchers and supported by co-located partners from Health and the Police. The team also works closely with Education and Probation and specialist resources for children at risk of harm. The Early Help hub works in conjunction with MASH and screens and signposts referral for Early Help support that do not require a statutory intervention.	4.3
Safeguarding and Learning Service	Independent Chairs for Child Protection Conferences and Looked After Reviews. LADO re allegations against staff and volunteers. Children's Rights Officers. Fostering Independent Reviewing Officer and Contextual Safeguarding Practice. Learning and Development programme for staff. Training programme for Foster carers. Recruitment support for whole of CFS.	2.7
Directorate Management Team, Business Support & Procurement Teams	This includes the directorate management, business support and commissioning related costs for for the whole directorate.	2.4

# 2023/24 Children & Families

Service	Description	Net Budget £m
Clinical Services	The service is an integrated and specialist Child and Adolescent Mental Health Services (CAMHS) for children accessing Children's Social Care Services, the Family Support Service, Young Hackney and the Youth Justice Service.	1.8
Young Hackney	Young Hackney is the Council's early help, prevention and diversion service for children and young people aged 6-19 years old and up to 25 years if the young person has a special education need or disability.	6.2
Family Support Services	The Family Support Service Units are primarily social work-led delivering targeted support to families in need of additional and/or intensive support, including those identified as 'Troubled Families'.	0.4
Youth Justice	The Youth Justice Service works with all young people in Hackney who are arrested or convicted of crimes and undertakes youth justice work including bail and remand supervision and supervising young people who have been given community or custodial sentences	1.3
<b>Total</b>		<b>58.8</b>

# 2023/24 Education Net Budget (£22m)



# 2023/24 Education

Service	Description	Net Budget £m
Contingencies and recharges	This area includes the overall directorate budget for recharged overheads, Dedicated Schools Grant Growth, Contingency and support budgets as well as Insurance costs.	3.8
Early Years, Early Help and Wellbeing	This service consists of Funded Free Early Years Entitlement, EY Quality Improvement, Childminding, Children's Centres and Early Help, Pupils Out of School and the Specialist Intervention Service	13.7
Education Operations	Education Operations, now within the Outcomes, Business Intelligence, and Strategy division of Children's and Education, provides services to support Children & Education services to deliver high quality service to children, families and education settings including data insight, Schools Finance and Web Services.	3.1

# 2023/24 Education

Service	Description	Net Budget £m
High Needs and School Places	High Needs and School places is a predominantly statutory service area, with some traded services. The service area consists of Admissions, School Place Planning, Pupil Benefits, the SEND Support Service, SEND Transport and SENDIAGs (SEND Information, Advice, Guidance Service)	1.2
School Standards and Performance	The School Standards and Performance service is a combination of statutory and traded services, made up of School Improvement and Performance, School Governance, the Virtual School, the Hackney School Music Service and Continuous Professional Development and Early Career Teacher programmes.	0.2
<b>Total</b>		<b>22.0</b>

# Children and Education Savings 2023/24

Savings	£'000	Status	Comment
Review of the social care practice model and review of the layers of management so the structure is standardised and streamlined with fewer tiers.	500		The service is working towards implementing these proposed changes to the structure from October 2023 via a review of services that will achieve the best outcomes for children and families and enhance the development of the service.
Consolidation of the Children, Education and Health commissioning function across the directorate. The new function will allow effective market engagement and an opportunity to explore joined up commissioning arrangements across the portfolio.	250		A structure for a new joint function has been proposed and data to analyse the top 20 suppliers who provide services within CFS, Health and Education is being used as the starting point to deliver this target.

# Children and Education Savings 2023/24

Savings	£'000	Status	Comment
Base Budget Review of Early Help Services - the directorate offers a wide-range of targeted and specialist interventions for young people that need extra support, as well as a range of play and sports opportunities on a universal basis, including through Youth Hubs and adventure playgrounds	650		This saving is on track to be delivered in 2023/24, an independent external review of the service is being carried out with a view to delivering this target and savings in future years.

# Children and Education Budget Pressures

## Budget Pressures

- The main areas of budget pressure CFS continue to be in Corporate Parenting, Looked after Children (LAC) and Disabled Children Services. Since 2019/20, we have monitored unit costs in different placements types and have observed a significant increase as well as a change in the profile of placements linked to the complexity of care for children and young people coming into the service.
- The other main budget pressure in the service is as a result of over-established posts, and the service is working towards addressing this pressure as part of the service redesign which will take place later in the year.
- Within Hackney Education SEND pressures continue to increase year on year as a result of a continuing increase in recent years of children and young people with Education and Health Care Plans (EHCPs). We are working Newton Europe/CIPFA to secure £1m through the SEND Developing Better Value (DBV). The grant application will include an action plan to spend the grant allocation towards targeted workstreams which may help to mitigate some budget pressures.
- A statutory override which allows a deficit balance of £17.1m to be carried in the Council's accounts has been extended to March 2026. However, this continues to remain a risk for Hackney in the event there is no further funding provided by the Department for Education to mitigate this balance



