

Title of Report	Capital Update and Property Disposals and Acquisitions Report	
Key Decision No	F S212	
For Consideration By	Cabinet	
Meeting Date	22 January 2024	
Cabinet Member	Cllr Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service	
Classification	Open	
Ward(s) Affected	All	
Key Decision & Reason	Yes	Spending or Savings
Implementation Date if Not Called In	31 January 2024	
Group Director	Jackie Moylan, Interim Group Director, Finance	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2023/24 budget.
- 1.2 Through the proposals in this report we demonstrate our commitment to meeting our manifesto pledges and to deliver against the Council's Strategic Plan.
- 1.3 This month we propose £1.257m investment to progress the next phase of the transformation development work on the Mosaic ICT System and deliver the 'Follow-on' projects to deliver work to support the transformation journey across Children's and Adult Social Care. This investment will be led through a Joint Strategy Board representing three of the Council's services (Adult Social Care, Children Social Care, and ICT). The aim of the project is to respond to the need for ongoing improvement and change across social care, which includes specific, known (and complex) Mosaic projects which must be delivered in the context of a cohesive approach and programme, bringing economies of scale, providing more sustainable resourcing, maintaining a high level of consistency and improve joined-up working across Health and Social Care settings.

- 1.4 We are also seeking approval for the use of £425k of S106 and CIL monies towards the refurbishment of Hackney Central Library and works to improve wayfinding and signage within the building foyer. This project is part of our £22m investment in Hackney Central Town Centre to be funded from our successful £19.04m Levelling Up Funding (LUF) grant funding bid. The investment in Hackney Central Library will create additional space for a greater range of activities, including lifelong learning, socialising and networking. The improved facilities will also respond to the needs of local businesses who would like to use libraries for meeting clients, hiring space in popular locations with the facilities and equipment they need to run face to face, video and hybrid meetings.
- 1.5 Finally, this report proposes the application of £500k of CIL funding for a programme of Cultural activities for the current year. The funding has enabled the Council to deliver key cultural initiatives such as the Hackney Carnival and Discover Young Hackney in partnership with the voluntary sector. It has also enabled a wide range of other significant projects to be delivered in line with the Council's Arts and Cultural Strategy, in partnership with diverse local communities and the voluntary sector, including the Windrush programme, Hackney Pride 365, Black History Season and the Hackney Circle, to name just a few. The cultural programme supports and develops opportunities for Hackney residents, and the local economy, to benefit both from Hackney's regeneration and extraordinary cultural offer, delivered through the five dividends of the Arts and Cultural Strategy: community cohesion, education, health and wellbeing, employment and the economy.
- 1.6 I commend this report to Cabinet.

2. INTERIM GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report updates Members on the current position of the Capital Programme and seeks approval as required to enable officers to proceed with the delivery of those schemes as set out in section 3 of this report.

3. RECOMMENDATION(S)

- 3.1 **That the scheme for Finance and Corporate Resources Directorate as set out in section 11 be given approval as follows:**

Mosaic ICT System Development Strategy: Resource and spend approval of **£1,257k (£571k in 2024/25, £481k in 2025/26 and £205k in 2026/27)** is requested to enable Council Officers to progress with the transformation development work on the Mosaic ICT System.

- 3.2 **That the s106 & CIL Capital funded scheme summarised below and set out in section 11 be approved:**

S106	2024/25 £'000
Capital	425
Total S106 & CIL Capital for Approval	

3.3 **That the CIL Revenue summarised below and set out in section 11 be approved:**

CIL	2023/24 £'000
Revenue	500
Total CIL Revenue for Approval	500

4. REASONS FOR DECISION

4.1 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.

4.2 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.

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

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

6. Policy Context

6.1 The report to recommend the Council Budget and Council Tax for 2023/24 considered by Council on 27 February 2023 sets out the original Capital Plan for 2023/24. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

6.2 Equality Impact Assessment

6.2.1 Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. Such details are not repeated in this report.

