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**AGENDA FOR THE EXECUTIVE**

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Members of the Executive are summoned to attend a meeting to be held in Committee Room 4, Town Hall, Upper Street, N1 2UD on **12 February 2015 at 7.30 pm.**

**John Lynch**  
**Head of Democratic Services**

Enquiries to : Philippa Murphy  
Tel : Tel: 020 7527 3184 Email: Philippa.murphy@islington.gov.uk  
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Despatched : 4 February 2015

**Membership 2014/15**

Councillor Richard Watts  
Councillor Janet Burgess MBE  
Councillor Joe Caluori  
Councillor Paul Convery  
Councillor Andy Hull  
Councillor James Murray  
Councillor Claudia Webbe  
Councillor Asima Shaikh

**Portfolio**

Leader of the Council  
Executive Member Health and Wellbeing  
Executive Member Children and Families  
Executive Member Community Safety  
Executive Member Finance and Performance  
Executive Member Planning and Development  
Executive Member for Environment and Transport  
Executive Member for Economic and Community Development

**Quorum is 4 Councillors**

Please note

It is likely that part of this meeting may need to be held in private as some agenda items may involve the disclosure of exempt or confidential information within the terms of Schedule 12A of the Local Government Act 1972. Members of the press and public may need to be excluded for that part of the meeting if necessary. Those items are at Section G of the agenda.

Details of any representations received about why the meeting should be open to the public - none



## **Declarations of interest:**

If a member of the Executive has a **Disclosable Pecuniary Interest\*** in an item of business and it is not yet on the council's register, the Councillor **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent. Councillors may also **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency. In both the above cases, the Councillor **must** leave the room without participating in discussion of the item.

If a member of the Executive has a **personal** interest in an item of business they **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but may remain in the room, participate in the discussion and/or vote on the item if they have a dispensation from the Chief Executive.

- \***(a) Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.
- (b) Sponsorship** - Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) Land** - Any beneficial interest in land which is within the council's area.
- (e) Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

**NOTE:** Public questions may be asked on condition that the Chair agrees and that the questions relate to items on the agenda. No prior notice is required. Questions will be taken with the relevant item.

Requests for deputations must be made in writing at least two clear days before the meeting and are subject to the Leader's agreement. The matter on which the deputation wants to address the Executive must be on the agenda for that meeting.

## **A. Formal Matters**

1. Apologies for absence
2. Declarations of Interest
3. Minutes of the meeting held on 15 January 2015

## **B. Budget and Resources Matters**

1. Budget 2015-16
2. Financial Position as at 31 December 2014

## **C. Service Related Matters**

3. Building new council homes: proposed application for a Compulsory Purchase Order in respect of 3 & 5 Rowstock Gardens, Camden Estate, N7 0BG and 8,9 and 10 Turnpike House, Kings Square Estate, EC1V 7PB

#### **D. Procurement Issues**

1. Procurement strategy for Public Protection anti-social behaviour patrol services
2. Approval of the procurement strategy for taxi and passenger attendant contract
3. Approval of the procurement strategy for housing repairs - scaffolding (North and South)
4. Approval of the procurement strategy for domestic boiler installation programme with responsive repairs and servicing including out of hours emergency cover contract
5. Approval of procurement strategy for housing support services for people with substance misuse issues
6. Approval of procurement strategy for specialist substance misuse services
7. Approval of the procurement strategy for a Mental Health Crisis Prevention Service
8. Approval of the procurement strategy for mental health supported accommodation
9. Approval of the procurement strategy for a Joint Camden and Islington oral health promotion service contract

#### **E. Urgent non-exempt matters**

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

#### **F. Exclusion of press and public**

To consider whether to exclude the press and public during discussion of the remaining items on the agenda, in view of their confidential nature, in accordance with Schedule 12A of the Local Government Act 1972.

**G. Urgent Exempt Matters**

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

**H. Confidential / exempt items for information**

The next meetings of the Executive will be on 26 February 2015 (Budget only) and  
12 March 2015

London Borough of Islington

**Executive - 15 January 2015**

Minutes of the meeting of the Executive held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 15 January 2015 at 7.30 pm.