# Children and Education Management Actions

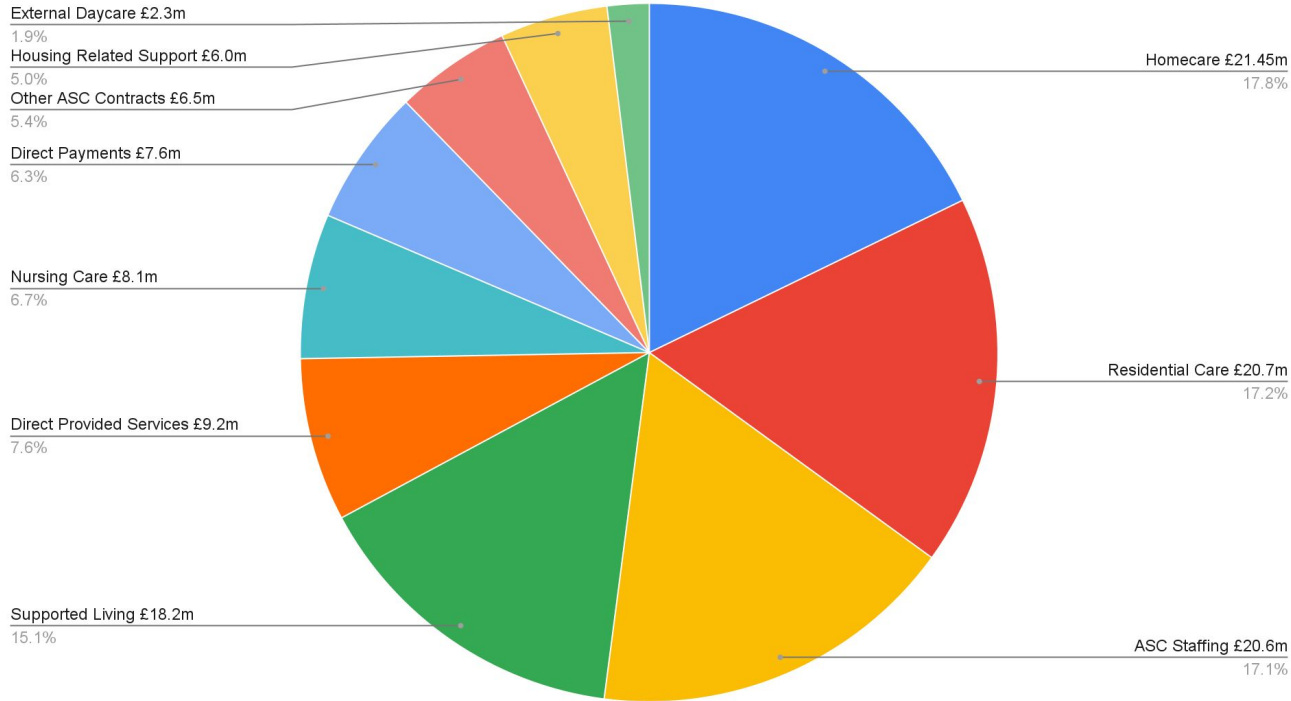
## Management actions to mitigate budget pressures include:

- Foster first approach (target £0.5m) - All children under the age of 16 to be offered a foster placement as first option. Residential and semi-independent to be agreed in exceptional circumstances.
- Reduce high cost placements (target £0.5m) - As part of the forensic analysis of these placements, the service is targeting a reduction through a process of continual review.
- Review of top 30 placements (target £0.3m) - The cost reduction will be achieved by reviewing the top 30 high cost care arrangements and seeking a 5% reduction in costs through analysis of care package support and through targeted negotiations with care providers.
- Reduce agency spend (target £0.2m) - Regular reporting and scrutiny through the Workforce Development Board for sign-off for new agency staff will enable the directorate to closely monitor the use of agency staff and related expenditure.

