



Scrutiny Panel

Budget Scrutiny Report on the Council Budget 2024/25

Summary of outcomes from Scrutiny Panel and the Scrutiny Commissions

29 January 2024

Overview and Scrutiny

FOREWORD

As Chair of the Scrutiny Panel I'm pleased to present the report of Hackney Council's Overview & Scrutiny function on the Council's budget proposals for 2024/25.

This year we reviewed our budget scrutiny processes to widen participation and transparency in the process. Members of the four themed standing Scrutiny Commissions examined proposals in their area and this report contains detailed comments which arose from those individual sessions and from the overarching Scrutiny Panel. That comprises the Chair and Vice Chair of each Commission.

We acknowledge all the hard work officers and Cabinet Members put in to preparing for and contributing to each session, in addition to their many other responsibilities, and we note that the volume of information provided this year (including in the regular Budget Overview report to the regular Scrutiny Panel meetings), far exceeded what was provided to us in the past. We are most grateful for this level of constructive engagement and we have greatly benefited from the quality of the information provided to us in performing our functions.

I would like to thank Commission Members both elected Councillors and Co-opted Members including our Youth Parliament members who gave additional time to the process on top of their existing commitments to Scrutiny and used their knowledge and experience to bring a focussed and skillful challenge. I would also like to thank the Scrutiny Team who have worked tirelessly to develop this process.

As a Scrutiny function we recognise that these are unprecedented times for the Council as it faces some tremendous challenges in balancing its budget. There are residents in Hackney who are in acute need and the Council is working very hard to ensure it can provide the basics for them in order to give them shelter, security and good health. Whilst finding ourselves in this difficult financial position wasn't of our making, this is the financial reality now faced by so many Councils.

Overview and Scrutiny has a responsibility to make sure that it supports the Council's Executive in navigating these difficult times and in ensuring that the decisions made are balanced and fair and we hope that the 'critical friend' challenge we provided to officers and Cabinet Members has helped them to refine their proposals.

What follows is a summary of the outcomes from each of the Budget Scrutiny Sessions held by the Commissions. At the end of the process the Scrutiny Panel met to draw some overall conclusions and this is covered in the final section on 'Overarching Themes and Cross Cutting Issues'.

As this was the first year of doing budget scrutiny in this way there was of course some learning for both sides here and we end with some suggestions for ways in which we can refine and streamline the process for next year. We hope to begin the work for the 24/25 Budget in May 2024.

I commend this report to the Mayor and Cabinet.

Cllr Margaret Gordon, Chair of Scrutiny Panel 2023/24

Overview and Scrutiny

Table of Contents

BUDGET SCRUTINY for Council Budget 2024/25	3
Background	3
Financial Context	3
Latest Overall Financial Position	3
Assumptions in Medium Term Financial Plan	4
SUMMARY OF OUTCOMES FROM COMMISSIONS	5
General Fund	5
1. CHILDREN AND YOUNG PEOPLE SCRUTINY COMMISSION	5
2. HEALTH IN HACKNEY SCRUTINY COMMISSION	12
3. LIVING IN HACKNEY SCRUTINY COMMISSION	14
General Fund - Street Cleaning & Waste	14
Housing Revenue Account	17
DISCRETIONARY SPEND - GENERAL FUND	19
SCRUTINY PANEL (for cross-cutting items)	19
LIVING IN HACKNEY SCRUTINY COMMISSION	20
SKILLS ECONOMY AND GROWTH SCRUTINY COMMISSION	27
OVERARCHING THEMES AND CROSS CUTTING ISSUES	30
LEARNING FOR NEXT YEAR	32
Appendix 1: Summary Tables of Savings and Income Generation From Proposals by Directorate	33

Overview and Scrutiny

BUDGET SCRUTINY for Council Budget 2024/25

Background

We changed the approach to the budget scrutiny process this year, with individual Commissions being asked to be more involved in scrutinising the savings proposals relating to their remit and Scrutiny Panel looking at the cross cutting or 'all Council' issues.

The saving proposals came in two tranches:

a) *General Fund & HRA*

b) *General Fund Discretionary Spend Areas.*

For the General Fund & HRA cost savings proposals the relevant Commissions met in July and Oct/Nov. For the General Fund Discretionary Spend Areas the relevant Commissions met in December. Below is a summary of the outcomes from those Commission meetings.

The Commissions met as follows:

CYP	<u>25 July, 27 Nov</u>
HiH	<u>25 July, 24 Oct</u>
LiH	<u>31 July, 31 Oct, 5 Dec</u>
SEG	<u>6 Dec</u>
SP	<u>4 Dec</u>

This report will be submitted to Cabinet and included as an Appendix in the formal Budget papers going to Cabinet and Full Council on 26 and 28 February 2024.

Financial Context

Latest Overall Financial Position

The OFP report that went to Cabinet in December showed that the Council is forecast to have an overspend of £10.369m for 2023/24 after the application of £19.2m reserves, set aside and in-year savings.

Overview and Scrutiny

Assumptions in Medium Term Financial Plan

The last Budget Report includes an update of the MTFP and the medium case assumption was for a gap of £22m for 24/25. Medium, best and worst case scenarios set out below.

Table from Budget Overview report to Scrutiny Panel (July 2023)

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

The [budget overview reported](#) to the Scrutiny Panel in July 2023 informed that the MTFP report set out the assumptions on which the forecast was 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.

Overview and Scrutiny

SUMMARY OF OUTCOMES FROM COMMISSIONS

General Fund

1. CHILDREN AND YOUNG PEOPLE SCRUTINY COMMISSION

The Budget Scrutiny process is, by its nature, a time limited process each year but the Members who are also on Children and Young People Scrutiny Commission have asked here for further clarification and information in order to be able to monitor and review the potential impact of these savings proposals. This work will be considered as part of CYP SCs regular work planning during 2024/25.