6.3 Sustainability and Climate Change

6.3.1 As above.

6.4 Consultations

6.4.1 Relevant consultations have been carried out in respect of the projects included within this report, as required. Once again details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

6.5 Risk Assessment

6.5.1 The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks outside of these will be recorded on departmental or project based risk registers as appropriate.

7. COMMENTS OF THE INTERIM GROUP DIRECTOR, FINANCE

7.1 The capital proposals awaiting approval are profiled to begin in the financial year 2024/25, thereby having no impact on the capital programme budget for 2023/24. The gross approved Capital Spending Programme for 2023/24 currently totals **£212.700m (£109.552m non-housing and £103.147m housing)**. This is funded by discretionary resources, borrowing, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.

7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.

7.3 There are no recommendations in this report that will result in a further change to the revised capital programme 2023/24.

Current Directorate	Revised Budget Position	Jan 2024 Cabinet	Updated Budget Position
	£'000	£'000	£'000
Chief Executive's	366	0	366
Adults, Health & Integration	1,641	0	1,641
Children & Education	13,687	0	13,687
Finance & Corporate Resources	63,061	0	63,061
Climate, Homes & Economy	30,798	0	30,798
Total Non-Housing	109,552	0	109,552
Housing	103,147	0	103,147
Total	212,700	0	212,700

8. COMMENTS OF THE ACTING DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES

- 8.1 The Interim Group Director, Finance is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
 - (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 8.3 Proposals for capital spending shall be submitted to Cabinet for acceptance into the capital programme recommended to Full Council for adoption (paragraph 2.17, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 8.4 Once the capital programme has been approved, Cabinet exercises control over capital spending and resources and may authorise variations to the capital programme provided such variations are within available resources and are consistent with Council policy (paragraph 2.18, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 8.5 Section 106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation which is then enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. Frequently such obligations require the payment of a financial contribution to compensate for the loss or damage created by the development or mitigate against the development's impact. Local authorities must have regard to the legal tests laid down in Regulation 122 of the Community Infrastructure Levy Regulations 2010 prior to requiring a developer to enter into a s106 obligation. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured. Once completed, s106 agreements are legally binding contracts and financial contributions can only be used for the purposes specified within the obligation itself.
- 8.6 The Council also receives payments under the Community Infrastructure Levy Regulations 2010 based upon the Council's adopted charging schedule adopted in 2015 (this is separate to the Mayor of London's CIL). The Council's adopted Regulation 123 list details the infrastructure that the payments

received will be spent upon. In addition, there is a neighbourhood element to CIL and areas where development is taking place will receive a proportion of the receipts to be spent in local neighbourhoods, this includes the Hackney Community Fund.

9. COMMENTS OF THE DIRECTOR OF STRATEGIC PROPERTY SERVICES

None required.

10. VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS

None required.

11. CAPITAL PROGRAMME 2023/24 AND FUTURE YEARS

11.1 Finance and Corporate Resources

11.1.1 Mosaic ICT System Development Strategy: Resource and spend approval of **£1,257k (£571k in 2024/25, £481k in 2025/26 and £205k in 2026/27)** is requested to progress the next phase of the transformation development work on the Mosaic ICT System. The Mosaic system is the system used by the Council to manage our social care services, both Adults and Childrens. This request builds upon the £720k approved by Cabinet in February 2023 to deliver Mosaic 'Follow-on' projects to deliver work that was additional and therefore out-of-scope of the recovery work and some transformation work post the 2020 cyber-attack. The programme of Mosaic work across the Council's Adult Social Care (ASC) and Children's Social Care services has recovered the core functionality of the system.

This programme of work is managed through the Mosaic Joint Strategy Board which has representation from Adult Social Care, Children Social Care, and ICT which oversees and coordinates transformation development work on the system. To inform this request for additional funding for this next stage of transformation development work, the Board undertook a benchmarking exercise with seven other London-based authorities to develop a comparative sense of resourcing. The approach recommended is to set up a sustainable team that can deliver the work required, recruiting to fixed-term roles to provide the required technical skills and capacity.