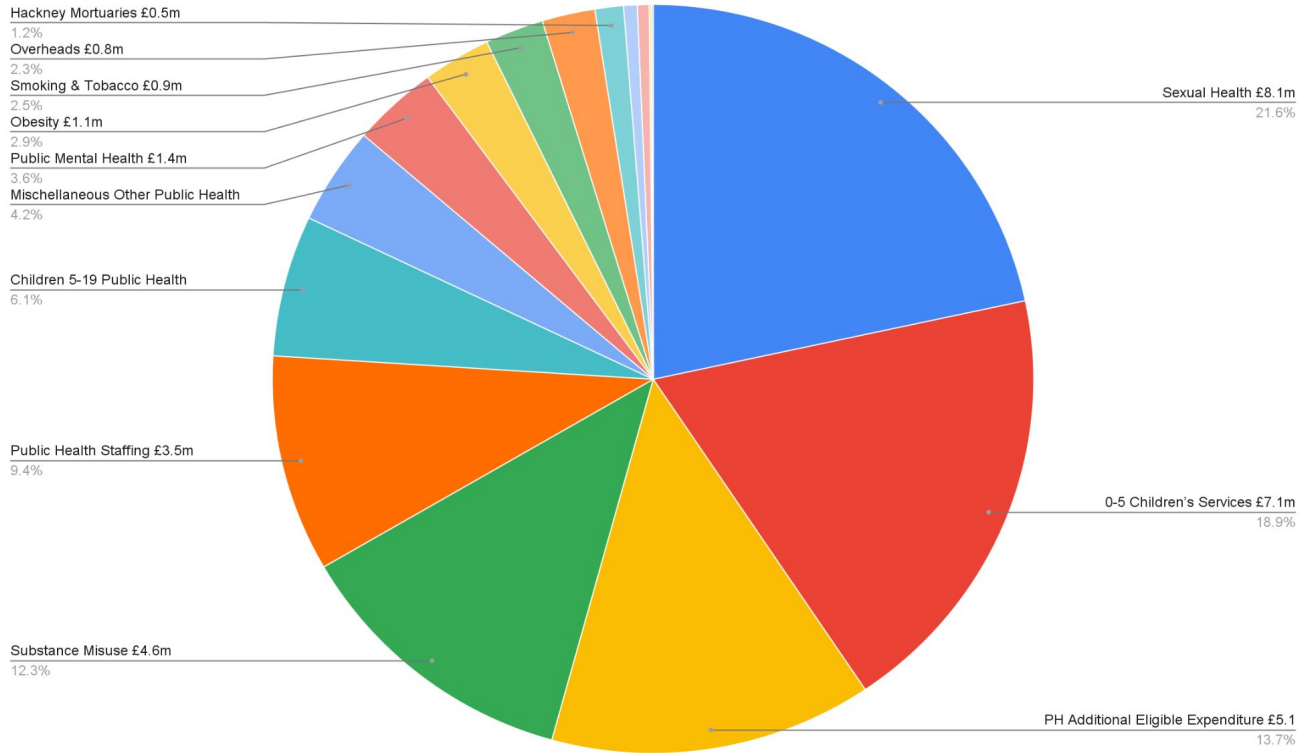
# Adults, Health & Integration (AH&I)

# 2023/24 Adults, Health & Integration - ASC Gross Budget (£120.8m)

23/24 Gross Budget (£120.8m) - less Income Budget (£35.3m) Net Budget (£85.4m)



# 2023/24 AH&I - Public Health Net Budget (37.5m)



## 2023/24 Adult Social Care Brief Description of each area

Service	Description	Net Budget £m
ASC Staffing	This includes staffing for the following service areas: ASC senior management, Initial Contact and Response, Integrated Discharge, Access and Duty, Out of Hours, Case management, Occupational Therapy, Safeguarding, Mental Health, Integrated Learning Disabilities service, Commissioning, Procurement and the Transformation team.	20.6
Direct Provided Services	This includes the in-house community and home-based services for adults with a disability and for older people, following an assessment of need by a social worker. The service works with the most complex and at-risk service users, ensuring that their dignity, choice and respect are the cornerstones of all that it does, allowing people to remain as independent as possible. Includes the following care services: Housing with Care and Oswald Street Day Centre	9.2
Housing Related Support (HRS)	This area includes all the budget for the HRS contracts including floating support as well as the Telecare contract budget.	6.0

## 2023/24 Adults Social Care Brief Description of each area

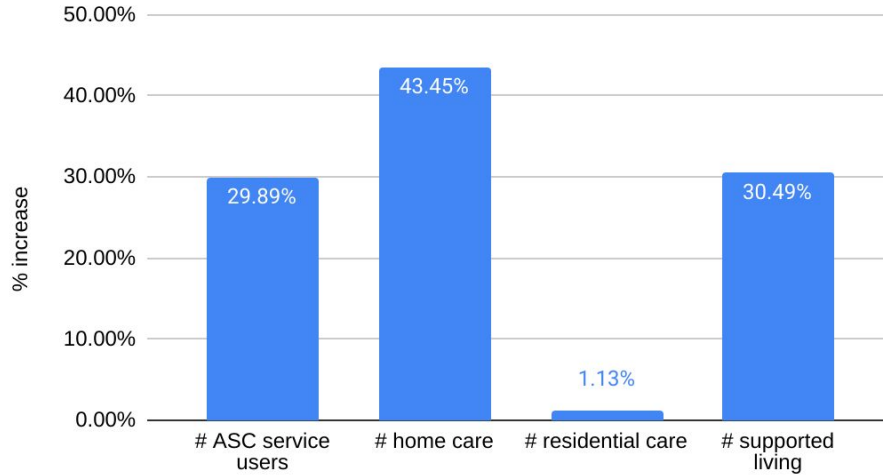
Service	Description	Net Budget £m
Residential Care	Provision of external commissioned care for Adults with a Disability or Older People following an assessment of need by a social worker, and includes Community based care such as Home Care, Day Care and Supported Living, as well as long term Residential & Nursing Care placements.	20.7
Supported Living		18.2
Nursing Care		8.1
Direct Payments		7.6
External Daycare		2.3
Homecare		21.5