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
a) <i>Children’s Centre Childcare Review (£4m)</i>	Hackney Education officers declined to provide full financial details of the budget savings for the Children’s Center savings during the scheduled session with the scrutiny commission saying it would not be available until February, by which time budgets will have been confirmed, undermining the principles and purpose of this budget scrutiny process.	This was referred to the Monitoring Officer. Following confirmation from the Monitoring Officer that there was a requirement on officers to provide this information as part of the scheduled budget scrutiny process, supplementary information was provided to the Chair and Vice Chair but this was outside the agreed formal budget scrutiny process and did not give the full scrutiny Commission membership an opportunity to scrutinise the proposals.
	The Commission was concerned that <u>externalisation</u> of children’s centre provision ran contrary to the Council’s insourcing policy, and would end up being supported by nursery staff on lower terms and conditions, which may undermine the quality of provision. As no specific savings details were put forward for this proposal, it was not possible to assess how savings would be realised.	Whilst questioning revealed that externalisation would not apply to all children’s centres, if the decision to externalise provision of two centres was taken, further assurance was needed on staff terms and conditions and the quality of provision within the subsequent procurement

Overview and Scrutiny

	Areas of concern raised	Suggestions to Cabinet Members and Officers
		process (i.e. protections for London living Wage and standards in service provision).
	Nursery settings in the independent sector are often reluctant to take on vulnerable children and those with complex needs, and such cases are often referred to local Children Centres that can offer multidisciplinary integrated support. Proposals to externalise and repurpose Children's Centres may limit opportunities for this vulnerable cohort of children to access <i>integrated</i> high quality childcare.	Members wanted further clarification as to how the capacity of Children's Centres to meet the needs of vulnerable children would be maintained (which was also highlighted in the Ernst & Young review).
	Occupancy of childcare places is central to children centre income, yet Children's Centres were operating different policies in relation to parents' part-time use. The Ernst & Young review noted that those Children's Centres operating a part-time policy had higher levels of occupancy.	Members sought assurance that all Children's Centres are operating a part-time childcare policy to increase occupancy rates and maximising opportunities to increase income.
	It is broadly acknowledged that Children's Centres provide a strong community focus for children and families which are highly inclusive, where children from all backgrounds can grow and learn together. Children's Centres are also supported by qualified staff who work to deliver the council's broader social cohesion ambitions. As officers acknowledged, not all childcare settings were as inclusive as those located within children centres, therefore scrutiny members were concerned as to how reprovision and the externalisation of provision to the private or independent sector of 4 Children's Centres would impact on the availability of <i>inclusive</i> early education and childcare in Hackney, which has	Further to the proposed reconfiguration, members would welcome further clarity as to the policy ambitions for local children centres and their role in supporting inclusive childcare and early education.