The timeline is from April 2024 (when existing project resources end) to the end of the supplier's support and hosting contract in August 2026. The Programme will initially use external resources to deliver some of the complex projects and then will phase in a 'Social Care Product Team' based on current job descriptions in the Council's ICT department. This transitional process will enable the work to commence quickly without interruption to ongoing work, whilst setting a path for a 'Social Care Product Team' that could become permanent in future.

In addition to the need for ongoing improvement and change across social care, specific, known (and complex) Mosaic projects must be delivered. The strategy

is to take a cohesive approach and have these as a coherent programme, bringing economies of scale, providing more sustainable resourcing, and maintaining a high level of consistency. This capital approval will bring about the following outcomes set out in the table below:

Output	Outcome
Provider Portal Phase II	Enhanced accuracy in payments as all home care providers utilise the portal, promoting transparent safeguarding and providing robust evidence of service delivery for residents.
e-Brokerage Implementation	Accelerated care provision for residents through an efficient online tendering system, facilitating swift brokering and acceptance of services by the Council and Home Care providers.
Upgrade I & II	Improved the stability of Mosaic, addressing statutory issues empowering social care staff to record and manage comprehensive social care records more effectively.
Mind of My Own	Empowered Hackney Children to actively participate in decision-making, fostering communication of their views with a trusted adult, thereby enhancing their engagement in care-related matters.
Joint Strategy Development Phase I	Significant operational efficiencies in staff workflows, leading to streamlined recording processes and improved service delivery for residents.
FABU (Financial Assessment Bulk Uplift)	Residents are charged the correct amount from the start of the year for adult social care chargeable services, and the Council's revenue is corrected and maximised.
ECM Integration	Strengthened support for residents receiving home care services through seamless upload of direct visit data by providers, simplifying monitoring and payment processes.
e-Brokerage Portal Implementation	Integration of e-Tendering with the Provider Portal will enable efficient and faster response between social care, Council brokerage teams and the provider for the benefit of residents.
Charging Reform Outcomes	Empowered residents with the ability to conduct online self-assessments, determining eligibility for Council care services.
ASC Transformation Outcomes	Optimised workflows, streamlined team transfers, and improved documentation processes, enhancing social care staff's ability to record and deliver services effectively to residents.
New Supplier Tender	Introduction of a new procurement approach for support and hosting contracts, demonstrating the Council's commitment to delivering Best Value through transparent and open processes.
Joint Strategy Development Phases II & III	Continued operational efficiencies, resulting in enhanced recording practices and improved service delivery by social care staff to residents.
Recruitment of a fixed-term, in-house social care product team	Providing sustainable and effective capacity for the ICT roles needed to enable delivery of further enhancements to Mosaic, thus enabling ASC and CFS to improve resident experiences and outcomes.

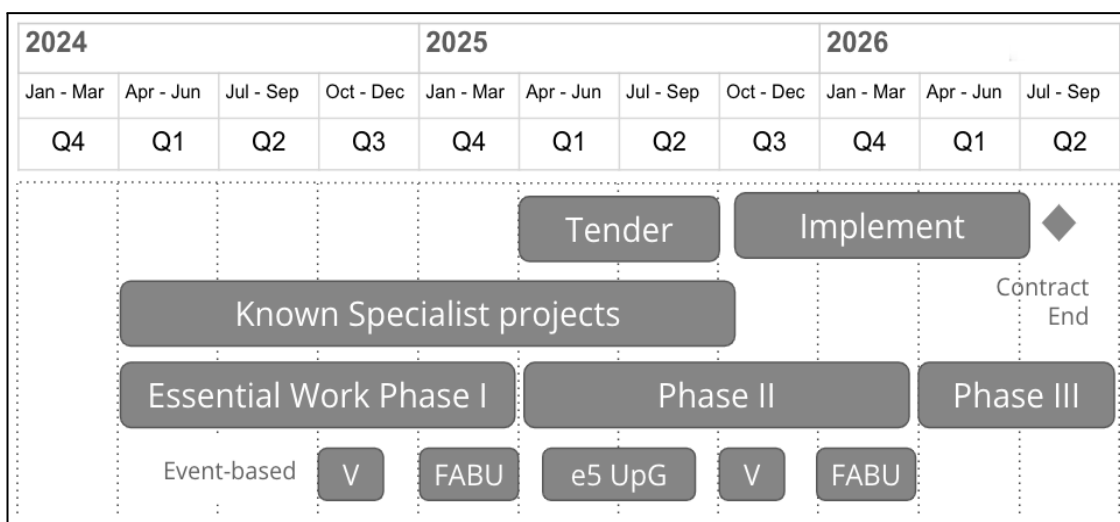
These improvements and advancements will bring about the following benefits:

- A cohesive programme of work to address Mosaic development.
- Streamline online customer services requests into Mosaic with the capability to move these requests into workflow for more efficient working.
- Improve the funding processes for social care delivery for home care residents through streamlined social care planning and monitoring.
- Embed necessary Mosaic recording improvements across the Council's Adult and Children's Social Care by methodically improving workflow, forms and processes.
- Improve joined-up working across Health and Social Care settings through data sharing at a resident level (where applicable).
- Enable practitioners working in joint health and social care settings (e.g.NHS East London NHS Foundation Trust) to access the systems they require more easily. Work to ensure that the Council's Children and Families Services, Education, Adult Social Care and Health are working on the latest stable versions of the system.
- Embed Child and Families processes relating to Education to migrate specific teams from older systems to a single standard system (Mosaic) across the Council's Children and Families Services.
- Stabilise and make improvements to 'Child Protection Information Sharing' with NHS England to ensure all practitioner alerts are accurate and up-to-date.

This capital approval will provide a cohesive programme of work to address Mosaic development and ensure that it is joined up, has high-visibility and responds to the existing three services represented at the Mosaic Joint Strategy Board. This capital expenditure demonstrates the Council's commitment to tackling inequalities, ensuring every child has the best start in life and along with our older residents, in Hackney, live a fairer, safer and active life. This supports all of the Priorities in the Council's 2018-2028 Sustainable Community Strategy. This approval will have an impact on the corporate programme as the project will be funded by borrowing done by the local authority.

Phase	Project milestone	Estimated completion date
Phase I	Provider Portal Phase II	Dec 2024
	e-Brokerage Implementation	Dec 2024
	Upgrade I	Dec 2024
Phase II	Mind of My Own	Mar 2025
	Joint Strategy Development Phase I	Mar 2025
	FABU II	Mar 2025
	ASC Transformation Outcomes	Mar 2025
Phase III	ECM Integration	Sep 2025
	e-Brokerage Portal Implementation	Sep 2025
	Charging Reform Outcomes	Sep 2025
Phase IV	Joint Strategy Development Phase II	Mar 2026

Phase	Project milestone	Estimated completion date
	New Supplier Tender	Mar 2026
	Upgrade II	Mar 2026
	FABU III	Mar 2026
Phase V	Joint Strategy Development Phase III	Aug 2026



11.2 S106 & CIL Capital for approval

11.2.1 Capital Resource and Spend approval is requested for improvements to Hackney Central Library totalling **£425k, £142k in 2024/25** capital funding to be financed by S106 contributions and **£283k in 2024/25** capital funding to be financed by CIL Capital contributions. This project is to be carried out in accordance with the terms of the appropriate S106 agreements and the CIL Regulations.