## 2023/24 Adults Social Care Brief Description of each area

Service	Description	Net Budget £m
Other ASC Contracts	Includes the following services: Integrated Independence Team, Interim Bed facility (Leander Crt), Occupational Therapy Equipment, NRPF budget, Taxicard Scheme, and Voluntary Sector contract budgets	6.5
ASC Income	Income for Care Charges, Specific Grants (Social Care, IBCF, BCF) and Health funding (S75, FNC, Joint funded placements).	<b>(35.3)</b>
<b>Total Adult Social Care</b>		<b>£85.4m</b>

# Adults, Health & Integration Budget Pressures

% increase 2020 vs 2023



	2020	2023
# overall ASC service users	2610	3390
home care (hours)	915,297	1,312,959
residential care (# placements)	619	626
# supported living (# placements)	305	398

We have seen a 30% increase in the total number of people receiving care and support since 2020.

For some services such as home care, the increase is even more significant (43%).

In addition, the complexity of care needs is also increasing. In Oct 2020 there were 514 clients with care packages that exceeded £800 p/w, and in May 2023 this has increased to 751 clients.



# Adults, Health & Integration Budget Pressures

Service type	2019/20			2022/23			% Change in Unit Cost
	# of Service Users/ Hours	Avg unit cost (£)	Total cost (£m)	# of Service Users/ Hours	Avg unit cost (£)	Total cost (£m)	
Home care*	915,297	17.97	16.45	1,312,959	19.16	25.16	7%
Supported Living	279	911	13.79	342	1,241	21.83	36%
Residential	347	970	18.75	388	1,068	21.56	10%
Nursing	157	766	6.72	155	879	7.83	15%

\*actual home care hours delivered

In addition to rising demand, **unit costs** have also increased significantly.

Both increasing demand and **rising costs** contribute to the pressures on the ASC budget.

# ASC savings - 5 years

Financial Year	2019/20	2020/21	2021/22	2022/23	2023/24	Status
Housing Related Support	(775)	0		(650)	(844)	
Housing with Care	-	-	(500)	(500)		
NHS - Six week hospital discharge funding	-	-	(500)	-		
Increase in DP uptake		0	(50)	(50)		
Care Charging/Debt recovery				(250)	(250)	
MoW service ceased	(100)	-	-	-		
Day Care					(200)	
ASC commissioning					(100)	
Vacancy Factor			(864)	-		
<b>Total ASC Savings £'000</b>	<b>(875)</b>	<b>0</b>	<b>(1,914)</b>	<b>(1,450)</b>	<b>(1,394)</b>	
<b>Total Public Health Inv. in agreed PH expenditure across the Council £'000</b>	<b>(1,450)</b>	<b>(150)</b>	<b>(367)</b>	<b>(500)</b>	<b>(500)</b>	

ASC - £5.6m budget savings agreed over the period

PH - £3m invested in agreed PH expenditure areas across the Council over the period

# Adults, Health & Integration Management Actions

In addition to budgeted savings, cost reduction measures developed by the service have delivered efficiencies totalling £1.3m since 2021/22. Further cost reduction measures have been developed for 2023/24.

Action	21/22 Amount (£)	22/23 Amount (£)	23/24 Target Amount (£)
Implementation of a more robust Quality Assurance process	£232,000	£76,618	£250,000
OT review of double handed care packages	-	£68,805	£200,000
Recovery of unused Direct Payments	-	£578,126	£100,000
Reduction in agency staff use	-	£18,492	£100,000
Reduction in mental health overspend	£207,871	£163,100	£350,000
Commissioning Review Team - review of high cost placements	-	-	£500,000
<b>Total</b>	<b>£439,871</b>	<b>£904,841</b>	<b>£1,500,000</b>

# Strategic Plan & Manifesto Commitments

The Adults, Health & Integration directorate plan to spend approximately £122.9m in 2023/24. The directorate encompasses the Adult Social Care service which has a net budget of £85.4m and Public Health which is fully funded from the ring-fenced grant (and has a gross budget of £37.5m including the Hackney Mortuary Service). The directorate is also delivering on key manifesto commitments such as:

- build on the Community Champions Programme to help deliver public health messages and improvements to the very heart of all our communities.
- update the Council's Alcohol Abuse Strategy to address all substance abuse and addiction issues, and set out our mission to be a Smokefree Hackney by 2030.
- support locally commissioned and locally provided NHS facilities, delivered as close to people's homes as possible, and will continue our innovative neighbourhoods approach to health integration and wellbeing.
- always stand against the privatisation of health services in Hackney
- establish a Black Thrive programme alongside our Young Black Men programme to ensure that local mental health services are meeting the needs of residents.
- campaign for a properly funded and accountable local health system with true parity of esteem between adult social care, physical and mental health care for patients and staff.
- supporting Asylum seekers and Refugees across the borough including the Home for Ukrainians programme.