Overview and Scrutiny

	Areas of concern raised	Suggestions to Cabinet Members and Officers
	<p>been a central tenet of early years provision in the borough.</p> <p>Budget data presented to the Commission suggested that expansion of free childcare will contribute to the delivery of £1.9m of savings within the Children's Center budget to 2025/26. The Ernst & Young Review however indicates far larger savings will be accrued from the government expansion of free-childcare, as this will reduce the council subsidy for childcare at Children's Centres from £5.2m to £1m by 2025/26 - which suggests a saving of over £4.2m - far in excess of what is being proposed in actual budget proposals.</p> <p>Given the significance of the savings here, Members feel that the lack of detail within these proposals is a missed opportunity for the executive to get the input and expertise of scrutiny members.</p>	<p>Members would like further details on the financial modelling for the introduction of extended free childcare, its impact on the council subsidy for childcare, and the possible savings that this will provide for the Children Centre budget.</p>
b) Young Hackney (£1m)	<p>There is a lack of clarity around savings required, identified and put forward for Young Hackney savings proposals in the MTFs. Members noted that the independently commissioned report was requested to find £1.75m of savings, the budget presentation suggested that £1.4m had 'been identified' and yet just £1m of savings were put forward as contributions to savings required for the MTFs?</p> <p>Members felt that taking 30% off of all unprotected budgets was a '<i>salami slicing</i>' approach to the identification of savings and would have welcomed further critical challenge to this approach recommended in the independent report.</p>	<p>Members would like clarification over the year of the extent of savings to be delivered across the Young Hackney budget.</p> <p>Members would welcome further information as part of CYP SC's ongoing overview work here on the possible impact and outcome assessments in relation to savings</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		options, to help assess where agreed savings would have been 'best' targeted.
	<p>The independent report noted that the proposed savings for Young Hackney would have a direct impact on other services, in particular that costs would be pushed on to statutory services, in particular children's social care. Members were concerned therefore, that the proposed savings would just shunt costs to other council budgets.</p>	<p>Members are seeking further clarity as to how service reductions in Young Hackney might impact on other council budgets.</p> <p>Members were also seeking assurance as to how affected services would manage with additional demand, and the extent to which collaborative partnerships could mitigate the impact.</p>
	<p>Members noted that the independent review made clear that the impact of Young Hackney provision, both broadly and specifically, had benefits for other statutory service areas, and that there was a potential to increase income for YH, through contributions from both education and health care partners.</p>	<p>To support income maximisation, officers should further engage with statutory partners to develop 'matrix funding' solutions where there are shared outcomes.</p>
	<p>Proposals to reduce targeted early help must be viewed in the wider context of other savings already identified in the early help offer:</p> <ul style="list-style-type: none"> - £250k via OBIS; - £650k from in-year budget savings to early help 2023/24 - restructuring of children centre provision. <p>The Commission notes that the local early help offer is particularly susceptible to budget pressures, as these services are predominantly funded through discretionary spend.</p>	<p>Further reassurance was needed as to what the cumulative impact of these savings would be on the local early help offer, <i>and</i> what impact they may have on statutory and VCS sectors (given that they are also facing funding pressures)</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	<p>The early help offer is also central to Council's approach to:</p> <ul style="list-style-type: none"> - Supporting vulnerable families to prevent their needs from escalating, which may require a later, more complex and costlier intervention; - Help to address systemic inequalities and service disproportionalities. <p>Members were therefore concerned as to what the cumulative impact of these early help savings would be across the council, and how these would affect council wide ambitions to address local inequalities.</p>	
	<p>The independent YH report set out that the return on investment in youth services was between three and six times that invested, making YH a clear investment to save proposition - with benefits to the local taxpayer estimated to be between £24m-£46m. Members also noted that the YH service is of high quality, award winning and greatly valued by children, families and local stakeholders.</p>	<p>Given that there are such clear financial returns on investment, and the esteem in which this service is held, the Commission sought assurance that other less impactful parts of wider children's service have been fully assessed to identify alternative savings.</p>
<p><i>c) SEN Transport (£500k)</i></p>	<p>The Commission was concerned that an external consultant would be recruited to deliver these savings at a cost of £210k, meaning a net saving of just £290k over the MTFS period.</p> <p>Members also expressed concerns that the appointment of external consultants would reduce opportunities for scrutiny.</p>	<p>Noting that the external consultant would also be assisting with others of transformation in the SEND Transport team, the Commission would welcome further evidence of the financial benefit of this investment.</p>
	<p>Whilst recognising the value of travel training in developing a pathway to independence for young people with SEND, the Commission sought</p>	<p>Members recommended that officers should be explicit that any move to independent travel</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	<p>additional assurance that the proposed travel training measures would be led by the needs and preferences of children and their families and should be voluntary.</p>	<p>training would be voluntary and with the consent of the family.</p> <p>As this cost saving is dependent voluntary transfer, Members indicated that further details should be provided on the numbers of children which, with the assistance of travel training, will be expected to switch across from taxi transport and on to more sustainable methods (ie. council SEND transport) to deliver the required savings. This would help to assess the viability of this savings proposal.</p>
<p><i>d) Creation of Outcomes Business Intelligence and Strategy (OBIS) Directorate: (£1m)</i></p> <ul style="list-style-type: none"> - C&E directorate service transformation (500k) - Early Help (250k) - Commissioning (250k) 	<p>Members had concerns around the £500k of savings within the Children's Social Care derived from delayering of management. At the Scrutiny Panel in July 2023, this was identified as a saving for this year (2023/2024) but it was also included within the budget savings proposals for 2024/25. It is not clear if the totality of savings is £1m or this budget saving of £500k has slipped to 2024/25?</p> <p>If there was slippage for this saving, members were concerned that this would exacerbate the need for savings in other areas of the children's social care budget.</p> <p>Members were also concerned that this delayering of children's social care management might coincide with the expected Ofsted inspection in early 2024.</p>	<p>Members were seeking further clarification of the scale, scope and timeline for delivering savings in the children's social care budget through the delayering of management.</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	<p>Members noted that there was a lack of clarity as to how savings would be achieved in these individual proposals from OBIS and it was therefore difficult to assess what impact they may have on service users or other services.</p> <p>There also seemed to be little parity in how savings were identified, which may lead to inequitable impact upon services and service users. For example, just £250k of savings were attributed to merging of commissioned services from a budget in excess of £90m (0.2% of total budget) yet savings proposals of £1m were being asked of Young Hackney which equated to 30% of the total staff budget. These savings would also have very different impacts on the number of front-line service users affected.</p>	
	<p>Members questioned officers as to whether there would be a return investment in OBIS team - and whether operational costs of this service would be recovered from the transformation and merger work that it supported across childrens and education services.</p>	<p>Members requested further information be presented to CYP SC giving clarity on the future of the OBIS team, how it will be funded, and the savings expected from the transformation aspect of this service.</p>

Overview and Scrutiny

2. HEALTH IN HACKNEY SCRUTINY COMMISSION

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p>a) Public Health (inc PH investment into other eligible expenditure areas of the council) (£3m)</p>	<p>A major aim is to release PH funds to target services within the Council which can deliver on the requirements of the Grant and at the same time address health inequalities.</p> <p>A concern raised was that savings might not be delivered within the period being asked for as costs are tied up in existing contracts and there would be a wait for them to conclude.</p> <p>Members noted that the service was exploring whether better outcomes could be achieved by allocating PH funding to other areas to deliver the same outcomes. Members noted the uncertainty here until this plan is worked up fully.</p>	<p>The Commission asked DPH to provide a summary, initially after 1 year, of the changes made, as each PH contract comes up for recommissioning and savings are sought.</p>
<p>b) Delivering Better Outcomes in ASC (transformation programme) (£5.86m)</p>	<p>Savings will be delivered here as part of a transformation programme 'Delivering Better Outcomes in ASC'. This will involve different care journeys for different service users and exploring how these can be redesigned to generate savings.</p> <p>Savings will be delivered by:</p> <ul style="list-style-type: none"> - Supporting practitioners to promote independence, and ensure the least restrictive packages are put in place. - Redesigning reablement - Rethinking support for learning disabled adults <p>In the medium term this plan won't halt demand pressure but it should mitigate some of it and slow it down. An 8.1% current growth in demand in ASC is outstripping demographic growth of just 1.9%.</p> <p>Chair expressed concern that if demand continues at this pace this could lead to a standstill position going forward.</p>	<p>The Commission asked for a series of briefings on what is now called the 'Adult Social Care Transforming Outcomes Programme'. The first took place at the Commission's meeting on 20 Dec '23.</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p><i>c) Housing related support</i> (was £1.5m comprising £1.3m for Floating Support and £0.24 lunch clubs)</p>	<p>Cabinet and CLT decided that this full proposal would <u>not go forward</u>. It was noted that most of the HRS money was actually being used to deliver statutory services and so it was agreed to transfer these funds into statutory services budgets.</p> <p>A small element of the funding (£240k) related to lunch clubs was agreed to transfer that funding from Public Health to Policy & Strategic Delivery team.</p> <p>Chair raised concerns about securing ongoing support for lunch clubs as they were key to improving social connection for often isolated older people. The Commission was told that by linking to wider poverty reduction activity in P&SD there will be more opportunities for diversifying income streams and identifying cost savings.</p>	<p>The Commission asked that the wider plan for the recommissioned lunch clubs be brought to a future Scrutiny Panel and/or HiH.</p> <p>The Commission also noted NHS NEL's plans for an <i>Anticipatory Care Strategy</i> and asked that a briefing on this be brought to the Commission that would also pull together the various Hackney strands in prevention being initiated as part of the wider budget savings process.</p>