Agreement No.	Project Description	Site Address	2024/25 £'000
2012/3259	A Meeting Room, Maker space, Assistive Tech & Hackney Central Library Improvement Project	145 City road London EC1-37 East Road N1 6AZ	142
N/A		Strategic CIL	283
Tota S106 & CIL Capital for Approval			425

In January 2023 the Council was successfully awarded £19m Levelling Up Funding (LUF), a portion of which is going towards the complete refurbishment of Hackney Central Library and work to improve wayfinding and signage within the building foyer. £810k is needed in total for the library works and £385k was allocated from LUF with the expectation that Council would provide £425k in match funding. The £385k LUF funding will go some way to covering the cost of design and installation and this £425k will cover the shortfall.

Despite having the highest footfall of all the borough's libraries, Hackney Central hasn't had any investment in 20 years. One of our more spacious and accessible libraries, there is enormous potential at Hackney Central Library to create meeting rooms for partners and community groups to book and pay to use. Its central location and close proximity to the Council campus make it a very attractive and convenient location for businesses, community groups, Hackney Education and Adult Education and an ideal 'invest to save' initiative.

During our extensive public engagement and consultation to develop the new Council's Libraries Strategy in 2021, the Council Library Services spoke to over 8000 residents who told us our older libraries needed investment to make them fit for modern use. The feedback from residents (users and non-users of the library services) is that they would like to use library spaces for a greater range of activities, lifelong learning, socialising and networking. Local businesses would also like to use libraries for meeting clients, hiring space in popular locations with the facilities and equipment they need to run face to face, video and hybrid meetings.

This capital approval will enable Council Officers to appoint a specialist Library Design Company, using the data collated in the consultation and include the following in the stipulations of the design:

- Improved work, homework and study space.
- Noise isolation solutions to make the library better for different types of users (noisy families taking part in storytimes and people needing quiet study space) including sound proofing and partitioning.
- Improved technology - more accessible furniture, more powerful wifi.
- More comfortable furniture and a more welcoming and community feel to the space.
- Bookable meeting room(s), study booths, places to make phone and video calls.
- Improved wayfinding, signage, flooring and lighting to increase accessibility and enhance user experience.

A meeting room will be installed with flexible and inclusive equipment. There are also plans to introduce loanable tablets which allow customers to access digital resources and promote digital inclusion, spatial redesign to provide equipment and makerspaces, a new children and young people's zone, collaborative learning spaces, community wellbeing zone and exhibition space for artists.

Description	Costs £'000
A meeting room with IT upgrade and flexible and inclusive equipment suitable for group meetings, small events, external hires and sessions led by Hackney's Adult Learning Service	60
A community makerspace with digital equipment, vinyl printers, 3d printers and sewing machines	32
Provision of assistive technology for customers with various impairments to	50

enable access and better use of our services	
Sub Total	142
The cost of design and installation	283
Sub Total Council Contribution (S106 and CIL)	425

Funding Element	Costs £'000
Council Contribution (S106 and CIL)	425
Other Contribution - Levelling Up Fund (LUF) to be allocated	385
Total Cost of Project	810

11.3 CIL Revenue for approval

- 11.3.1 CIL Revenue Resource and Spend approval is requested for **£500k in 2023/24** of funding to be financed by CIL contributions. This project is to be carried out in accordance with the terms of the CIL regulations.

Project Description	2023/24 £'000
Cultural Development Team 2023/24	500
Total CIL Revenue for Approval	500

The Cultural Development team has delivered an existing programme of annual cultural activities for 2023-24, as delivered since 2018, at a cost of £398k. In addition, a new, additional programme of activities will be delivered, that can lever in additional funding and meet the needs that have evolved post-Covid 19 for the cultural sector and our residents, at a cost of £102k. The total budget required for both programmes is £500k.