# Climate, Homes & Economy

# 2023/24 Climate Homes and Economy & Strategic Plan Priorities

The directorate delivers a wide variety of front-line services, most of them universal, which benefit all of our residents. We are leading on 176 manifesto commitments and growth has been awarded to fund the commitments requiring additional resources. There are many plans and strategies across the directorate that are key to achieving the Council's strategic plan aims.

Our **KEY** Strategic Plan priorities are as follows:

- To lead the Council's response to the Climate emergency through the Climate Action Plan, and ensure that a deliverable and high impact 3 year Implementation Plan is put in place.
- To deliver a modern housing service that places residents at the heart of everything that we do.
- To deliver the 1,000 new council homes and a measurable and impactful inclusive growth strategy for the borough.
- Utilising the Gangs and Serious Violence Board to establish and deliver against measurable key shared objectives with other agencies to maintain the safety of our residents across the borough.
- Establish and maintain relationships with key businesses already operating in the borough, and those seeking to enter, in order to unlock inward investment; deliver opportunities for residents; grow the local economy
- To foster and develop a consistent performance and learning culture that puts residents first and that staff feel pride in.

# 2023/24 Climate, Homes & Economy Budgets - General Fund

Service	Description	Net Budget £m
Streetscene	Responsible for designing, maintaining and improving the Borough's street scene with responsibility for the design, maintenance and repair of highways, drainage, footways, bridges, street lighting and street furniture on public roads as set out in our statutory duties.	6.2
Environmental Operations, Strategy, Environmental Enforcement & Recycling	Cleaning our streets and collecting and recycling both domestic and commercial waste - including activities to promote and directly impact recycling in the borough - including the provision and emptying of 'recycling & go bins', zero waste hubs for unwanted electrical and other goods, work in schools to actively promote recycling. Leading the Council's response to the Climate Emergency	21.5
Parking, Markets and Street Trading	Providing services to over 9m customers every year, ranging from those who shop in our markets to those who park in the borough using our permits. Responsible for management of parking enforcement, leading the policy on parking enforcement and management of Controlled Parking Zones and the management and development of street markets and shop front trading	-16.0

# 2023/24 Climate, Homes & Economy Budgets - General Fund

Service	Description	Net Budget £m
Leisure, Parks & Green Spaces	Managing and maintaining Hackney's parks, and green spaces and its seven sport and leisure centres (through a partnership with Greenwich Leisure Limited). Provision of an events service and Sport and Physical Activity Development. The service has a key role in providing services which are universal and improve people's environment, lifelong learning and wellbeing.	6.3
Planning and Building Control	Developing and implementing planning policy for the borough, consulting and determining planning applications and enforcing planning breaches where necessary. Building Control ensures that buildings are properly designed and constructed to meet regulatory requirements that guarantee the health, safety and welfare of people in or around buildings.	2.2
Community Safety, Enforcement & Business Regulation	Providing community safety and enforcement services across the borough. This ranges from a preventative focus through our integrated gangs work as well as civil protection, and an enforcement team with officers empowered to enforce a range of legislation, including streetscene enforcement, anti-social behaviour (ASB) and noise nuisance.	6.8



# 2023/24 Climate, Homes & Economy Budgets - General Fund

Service	Description	Net Budget £m
Economy, Regeneration & New Homes	Estate regeneration, supplying new affordable homes; area regeneration delivering and coordinating strategic regeneration in the borough in line with the Council's Inclusive Economy Strategy.	2.6
Adult Skills	Supporting local people into work through one to one work and working in partnership with other agencies. In addition, the service is responsible for the supported employment programme.	1.3
Housing - GF	Improving standards in Hackney's privately rented homes, supporting private renters, providing a responsive complaints service and, managing a property licensing scheme across three wards. Responsibility for housing policy and overseeing the implementation of the Council's Housing Strategy.	0.0
Directorate Management	Providing Strategic Leadership for the Directorate	0.7
<b>TOTAL</b>		<b>31.5</b>

# Climate, Homes & Economy Savings 2023/24

Savings	£'000	Status	Comment
Increase the fees and charges for CPI for specific services, i.e. Parking & PEP (£1.5m), Commercial Waste (£0.263m) and Highways Charges (£0.205m)	1,968		
Services Introduction of fees and charges for certain inspection/enforcement activities so that Landlords who require intervention activities pay for the cost of officer time to enforce housing standards. (Bulky and Clinical Waste, certain Hygiene services, bin hire and washing)	200		
Inflationary increase in non-statutory fees in Environmental Operations The charges for hygiene services (pest control and clinical waste), bin hire and bulky waste collection. Exemptions are in place for households on benefits.	50		