Overview and Scrutiny

3. LIVING IN HACKNEY SCRUTINY COMMISSION

General Fund - Street Cleaning & Waste

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p>a) <i>Commercial waste</i></p> <p>Additional income of up to £360k.</p>	<p>Concerns were raised around the impact of the proposals on the commercial waste income stream, noting the risk of businesses increasingly using private commercial waste providers should charges exceed far beyond current levels.</p>	<p>We feel it would be important to monitor the impact of inflationary pressures and the cost of living crisis on this income stream to ensure the Council's Commercial Waste market share is maintained.</p> <p>Careful consideration should be given to the affordability of the proposed increase, and any assumptions that increasing the financial amount will lead to significant increases in income.</p> <p>We also feel it would be particularly important to develop robust engagement and communications plans to communicate the proposed changes.</p>
	<p>Concerns were raised around the impact of unregulated waste on the commercial waste income stream.</p>	<p>We feel it will be important to use active enforcement to ensure local businesses have waste disposal contracts in place, ideally with the Council.</p>
<p>b) <i>Route optimisation for domestic collections</i></p>	<p>Concerns were raised over the impact of the proposals on staff, particularly when considering the current age profile of frontline staff, as well as service users.</p>	<p>We feel it is important that a detailed EIA is undertaken promptly to understand the impact of the proposals on staff and</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
Savings of up to £210k (excluding implementation costs and ongoing revenue costs).	Similarly, concerns were raised over the risk of a negative response from employees and unions if the proposals were to go ahead.	<p>residents, especially those with protected characteristics.</p> <p>We also feel it would be important to monitor the impact on staff workloads and shift allocation challenges if the proposals were to go ahead, as well as the impact on the use of agency staff and related costs.</p> <p>It will be particularly important to robustly engage with frontline staff and unions to develop the proposals further.</p>
	<p>Major concerns were raised over the impact of the proposals on street cleanliness, given that this is a front facing universal service.</p> <p>It was noted that the level of current provision was put in place to meet increasing demand, and there were therefore concerns over the potential impact of the proposal on fly-tipping and bin capacity.</p>	<p>We feel it will be important to thoroughly assess the impact of the proposals on street cleanliness, and, if the proposals were to go ahead, to retain the flexibility within the service to make changes to and/or reintroduce routes where appropriate.</p> <p>We feel that there is a risk of creating a false economy with additional resources having to be utilised to manage waste overflow, and careful consideration should therefore be given to any assumptions that the proposal will lead to significant savings.</p>
	Concerns were raised over resident perception and backlash regarding the proposed service changes.	We feel it would be particularly important to develop robust engagement and

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		communications plans to communicate the proposed changes and manage expectations.
<p><i>c) Removal of free provision of compostable liners</i></p> <p>Savings of up to £81k (£53k for removal of provision for street level households and £28k for removal of provision for schools).</p>	<p>Concerns were raised over storage and collection challenges and a potential drop off in food waste participation rates if the proposal was to go ahead, especially when considering that many of the borough's street properties are HMOs.</p> <p>This was coupled with concerns around there not being immediate plans to align the proposal with increases in local community composting.</p>	<p>We were encouraged to hear that properties on estates would continue to receive free food waste liners.</p> <p>We feel it would be important for borough-wide collection rates to be routinely monitored, and for targeted communications and engagement with residents should participation rates drop.</p> <p>If the proposal is to go ahead, we feel there should be targeted communications to explain to residents that they do not need to line their food waste bin, and should not put food in plastic bags as they do not break down during composting.</p> <p>We would also encourage the service to explore opportunities for partnerships with local community composting initiatives where appropriate to encourage food waste recycling.</p>