The CIL funding will provide the team with a revenue stream to enable the delivery of programmes of work led by both the Council and the voluntary sector, that employ culture to support the aims of the borough's Arts and Cultural Strategy which are: community cohesion, education, health and wellbeing, employment and the economy. The Culture team's programme is delivered with a wide range of third sector partners, as follows:

Existing Projects	
Project	Project Description
Hackney Pride 365	Up to 6 organisations will be commissioned to deliver activities for the LGBTQI+ community as part of LGBTQIA+ History Month

Existing Projects	
Project	Project Description
Windrush Festival	10 community organisations will receive micro-grants of up to £1k each to celebrate the Windrush community in various event formats.
Windrush Day	A community event will be planned for 22 June, Windrush Day, delivered with many VCS organisations and contractors.
Windrush artworks	A specialist maintenance company has been appointed to maintain the permanent Windrush artworks at a cost of £5k per year.
Hackney Carnival	16 Hackney-based grassroots carnival groups will be commissioned to deliver a carnival showcase and an ambitious community engagement programme. No live outdoor carnival will take place. Exact plans are to be developed in consultation with the groups.
Civic events include Christmas lights and Hanukkah	It is anticipated that approximately five local cultural organisations will be contracted to perform at these seasonal events.
Black History Season	Potentially one cultural partner will be commissioned to deliver activity for the programme and the Culture team will lead on marketing.
The Review, Rename, Reclaim programme	A three year programme of consultation with residents and community partners addressing how we can make Hackney's public spaces more representative of the communities that live here. The naming review complements the Council's Black Lives Matter motion and contributes to the borough's anti-racism work.
Discover Young Hackney	Up to 12 organisations with a regular offer for young people will be contracted to deliver activities for the festival. Commissions will range from £2-£5k per organisation.
Mayor's Music Awards	It is anticipated that a number of music education organisations will be commissioned to deliver the Mayor's Music Awards.
The Hackney Circle	The council's free membership group for residents aged 55+, that curates engagement opportunities from cultural organisations for Hackney's most isolated residents, will continue to work in partnership with over 40 local businesses. A key partner, Mortar, will continue to develop and manage the website, and deliver the service pattern. This project relates strongly to the Inclusive Economy and Ageing Well strategies.
An Arts and Health network in Hoxton and Shoreditch	An Arts and Health network for organisations based in Hoxton and Shoreditch will be created to share best practice and to support networking.
Dementia festival	A contribution will be made to the borough's Dementia festival.
Open House	A contribution will be made to Open House.
Arts and Cultural Strategy	An update will be written for the borough's Arts and Cultural Strategy, involving hosting an event and design and print of a new publication.

New Projects	
Project	Project Description
King's Coronation	A budget of £10k has been allocated to deliver community celebrations relating to the Coronation.
Dalston Square Reopening	Dalston Square is to be reopened in 2023 and this will be celebrated by commissioning a range of community organisations in the area.
Covid memorial	Consultation about the borough's Covid memorial will be undertaken in partnership with local organisations.
Eid, Diwali and Lunar New Year	A budget for new civic events is allocated to celebrate Eid, Diwali and Lunar New Year.
London Design Festival	The borough will be joining the London Design Festival in 2023 and this will promote the work of a number of micro creative businesses.
A Film Partnership with Centre for London	A Film Partnership with Centre for London will develop new training and employment opportunities for Hackney residents.
A 'Cultural Activation Fund'	A 'Cultural Activation Fund' is unallocated funding to enable the team to respond to opportunities that arise during the year.
A Culture Diary	A Culture Diary is planned, to support the planning and promotion of the borough's and CVS organisations' cultural programmes.
Cultural Wellbeing	Many organisations in Hackney deliver activities that contribute to wellbeing. The Culture Team proposes to commission baseline data and an evaluation framework to inform how cultural wellbeing is measured across the borough.
Youth Access To Theatres	A new network has formed to support youth access to theatres, which the Culture team will support with seed funding.
Hackney Arts Trust	A new Hackney Arts Trust is proposed, to enable council services to fundraise for arts and cultural funds which are currently not available to local authorities. Legal costs for establishing the trust are included in the budget.
A public art project for Hackney Museum	A public art project for Hackney Museum will use the borough's billboard sites to bring heritage outdoors.

APPENDIX

None.

BACKGROUND DOCUMENTS

None.

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