# Climate, Homes & Economy Savings 2023/24

Savings	£'000	Status	Comment
Climate, Homes & Economy: Various management restructures, including in Parking & Markets, Environmental Operations and Streetscene. Further service integration and expansion of traded activities. Insourcing of parking enforcement in 2022/23.	640		The Hackney Commercial Services company savings of £350K is being forecast not to be achieved this year. Due to the impact of the pandemic there was a delay in establishing the company and this saving was to be delivered in year 3 following the establishment of the Company. We are just entering year 2 and therefore this saving will not be achieved until 2024/25.

# Climate, Homes & Economy Budget Pressures & Management Actions - General Fund

- Overspend relating to the impact of increased demand led pressures on the waste a street cleansing service the demand is arising from housing growth, population increases (including temporary influxes), responding to the aftermath of ASB and emergency responses, which have led to pressures on existing resources.
  - The Head of Service has put forward proposals aimed at partially mitigating the overall overspend in the service
- Non delivery of previously approved vacancy factor savings in environmental operations and Community Safety, Enforcement and Business Regulation.. This saving approved in 2021/22 is proving increasingly difficult to deliver especially given the increased pressure on all services.
- Continuing impact on inflation on supply chains.
- non delivery of the saving relating to the establishment of the Commercial Waste company.
  - The Company Board is focusing on increasing turnover to meet this business plan target by year 3.

**All Heads of Service will continue to evaluate their service budgets to identify potential cost saving opportunities with the goal of reducing the overspend which will be reflected in the forecast in the coming months**

# Climate, Homes & Economy Housing Revenue Account Budget

Service	Description	Budget £m
Tenants and Leaseholder Service - Income	Collection of rent and arrears, prevention of rent arrears through early intervention. Assisting tenants with sustaining their tenancies, including assistance with welfare benefit applications and signposting to external agencies for debt advice.	-154,583.1
Tenants and Leaseholder Service - Expenditure	Responsible for providing landlord services, including being the link between those living in Council homes and wider Housing Services. Services include the Anti Social Behaviour Service, Resident Sustainment Team Resident Participation, Community Halls, Travellers' service, Tenant Management Organisation liaison.	26,837.9
Repairs and Maintenance	Responsible for delivering a responsive repairs service to council homes via our Direct Labour Organisation (DLO) and a number of backup contractors. Roles and functions include: carpentry; painting, plumbing, electrical, gas domestic and commercial and general building, boiler installation; void management; surveying and technical assessment; disrepair management and delivery. The service also leads some planned programmes including: management of gas servicing; water safety inspections; estate drainage; grounds maintenance to estates; improvements to estate recycling infrastructure	36,355.3

# Climate, Homes & Economy Housing Revenue Account Budget

Service	Description	Budget £m
Estate Services	These are the services delivered across our housing estates and recovered through service charges to tenants and leaseholder charges, they include estate cleaning, grounds maintenance, and utility costs, including communal heating systems).	11,012.8
Planned asset Management	Responsible for delivering the Asset Management Strategy which includes, design and technical standards and Housing stock energy performance; delivering the housing asset management programme; and for delivery of all mechanical and electrical programmes across the Council's housing estates and homes.	4,118.1
Transformation	Responsible for driving strategic change in Housing Services including: change management, service restructures and redesign; strategic reviews and improvement projects; programme management; digital development, digital programme management, and innovation.	1,378.7
Central Housing, Finance and Resources	These budgets include, the housing finance team, corporate and housing services overheads, depreciation (used to fund capital), pensions back funding, housing policy costs and housing needs.	74,880.3
<b>TOTAL</b>		0.0

# Climate, Homes & Economy HRA Savings 2023/24

Savings	£'000	Status	Comment
Pension Saving	1,000		
Bad Debt Provision Reduction	1,000		There is a risk to rent collection and this will be closely monitored as part of rent collection monitoring
Income Generation - Garages	190		
Income Generation - Other charges	200		Forecast as delivered but need to closely monitor
Reduction in Revenue Contribution to Capital Outlay (RCCO)	10,728		
3.5% Vacancy Factor	1,120		Forecast as delivered but need to closely monitor
<b>Total</b>	<b>14,238</b>		

# Climate, Homes & Economy Budget Pressures & Management Actions - Housing Revenue Account

- The service needs to maintain and improve rent collection rates and also reduce the level of rents arrears and housing services, including investment in housing needs to be funded by housing rents.
- The continuing impact of inflation on materials for repairs and maintenance and the supply chain. Currently the repairs forecast is within budget but inflationary increases to materials cost could see this forecast rise and lead to an overspend
- The local government pay award, the impact of which is Xm above our planning assumption
- The demand for repairs, including damp and mould response and lift repairs - like the impact of inflation if demand for repairs rise we could see the budget move into an overspend position