**Present:**                      **Councillors:**    Watts, Burgess, Caluori, Convery, Hull, Murray and Webbe

**Councillor Richard Watts in the Chair**

**80            LEADER'S ANNOUNCEMENTS**

Councillor Watts advised that Councillor Ismail had resigned as a member of the Executive.

**81            APOLOGIES FOR ABSENCE**

None.

**82            DECLARATIONS OF INTEREST**

None.

**83            MINUTES OF PREVIOUS MEETING**

That the minutes of the meeting on 27 November 2014 be confirmed as a correct record and the Chair be authorised to sign them.

**84            BUDGET PROPOSALS 2015-16**

**RESOLVED:**

That the following proposed recommendations be included in the Budget Proposals 2015-16 report to Executive on 12 February 2015 and Council on 26 February 2015:

**The General Fund Budget 2015-16 and MTFS (Section 3)**

- 1.1      That the 2015-16 net Council cash limits as set out in Table 1 (paragraph 3.1.4 of the report) be agreed and the MTFS at Appendix A to the report, which includes the revenue savings in Appendix B to the report, be agreed.
- 1.2.     That it be agreed that within the 2015-16 revenue budget, £0.6m to continue to provide a Resident Support Scheme following the cessation of Local Welfare Provision funding by the Government, and that it be noted that we will review expenditure on the Resident Support Scheme in the first three months of 2015-16 and supplement this funding as required from the Housing Benefit Reserve up to the level of the government grant for 2014-15

## Executive - 15 January 2015

that is being cut (£1.44m). (Paragraphs 3.2.5 to 3.2.6 of the report).

- 1.3 That the requirement to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31<sup>st</sup> March to the Department for Education by 31<sup>st</sup> May each year (paragraph 3.2.15 of the report) be noted.
- 1.4 That the fees and charges policy and the schedule of 2015-16 fees and charges (paragraph 3.2.16-17 of the report and Appendix C to the report) be agreed.
- 1.5 That the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves (paragraph 3.2.21-22 and Table 3 of the report) be agreed.

### **The HRA Budget and MTFS (Section 4)**

- 1.6 That the balanced HRA 2015-16 budget within the HRA MTFS at Appendix D1 to the report be agreed.
- 1.7 That the proposed increase in 2015-16 for HRA rents and other fees and charges (paragraphs 4.4 to 4.9, Table 5 of the report and Appendix D2 of the report) be agreed.

### **The Capital Programme 2015-16 to 2017-18 (Section 5)**

- 1.8 That the 2015-16 capital programme be agreed and the provisional programme for 2016-17 to 2017-18, which includes funding for an expanded Phase 2 Bunhill heat and power scheme (funded on the expectation that it will be a priority for planning gain from developments in Bunhill) (paragraph 5.1, Table 6 of the report and Appendix E to the report) be noted.
- 1.9 That the Corporate Director of Finance and Resources applies capital resources to fund the capital programme in the most cost-effective way (Paragraph 5.3 of the report) be agreed.
- 1.10 That the schemes that comprise the Capital Allowance pot of eligible affordable housing and regeneration schemes (Paragraph 5.4 of the report and Appendix E to the report) be noted.

### **Treasury Management Strategy (Section 6)**

- 1.11 That the Treasury Management Strategy will initially be considered by Audit Committee on 29<sup>th</sup> January 2015 and then included for agreement within the final budget report to Executive on 12<sup>th</sup> February 2015 and Council on 26<sup>th</sup> February 2015 be noted.

Reason for decision – To enable the Council to set a lawful budget.

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**85**      **FINANCIAL POSITION AS AT 30 NOVEMBER 2014**

**RESOLVED:**

- 1.1. That the overall forecast revenue outturn for the General Fund of a £0.7m underspend (paragraph 3.1, Table 1 and Appendix 1 of the report) be noted.
- 1.2. That the HRA is forecast to break-even over the financial year (paragraph 3.1, Table 1 and Appendix 1 of the report) be noted.
- 1.3. That the latest capital position be noted and the slippage over £1m on an individual scheme (Section 6, Paragraph 6.2, Table 2 and Appendix 2 of the report) be agreed.