Overview and Scrutiny

Housing Revenue Account

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p><i>d) Bad debt provision reduction</i></p> <p>Savings of up to £2.6m.</p>	<p>Concerns were raised over the impact of the pursuance and collection of rent arrears on residents, especially in the current context of the cost of living crisis and welfare reform.</p>	<p>We feel that the pursuance and collection of rent arrears should be undertaken in a fair, open and transparent manner.</p> <p>This should involve proactively giving advice, assistance and support to those behind on their rent to help them make best use of their income, tackle debt and signpost to other services.</p> <p>Careful consideration should also be given to any assumptions that the new methodology will make debt easier to collect in the context of the cost of living crisis and impact of welfare reform.</p>
<p><i>e) Formula Rent calculation</i></p> <p>Savings of up to £300k.</p>	<p>Questions were raised over the impact of the proposed introduction of the Formula Rent calculation on the affordability of rents.</p> <p>It was noted that the proposal may lead to a situation in which there were tenants living in close proximity to one another, in homes of the same specification, but with significantly different rent charges.</p>	<p>We were assured that the calculation was for new tenancies only, in line with the Rent Standard issued by the regulator and still substantially lower than equivalent market rent.</p> <p>We feel the Council should nonetheless carefully consider the impact of the proposals on social cohesion and integration on council-managed estates and blocks, recognising the commitments made in the Housing Services Resident Engagement</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		Strategy to promote the integration and resilience of housing communities.
<p><i>f) Move rents charged on HRA hostels and regen voids in line with other temporary accommodation rents</i></p> <p>Savings of up to £295k.</p>	<p>Concerns were raised over any adverse impact on the affordability of already limited and oversubscribed temporary accommodation stock, and the experiences of those living in temporary accommodation.</p> <p>It was highlighted that residents living in temporary accommodation are on low incomes, and even when in receipt of housing benefit, may well struggle to afford basic amenities once rent is accounted for. Moreover, there is often little money left over for things like transportation and childcare, which can limit education and employment opportunities and longer-term economic and social mobility.</p>	<p>We feel that the impact of the proposal on the affordability of temporary accommodation units in HRA hostels or regen voids should be carefully evaluated, as well as the wider social impacts on residents living in these units.</p>
<p><i>g) Review of housing disrepair</i></p> <p>Savings TBC (it was advised that the service believed they could make significant savings in this area, but the figures had not yet been confirmed).</p> <p>Note: The proposal subsequently presented in the Budget proposals to January Cabinet is for a saving of £682K for 2024/25.</p>	<p>Concerns were raised over the increase in legal disrepair cases in 2022/23, and in particular the cost of cases to the Council and impact of lengthy cases on residents.</p>	<p>We were encouraged by the potential impact of an Alternative Disrepair Resolution (ADR) process on residents and the Council itself.</p> <p>We feel it would be important to ensure robust engagement and communications with residents to ensure they are aware of the ADR process, and are encouraged to use it where appropriate.</p> <p>We also feel it would be important for the new process to be coupled with continued improvements across the repairs service, which reflect key lessons learned from the</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		pandemic and cyber attack as well as the priorities of residents.

DISCRETIONARY SPEND - GENERAL FUND

SCRUTINY PANEL (for cross-cutting items)

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<i>a) Communications and Engagement (£170k)</i>	<p>Relates to holding a Service Director post vacant for another financial year pending a leadership review.</p> <p>Members agreed but were concerned that sufficient resources for strategic communications at a high level is vital particularly in the context of the Council embarking on service level reductions.</p>	To ensure that a robust strategic communications resource is in place to deal with the budget and the ongoing programme of cost savings.
<i>b) Love Hackney (£80k)</i>	Relates to reducing the number of issues from 10 to 6 per year.	Suggests that continued efforts be made to increase advertising spend from public sector partners who might currently use privately owned media. Also that editions are carefully spaced to maximise their utility to the various departments.
<i>c) Changes to cash payment channels (£141k)</i>	<p>Relates to closure of Christopher Addison House cashier's office.</p> <p>Concerns around the challenges of collecting equalities data and that current data is incomplete and therefore unreliable.</p>	Suggestion that data on who is currently paying with cash be checked against arrears data in a year's time to see if there has been an impact.

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	<p>Concern that no equalities data can be collected when payment channels outside the council's system are used e.g. with PayPoint and Post Office Counters.</p> <p>Some concern about the risks of PayPoint as a private provider making future changes to T&Cs.</p> <p>A concern was raised about the contradiction between this proposal and aspiration in the "cash welcome here" motion passed at Full Council.</p>	