## Medium term and budget build 2024/25

- Need to rebuild revenue Contribution to Capital Outlay budget to increase the Asset Management Plan capital budget to be in line with Asset Management Strategy
- Rent Cap for 2024/25 - all housing services are paid for by rents - a below inflation rent cap will mean we are unable to meet the rising costs of delivering the service



# Finance & Corporate Resources

# 2023/24 Finance & Corporate Resources & Strategic Plan Priorities

Finance & Corporate Resources Directorate delivers a range of front-line and support services for a net budget of £50m, from the provision of temporary accommodation through to providing finance, ICT and HR support to the rest of the Council in delivering against our priorities.

The Directorate is delivering against **KEY** priorities, including:

- Through the hosting of the Money Hub and our Benefits & Housing Needs services we are helping to ensure some of our more vulnerable residents receive the assistance they need contributing to a *Fairer, Safer Hackney*.
- The Directorate also leads on the Sustainable Procurement Strategy, hosts the Energy Unit and is developing Hackney, Light and Power, playing a key part in supporting a *Greener, Healthier Hackney*.
- The Directorate also drives the medium-term financial planning and the annual budget setting process recognising this is a Council-wide effort which requires a cross-Council approach to deliver against our statutory obligations to set a balanced budget.

# 2023/24 Finance & Corporate Resources Budgets

Service	Description	Net Budget £m
Audit & Anti Fraud	Provides assurance on the Council's control environment by undertaking review and testing of key systems and processes & leads on the Council's risk management arrangements.	1.2
Financial Management & Finance Support	Leads MTFP & delivery of statutory accounts, the annual budget and budget monitoring (Revenue & Capital). Provides financial support and advice for services across the Council. Functions also includes Pensions, Treasury Management & Insurance.	6.0
Human Resources & Organisational Development	Leads on the development and maintenance of HR policies, leads on the recruitment and retention of staff and provides support for managers across the Council. Incorporates the payroll function and maintains on OD programme for staff, oversees occupational health and the Council's Employee Assistance Programme.	2.7
Revenues	Administration of Council Tax and Business Rates (including delivery of financial support schemes such as the Government Council Tax rebate and business support grants).	4.0

# 2023/24 Finance & Corporate Resources Budgets

Service	Description	Net Budget £m
Benefits & Housing Needs	Delivery of support and advice for residents in financial and housing need. This includes administration of Housing Benefits, management of the Council's housing register, temporary accommodation (including hostels), homelessness advice and support for people who are rough sleeping. The service is also developing the model for financial support through the Money Hub.	10.2
Customer Services	Operation of the Council's contact centre and face-to-face customer services (HSC). Management of the Council's web platforms and professional leadership for user-centred service design.	2.9
Facilities Management	Soft FM services covering management of the Council's estate, and engagement with / contract management of the services for cleaning, security and building maintenance.	7.2
Support Services	Corporate support services, including Housing Benefits compliance, control and training (inc Benefits subsidy); Temporary Accommodation income management; the cash office; and business support (inc courier and post room service).	3.1

# 2023/24 Finance & Corporate Resources Budgets

Service	Description	Net Budget £m
Registration Services	Registration of births, deaths and marriages (including registration of places of worship and approved premises).	-0.1
ICT	Support and management of the Council's ICT platforms. This includes: workplace technology (devices, wifi, email, telephony, print etc); business applications; information security and data governance; and data analytics.	12.4
Procurement	Develops policy on and supports procurement and insourcing across the Council helping to ensure value for money. Incorporates the Energy Management Unit leading on energy procurement and a range of low-carbon initiatives.	1.0
Strategic Property	Manages a range of services aligned to our corporate estate and wider commercial and VCS lettings. This includes, maintenance, repairs, tests and inspections & valuation services & delivery of capital projects including within Education. Our Health & Safety professionals are also managed within this division.	-0.7
<b>Total</b>		<b>50.0</b>

# Pension Fund

- The Finance & Corporate Resources Directorate oversees the Pension Fund (which is part of the Local Government Pension Scheme) reporting to the Pensions Committee which is responsible for strategic decision-making for the Hackney Pension Fund, including setting the Fund's overall investment strategy.
- The Fund's assets (£1.9bn as at 31st March 2023) are managed by external managers and the Council has over 23,000 scheme members (employees, deferred and pensioners).
- The primary duty of the pension fund is to generate sufficient money to continue paying out pensions and other related benefits as they fall due.
- Responsible Investment is a key part of the Pension Committee's approach to fulfilling this core fiduciary duty. Environmental, social and corporate governance ("ESG") issues can create financially material risks and opportunities for the Fund.
- The Fund was an early adopter of taking climate risk into consideration and setting specific targets to manage such risks. The Committee agreed an ambitious set of new climate targets in March 2023.