Reason for decision – to allow Councillors to monitor the budget

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**86**      **GP APPOINTMENT SYSTEMS - RECOMMENDATIONS FROM THE HEALTH AND CARE SCRUTINY COMMITTEE**

**RESOLVED:**

That the report of the Health and Care Scrutiny Committee be received.

Reason for decision – to enable the Executive to respond to the scrutiny committee's recommendations

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**87**      **DIESEL SURCHARGE ON PERMITS**

Councillor Watts noted that the members of the Executive had fully considered the contents of an email received today from The Society of Motor Manufacturers and Traders Limited.

**RESOLVED:**

1. That a surcharge on diesel and heavy oil emission pricing for resident parking permits, as set out in paragraph 3.9 of the report, be introduced with effect from April 2015 be agreed.

2. That exemptions from the surcharge for carers, taxis (black cabs) and trades people, as set out in paragraph 3.13, 3.14 and 3.16 of the report be allowed with effect from April 2015 and until the introduction of the Mayor's Ultra Emission Zone be agreed.

Reason for decision – to reduce harmful emissions

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

88

**APPROVAL OF THE PROCUREMENT STRATEGY FOR UNIVERSAL CHILD HEALTH SERVICES, INCLUDING REQUEST FOR A TWO YEAR EXTENSION TO THE SCHOOL NURSING CONTRACT.**

**RESOLVED:**

1. That the procurement strategy for Universal Child Health Services 0-19 be agreed. This strategy recommends the procurement of health visiting and school nursing services together from April 2017.
2. That a two year contract extension be awarded to Whittington Health for the School Nursing Service contract (contract No. WH-sub-1007), as part of this procurement strategy, to allow time to conduct a review of both services and design the new service model, be agreed.
3. That a future pre-procurement strategy report will be presented to the Executive following the health visiting service transfer to the council in October 2015 and once the health visiting and school health reviews are completed be noted. The report will contain further details about the new service model for Universal Child Health Services 0-19, as well as its estimated value, the procurement timetable and the evaluation criteria.

Reason for decision – to ensure that services continue to be delivered during the review of both services and design the new service model

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.



**89**      **APPROVAL OF CONTRACT AWARD FOR THE YOUNG PEOPLE'S SEXUAL HEALTH SERVICE**

**RESOLVED:**

That the following awards of contracts for younger people's sexual health services be agreed:

- 1.1 Lot 1 - Core Offer + \*\*Specialism (Targeted and Vulnerable Groups Sexual Health and Relationships Support Service; Brook
- 1.2 Lot 2 - Core Offer + \*\*Specialism (C-Card Coordination PLUS Workforce development); The Brandon Centre
- 1.3 Lot 3 - Core Offer + \*\*Specialism (Clinical Outreach Service); Homerton NHS Trust
- 1.4 That authority be delegated to the Director of Public Health for the award of Lot 4.
- 1.5 That the contents of Exempt Appendix A be noted.

Reason for decision – to provide a managed network of sexual health services and achieve better value for money.

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**90**      **CONTRACT AWARD FOR THE PROVISION OF 23 NEW HOMES AND A NEW COMMUNITY CENTRE ON IVY HALL, HOLLY PARK ESTATE**

**RESOLVED:**

To approve the award of a contract to Higgins Construction PLC for the construction of 23 new homes and a new community centre.

Reason for decision – to provide new council homes and a new community centre.

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**91**      **PROCUREMENT STRATEGY APPROVAL FOR THE TRANSFORMATION OF SEXUAL HEALTH SERVICES**

**RESOLVED:**

1. That the procurement strategy, setting out the approach to the transformation of open access sexual health services over the next two years, be agreed.
2. That Islington Council's continued participation in an Alliance of London councils for the purposes of (i) a collaborative commissioning approach to open access Genito-Urinary Medicine (GUM) services for 2015/16 and 2016/17; and (ii) gaining access to the terms and standards negotiated by other London councils participating in the Alliance with other open access GUM services over that period be agreed.
3. That the council's Procurement Rules be waived in order for Islington Council to contract with the existing local service provider, Central and North West London NHS Foundation Trust (CNWL), in 2015/16 and 2016/17 for (i) the provision of open access GUM services, acting as the host local authority on behalf of the councils participating in the Alliance, and (ii) open access Sexual and Reproductive Health (SRH) community contraceptive services, commissioned jointly with Camden, be agreed.
4. That authority be delegated to the Director of Public Health to approve the contracts with Central and North West London NHS Foundation Trust for GUM and SRH services on behalf of the London Borough of Islington for 2015/16 and 2016/17 be agreed.