LIVING IN HACKNEY SCRUTINY COMMISSION

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p><i>a) Parks and Green Spaces – Various Proposals</i></p> <p>Savings of up to £100k plus capital/setup costs of £205k - cost of £105k for next financial year.</p> <p>Breakdown of savings in future years:</p> <ul style="list-style-type: none"> Animals in Clissold Park - £15-20k p.a. Reducing cricket provision - £30k p.a. 	<p>Concerns were raised around the impact of rehoming the animals in Clissold Park and returning the compound to wider park use, on local residents, in particular on health and wellbeing and children and young people's opportunities to interact with the natural world and farm life.</p> <p>The proposed savings were viewed as nominal given the wider benefits that the provision brings to residents across all social and cultural demographics. Further to this, no alternative funding avenues had been investigated at that stage.</p> <p>It was also highlighted that rehoming the animals could be seen as a beneficial move for the animals, assuming they were moved to a location where they would have more space.</p>	<p>We feel it is important that a detailed cost-benefit analysis is undertaken to understand the benefits of this provision for residents, and in particular children and young people, against the associated costs.</p> <p>We also feel it is important that a detailed EIA is undertaken promptly to understand the impact of the proposals on residents, especially those with protected characteristics.</p> <p>We would also encourage the service to explore opportunities for external funding or collaboration</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<ul style="list-style-type: none"> • Seasonal bedding/bulbs - £10k p.a. • Waste collection (evenings) - £40k 		with local organisations and charities such as Hackney City Farm to support the current provision and its financial viability.
	<p>Concerns were raised around the impact of stopping the evening/night litter collections within parks and green spaces in the summer on cleanliness, given that this is a front facing universal service.</p> <p>It was noted that there was potential for an increase in litter and public nuisance in park and green space hotspots such as those seen in London Fields in the summer of 2020, which led to wide-scale media attention and costly waste collection and enforcement interventions.</p> <p>Concern was raised more generally around making relatively small savings in such high profile and visible areas rather than focusing on areas of higher spend which could be seen to be out of place in the current financial climate.</p>	<p>We feel it will be important to thoroughly assess the impact of the proposals on the cleanliness of parks and green spaces, and, if the proposals were to go ahead, to retain the flexibility to reintroduce evening/night litter collections where appropriate.</p> <p>We feel that if the proposal was to go ahead, costly waste collection and enforcement interventions may be needed at park and green space hotspots.</p> <p>Careful consideration should therefore be given to any assumptions that the proposal will lead to significant savings.</p>
	<p>Concerns were raised around the impact of stopping the evening/night litter collections within parks and green spaces in the summer on staff workloads.</p> <p>It was highlighted that the proposal may lead to more work for day litter crews due to having to clear up previous overnight litter in the main park sites, and could also impact on their schedules as getting to smaller parks in a timely fashion could be compromised.</p>	<p>We feel it will be particularly important to engage with frontline staff to develop the proposals further, and, if the proposals were to go ahead, monitor the impact on day litter crews' schedules and retain the flexibility to reintroduce evening/night litter collections where appropriate.</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<p><i>b) Charging for Green Waste Collections</i></p> <p>Savings of up to £468k minus capital/set up costs of £157k (some of which will be incurred in 2023/24) - total savings in 2024/25 £350k - rising to £468K pa from 2025/26</p>	<p>Concerns were raised around the affordability of the proposed charges and residents' ability to pay a flat annual fee.</p> <p>Comparisons with bulky waste collections were highlighted, which allows residents to make one-off payments and offers free collections for those in receipt of housing benefits.</p>	<p>If the proposals were to go ahead, we feel that alternative payment options should be explored, such as a one-off payment option for residents who may not use the service frequently and/or an option to pay the proposed annual fee in instalments.</p> <p>We also feel that consideration should be given to free collections for those in receipt of housing benefits, much like bulky waste collections which allow for four free collections (of up to five items) per year.</p>
	<p>Concerns were raised over resident perception and possible backlash regarding the proposed introduction of these charges.</p>	<p>We feel it would be particularly important to develop robust engagement and communications plans to communicate the proposed changes and manage expectations.</p>
	<p>Concerns were raised over a potential drop off in garden waste participation rates and the potential for increased fly-tipping if the proposals were to go ahead.</p>	<p>We feel it would be important for borough-wide collection rates to be routinely monitored, and for targeted communications and engagement with residents to be utilised should participation rates drop.</p> <p>Careful consideration should also be given to the affordability of the proposed charges, and</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		<p>any assumptions that increasing the financial amount will lead to significant increases in income with the potential for increased fly-tipping and costly waste collection interventions.</p> <p>We would also encourage the service to explore opportunities for partnerships with local community composting initiatives where appropriate to encourage garden waste recycling.</p>
<p><i>c) Community Safety Intelligence Hub</i></p> <p>Savings of up to £220k</p>	<p>Concerns were raised around the impact of the proposed reduction in service provision on community safety, particularly ASB and crime.</p> <p>The centrality of the Intelligence Hub to community safety interventions across the partnership was noted, ensuring already finite and overstretched resources are focused and targeted. There was concern that without this there likely would not be the same level of focus, potentially resulting in high risk of harm in the community.</p> <p>At this stage, detail on the impact of current service provision stopping or being significantly reduced was not clear. Whilst it is understood that the proposal was at a relatively early stage of its development, it was difficult to fully understand or appreciate its implications.</p>	<p>We feel that the impact of the proposal on service provision should be carefully evaluated, particularly around community safety partners being less well briefed for their deployments which may lead to increases in ASB and crime.</p> <p>We would encourage the service to explore the alternative possibility of the Intel Hub being given the authority to charge internal and external departments and stakeholders for their services, which may reduce the proposed reduction in staff by a post.</p> <p>We would also encourage the service to continue to engage with community safety partners to explore opportunities to deliver the</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		proposed gap in service provision and/or further funding opportunities.
	<p>Concerns were raised around the impact of losing experienced staff whose replacement may be difficult to find.</p> <p>It was noted that, should the savings target be agreed, the proposal would see a reduction in staff within the Intel Hub of over 50%. Those staff members would then be subject to the redeployment processes with the potential for redundancy.</p>	<p>We feel that careful consideration would need to be given to the reprioritisation of service provision should the proposals go ahead, fundamentally to reflect our statutory duties but also to explore the possibility of retaining other interventions where possible.</p> <p>We also feel it will be particularly important to robustly engage with staff and unions to develop the proposals further.</p> <p>Robust communication with staff would be needed should the proposals go ahead, as well as support to those who may be subject to redeployment and potential redundancy.</p>
	Concerns were raised over a risk of community disquiet and resident backlash due to the proposed reduction in service provision.	We feel that it would be important to proactively consider and respond to community tensions and impacts if the proposal was to go ahead, such as through robust communication and engagement with staff, residents and partners.
<p><i>d) Enforcement Service</i></p> <p>Savings of up to £402k</p>	Concerns were raised around the impact of the proposed reduction in enforcement officer staff on the service's ability to respond to significant events and possible increases in ASB & crime.	We feel that the impact of the proposal on service provision should be carefully evaluated, particularly around the risks to ASB, crime, public

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	<p>It was noted that it would be unrealistic to expect the same level of service for residents from a community safety perspective if the proposal was to go ahead. For example, support for certain major events may be impacted as the work of the service becomes more focused, and interventions may need to be reprioritised into higher priority objectives at the expense of estate based work.</p>	<p>safety and community cohesion.</p> <p>We feel it will be particularly important to consider the impact of redirecting resources away from hotspot areas and town centres, as well as estate based activities and responses to significant events.</p> <p>This should include a detailed EIA being undertaken promptly to understand the impact of the proposals on residents, especially those with protected characteristics.</p>
	<p>Concerns were raised around the impact of losing experienced staff whose replacement may be difficult to find.</p> <p>It was noted that the proposed saving for 2024/25 would see a reduction of one enforcement officer post, and the proposed saving for 2025/26 would see a reduction of further two enforcement officer posts. The service will hold vacancies as they arise to mitigate the risk of redundancies.</p>	<p>We feel that careful consideration would need to be given to the reprioritisation of service provision should the proposals go ahead.</p> <p>We also feel it will be particularly important to robustly engage with staff and unions to develop the proposals further.</p> <p>Robust communication with staff would be needed should the proposals go ahead, as well as support to those who may be subject to redeployment and potential redundancy.</p>
	<p>Concerns were raised over a risk of community disquiet and resident backlash due to the proposed reduction in enforcement officer staff.</p>	<p>We feel that it would be important to proactively consider and respond to community tensions and impacts if the proposal</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		was to go ahead, such as through robust communication and engagement with staff, residents and partners.
	<p>Questions were raised around the rationale for the proposal to increase Fixed Penalty Notice (FPN) fines.</p> <p>It was noted that the saving proposals are predicated on the Council's ability to optimise the issuing of FPN fines to act as a deterrent for those who may partake in anti-social behaviour and other nuisances.</p>	<p>We were assured that the proposal was not being put forward as a means of generating income for the service, but rather as a tool to encourage behaviour change.</p> <p>We feel it is essential that FPN fines are used as part of a wider enforcement strategy that primarily focuses on engagement with, and education of, the local community.</p> <p>Careful consideration should also be given to the affordability of the proposed increases, and any assumptions that increasing the financial amount will lead to significant increases in income.</p>
<p><i>e) Private Sector Housing</i></p> <p>Savings of up to £200k</p>	<p>Concerns were raised around the impact of the proposals on service delivery, particularly preventative work and its ability to respond to events and issues such as fire or building issues, rogue/criminal landlord activity and increased cases of damp & mould.</p> <p>It was noted that there were long-standing issues across the borough's private sector housing stock which the service had historically found difficult to address, and there were concerns that the</p>	<p>We were assured that there would be no impact on the service currently being delivered if the proposals were to go ahead.</p> <p>We feel that it would be important to keep the function under review, ensuring resources are available as and when needed to respond to events and issues such as during the winter months.</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	proposal would limit any preventative and enforcement activities across these areas.	Looking forward, we would encourage careful consideration to be given to the commitments made to expand the Private Sector Housing function and the significant additional regulatory and enforcement responsibilities placed on councils by the Renters' Reform Bill.