# Finance & Corporate Resources Savings 2023/24

Savings	£'000	Status	Comment
Reduction of Revenue Contribution to Capital Outlay (RCCO) from £4,000k to £3,000k	1,000		
Efficiencies in Financial Management services.	80		
Reduction in employers' pension contribution reflecting the strong performance of the pension fund.	3,400		Triennial revaluation confirmed. No impact on member benefits, as a defined benefits scheme.
E-billing as a way for residents and businesses who pay via direct debit to receive Council Tax and Business Rates bills.	16		
Procurement	20		
Review of ICT services to improve service and reduce costs.	160		Restructure complete in 2022/23 has delivered £460k in total savings (300k in 2022/23).

## Finance & Corporate Resources Budget Pressures

- This is an area where we are still seeing an impact of the Covid-19 pandemic and cyberattack and are maintaining investment in areas such as arrears recovery and in HB processing.
- Pressures continue on temporary accommodation as it does across London - the service is working closely with Strategic Property Services to develop solutions in this space, although these will not allay ongoing pressures in their entirety.
- Cost pressures in ICT reflect new technologies in use and we are currently determining how these might be mitigated.
- Pressures on businesses impacts on collection rates for areas such as commercial property and additional provision for bad debts may need to be made.



# Chief Executive's

# 2023/24 Chief Executive Directorate & Strategic Plan Priorities

The Chief Executive's Directorate delivers the core key strategic functions of the Council as well as some frontline delivery including: Legal, Governance and Election Services, Policy, Strategic Delivery and Communications, Business Intelligence and Performance, Community Partnerships and Culture services, including the provision of eight libraries and a community library service.

As well as leading on all aspects of **embedding** the strategic plan, we also have **KEY** Strategic Plan priorities to deliver including:

- Working with the Council's services and partners to achieve better outcomes for residents by identifying the cross cutting issues and priorities that need to be addressed and seeking opportunities to transform and improve service delivery.
- Leading on the Council's overall tackling poverty strategy including the response to the Cost of Living Crisis. This includes coordinating support for financially vulnerable households through working in partnership with voluntary sector organisations.
- Developing a new Equality Plan for residents and staff including a refreshed LGBTQIA plan and Anti-Racist Action Plan. Working with our communities to tackle inequalities and structural disadvantages, supporting people to thrive, as well as celebrating and valuing diversity.
- Delivering the outcomes of 'Our Libraries' consultation to deliver the 4 C's - curriculum, community, culture and creativity to create a great network of library hubs, places of public and open access, places where arts, learning, culture, work and play can come together.

# 2023/24 Chief Executive Directorate Budgets

Service	Description	Budget £m
Chief Executive's Office	Strategic Leadership of the Council including support to the whole of the Corporate Leadership Team.	1.5
Comms, Culture and Engagement	The provision of Culture, Communications & Engagement and Commercial Services - which include the Film Office, Venues Team and Design Services - The museum, cultural development team, events/venues, film locations, and design and marketing, all contribute to the Council's wider agenda for community cohesion, education, economy, employment and health and wellbeing.	3.1
Libraries and Heritage	The Council provides eight libraries, situated so that almost all residents live less than one mile from their nearest branch. Hackney libraries have an important role to play in the provision of lending stock and providing information, but are also very important places for study space, computer access and community and educational events. Hackney library service is very well used with over 1.5m visits to Hackney's libraries pre-pandemic.	6.6
Legal, Governance and Elections	Running the legal and governance services for the Council, ensuring it is legally compliant and that processes are clear and transparent and includes servicing the Council's many meetings throughout the municipal year. The budget also includes Member Services and Electoral Registration	6.5
Policy and Strategic Delivery	Responsible for leading borough and corporate strategy through to cross cutting strategic delivery for the Council working with services and partners to achieve better outcomes for residents. Also responsible for the £2.6m Voluntary Sector Grants programme	4.6
<b>Total</b>		<b>22.3</b>

# Chief Executive Savings 2023/24

Savings	£'000	Status	Comment
Inflation on legal fees.	50		Whilst the external fee income budget is not being achieved, the head of service is controlling costs through holding vacancies to ensure that legal services keep within the approved budgets. The forecast as at May is an underspend of
Libraries: Estimate of savings to be achieved from the libraries review (5% of budget).	125		
Engagement, Culture and Organisational Development - External Advertising Income	50		

# Chief Executive Budget Pressures & Management Actions

- There are income targets across the directorate services, venues and events, film locations services and external legal services and whilst we are seeing overachievement of income from our venues and film location services the non delivery of income remains a risk and a potential budget pressure.
- The directorate is forecasting an underspend and will continue to seek opportunities to deliver in year savings to support the overall financial position of the Council