SKILLS ECONOMY AND GROWTH SCRUTINY COMMISSION

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
<i>a) Libraries Service (£248k)</i>	<p>Relates to saving on staffing, security and building upkeep for Stoke Newington Library during its forthcoming 2 year closure to fix its roof. It is a one off saving and not prejudging the future of Library Services. It is helping to balance the budget for one year.</p> <p>Concerns about the mitigations for the current service users and the loss of their library service for 2 years.</p> <p>Concerns that this saving is not a permanent fix and that they still face the challenge about the wider issues of the future library provision and options going forward.</p>	<p>A key issue here is communication plans around much loved services such as libraries so this has to be handled sensitively in the climate of having to make service reductions.</p> <p>The changes will impact on school children and students studying in libraries and residents using it as a warm space and Members queried how much the immediate changes and possible alternatives were being communicated to these users.</p> <p>In relation to the options being considered for library services post refurbishment, and taking</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
		into consideration the ongoing asset maintenance costs, Officers were asked to consider income generation possibilities to help contribute towards costs.
<i>b) Regeneration and Economic Development (£200k)</i>	<p>Relates to less funding available to commission consultants to carry our regeneration and economic development work.</p> <p>Concerns about how to use more creative procurement with third sector or partners to fill the gap.</p> <p>Concerns about how to fill the gaps there will be in the service with fewer staff.</p> <p>Concern about the need to be strategic in relation to which consultancy services we're going to stick with externally and which skills we are going to develop more in house.</p> <p>Concerns that pursuance of external funding for projects (funding for ambitious Regen projects) comes with strings attached depending on the funders priorities and that we will be required to twist our plans into their preferred shape rather than our requirements.</p> <p>Concern that the withdrawal from this funding pot could impede the Area Regen team's convening power. Therefore ensuring the various consultancy funding pots across the council are rationalised so they can be used for cross departmental work.</p> <p>Concern about how the impact will be</p>	<p>Because we are losing some consultancy budget in this area Members asked if we can rationalise the overall consultancy pot across the whole council so it can be called upon in a cross departmental manner and shared.</p>

Overview and Scrutiny

	<i>Areas of concern raised</i>	<i>Suggestions to Cabinet Members and Officers</i>
	measured and will this impact overall prosperity and the Council's ability to raise revenues.	

Overview and Scrutiny

OVERARCHING THEMES AND CROSS CUTTING ISSUES

The following cross cutting issues were identified across the 4 Commissions and Scrutiny Panel

1. There is an overarching concern that there needs to be a greater political steer to the administration about the impact on the Council's reputation of **making a number of small savings on a few very high profile areas** which are actually very visible to all residents. We would suggest that greater consideration should have been given to the cumulative impact of these in the first instance and the allied media coverage to be expected. The attention in certain areas is unlikely to be proportionate to the actual savings made. The Council instead should aim to be more explicit with residents about the extent of the challenge being faced and then illustrate this with a more judicious focus on the larger savings areas that are being proposed.
2. We would emphasise that the Council needs to act with caution when making savings plans across multiple related areas in order to ensure that the **full cumulative impact of these is assessed in advance**. The savings in waste management services, for example - the end of free food waste sacks, the route optimisation of waste collections, and the reduction in the waste collections in parks, should be introduced in a phased way and should be kept under review.
3. We learned how **Transformation Programmes** have been put in place in a number of areas both to drive efficiency ("doing more with less") and enable cost savings. There was however a lack of financial and other detailed information presented on some of these. Whilst we acknowledge some have only been instigated, Scrutiny is not yet able to test the proposals or their underlying assumptions and we're unable therefore to understand how precisely these savings might be realised.
4. We expressed a general concern that most services **have been through major transformation programmes** in the not too distant past, which begs the question of how much more can be achieved with trying to push for behaviour change and/or further reductions in relation to staffing or work practices. We would need greater reassurance that there is still scope for these.
5. We would ask that **evaluations and analyses of these pilots** and transformation programmes should be reported to the relevant Scrutiny Commissions at key milestones and that these be added to future work programmes so that there can be some ongoing monitoring of progress.
6. There was a lack of detail so far on a plan for **public engagement** in relation to the transformation programmes and wider savings plans. We recognise that the Council has started communicating with residents about the Council's budget and financial position. Having **robust communication plans for both residents and staff** will be critical to everyone having the

Overview and Scrutiny

same level of understanding about the difficult choices being made. For this reason we would suggest that the strategic communications function needs to continue to be adequately resourced. Some of the Council's workforce are also residents and so both cohorts need to be given an opportunity to feedback.

7. We have concerns about the high use of **external consultants** and their costs. We would suggest that there needs to be tighter control of costs here and that the spend in each programme always needs to be proportionate to the level of savings they are expected to deliver.
8. We would suggest that there needs to be a rationalisation of use of consultants across the whole Council and a **review of the level of expertise** that appears to be lacking in certain departments and the reasons for this. We acknowledge that previous delaying of management is likely to have contributed to the lack of expertise in these 'change management' functions but again an overview of this area needs to be taken.
9. Some savings proposals are predicated on a **standstill position** in terms of both demand and costs yet, in Adult Social Care for example, growth in demand is fast outstripping demographic growth. We have a concern therefore that these trends could potentially derail future savings plans. We recognise that all budgets have factored in growth, where needed, but it is clear from the wider economic situation that these financial pressures will continue to increase and so need to be taken into account.
10. Allied to this we'd question whether sufficient allowance has been made in the plans for the impact of **cost of living increases** on financially stretched residents and the wisdom, for example, of assuming an elasticity of demand when increasing fees and charges. We acknowledge too that inflationary pressures are hitting every aspect of procurement.
11. CYP Scrutiny Commission in particular found it difficult to make observations without having the detail needed before them to provide sufficient challenge. The refined set of proposals going to their second meeting were **6 weeks later than expected** and so the time for them to consider these was condensed. Timing and getting the right information to Scrutiny Members is the key to effective budget scrutiny.
12. There needs to be acknowledgement here of the impact of the **Renters Reform Bill** which if it becomes law will impose a number of new obligations on the Council to those in the Private Rented Sector and in Housing Associations. With the remit and workloads of the PRS department now expected to increase there needs to be adequate budgetary provision for this.

Overview and Scrutiny

LEARNING FOR NEXT YEAR

1. We had understood that this year there would be an attempt to better integrate long term change programmes with the Medium Term Financial Planning and this would be our ongoing aspiration for this work. This past year however we felt that not enough clarity was provided on the underlying assumptions behind the budget process. We acknowledge the hard work Finance officers, Directors and the Cabinet Members put in in preparing for and contributing to these sessions and we noted that the volume of information provided this year (including in the regular Budget Overview report to the regular Scrutiny Panel meetings), far exceeded what was provided in the past, and we are most grateful for this.
2. A key learning point for next year is that information needs to be provided in a more timely manner if a budget scrutiny process is to be effective. Forward planning for the process for next year needs to commence now by adding budget scrutiny dates in the Council calendar to secure the sessions.
3. Scrutiny has generally not had sight of all the alternatives considered but discarded by senior officers before selecting the proposals that came before us. We acknowledge that this could be difficult but having a greater insight into the rationale and the assumptions underpinning the decisions made would, we think, help to improve the process.
4. A new process was used this year and so there are lessons for both sides. For the work leading up to the 2024/25 budget we welcome the suggestion to commence this work from May 2024 and that we programme in advance 2 or 3 sessions per Scrutiny Commission.
5. We acknowledge that the individual Scrutiny Commissions may choose to get into the detail of a number of areas which have been considered at Budget Scrutiny and may get involved in looking at the policy, service provision and financial context for those. In addition, the Budget Scrutiny Process will throw up issues where individual Commissions might be seeking more detail which they can look at separately at their Commission meetings. This is for agreement between the Chairs, Cabinet Members and the Directors, in the normal course of their agenda planning, but it should be treated as separate from the Budget Scrutiny process which addresses specific savings proposals.
6. We will explore with officers drafting a **Budget Scrutiny Protocol** which we can agree and will set out clearly the process, the timeline, the expectations on both sides at each stage and the governance process up until the agreement of the budget at Full Council. We hope that this will lead to a more streamlined process for next year.

Overview and Scrutiny

Appendix 1: Summary Tables of Savings and Income Generation From Proposals by Directorate

General Fund Account

Directorate	Service Areas	Cost Saving	Income Generation	Total	Notes
Climate Homes & Economy Street Cleansing and Waste Review	Commercial Waste		£360,000		
	Route Optimisation	£210,000			
	Removal of free compostable liners	£81,000			
				£651,000	
Children and Education	Children Centres	£4,000,000			
	Young Hackney	£1,000,000			
	SEN Transport	£500,000			
	OBIS	£1,000,000			
				£6,500,000	
Adults Health & Integration	Public Health	£3,000,000			
	Delivering Better Outcomes for ASC	£5,860,000			
	Housing related Support	£1,500,000			Withdrawn
				£8,860,000	

Housing Revenue Account

Directorate	Service Areas	Cost Saving	Income Generation	Total	Notes
Climate, Homes & Economy	Bad Debt Reduction	£2,600,000			
	Formula Rent Calculation		£300,000		
	Rent charges for Regen Void in line		£295,000		

Overview and Scrutiny

Directorate	Service Areas	Cost Saving	Income Generation	Total	Notes
	with TA Rents				
	Review of Housing Disrepairs	£682,000			Notified after the meeting
				£3,877,000	

Discretionary Spend

Directorate	Service Areas	Cost Saving	Income Generation	Total	notes
Chief Executives	Communication & Engagement	£170,000			
	Love Hackney	£80,000			
	Cash Payment Channels	£141,000			
				£391,000	
Climate, Homes & Economy	Parks and Green Spaces	£70,000			Proposal reduced by £25K reflecting member feedback
	Green Waste Charges		£468,000		
	Community Safety Intelligence Hub	£220,000			
	Enforcement	£235,000	£167,000		
	Private Sector Housing	£200,000			One off
	Libraries	£248,000			One off
	Regeneration & Economic Development	£200,000			
				£1,838,000	