Reason for decision – to enable joint commissioning of the open access sexual health service

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**92**      **PRE-PROCUREMENT APPROVAL: EXTRA CARE SHELTERED HOUSING**

**RESOLVED:**

That the procurement strategy as outlined in the report, to enter into a new contract to provide Extra Care Services, with an option to break or extend the contract every four years, to a maximum of sixteen years, be agreed.

Reason for decision – to secure continuity of care and supply of specialist resources.

Other options considered – none, other than as detailed in the report and related papers

Conflicts of interest / dispensations granted – none.

**93**      **APPROVAL OF CONTRACT AWARD FOR THE YOUNG PEOPLE'S SEXUAL HEALTH SERVICE - EXEMPT APPENDIX**

**RESOLVED:**

That the exempt information in the appendix to agenda item E9 be noted (see Minute 89 for decision).

**94**      **CONTRACT AWARD FOR THE PROVISION OF 23 NEW HOMES AND A NEW COMMUNITY CENTRE ON IVY HALL, HOLLY PARK ESTATE - EXEMPT APPENDIX**

**RESOLVED:**

That the exempt information in the appendix to agenda item E10 be noted (see Minute 90 for decision).

MEETING CLOSED AT 7.55 pm

CHAIR

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**Report of : Executive Member for Finance**

Meeting of	Date	Agenda Item	Ward(s)
Executive	12 <sup>th</sup> February 2015		
Delete as appropriate	Exempt		Non-exempt

## **SUBJECT: BUDGET PROPOSALS 2015-16 – COVERING REPORT**

### **1. SYNOPSIS**

- 1.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council in respect of the 2015-16 budget proposals and level of council tax. All other recommendations contained in the substantive report 'Budget Proposals 2015-16' are matters for the Executive to decide itself.

### **2. RECOMMENDATIONS**

#### **The General Fund Budget 2015-16 and MTFS (Section 3 of the Main Report)**

- 2.1 To agree the 2015-16 net Council cash limits as set out in **Table 1 (paragraph 3.1.4)** and the MTFS at **Appendix A**, which include the revenue savings in **Appendix B**.
- 2.2 To note the report of the Policy and Performance Scrutiny Committee on 22<sup>nd</sup> January 2015 in reviewing the 'Budget Proposals 2015-16' and to agree its recommendation for the addition of an invest-to-save scheme comprising the installation of photovoltaic (PV) plates on corporate Council properties (excluding leisure centres, schools and housing, which are subject to ongoing exploration). (**Paragraph 3.1.3 and Appendix B**)
- 2.3 To agree, within the 2015-16 revenue budget, £1.16m from general grant funding to continue to provide a Resident Support Scheme following the reduction in Local Welfare Provision (LWP) funding by the Government on being transferred from specific to general grant, and to note that we will review expenditure on the Resident Support Scheme in the first three months of 2015-16 and supplement this funding as required from the Housing Benefit Reserve up to the level of the LWP funding for 2014-15 (£1.44m). (**Paragraphs 3.2.5 to 3.2.6**)

- 2.4 To note the requirement to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31<sup>st</sup> March to the Department for Education by 31<sup>st</sup> May each year. (**Paragraph 3.2.15**)
- 2.5 To agree the fees and charges policy and the schedule of 2015-16 fees and charges. (**Paragraph 3.2.16-17 and Appendix C**)
- 2.6 To agree the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves. (**Paragraph 3.2.21-22 and Table 3**)

#### **The HRA Budget and MTFs (Section 4 of the Main Report)**

- 2.7 To agree the balanced HRA 2015-16 budget within the HRA MTFs at **Appendix D1**.
- 2.8 To note the proposed increases in 2015-16 for HRA rents and other fees and charges. (**Paragraphs 4.4 to 4.9, Table 5 and Appendix D2**)

#### **The Capital Programme 2015-16 to 2017-18 (Section 5 of the Main Report)**

- 2.9 To agree the 2015-16 capital programme and note the provisional programme for 2016-17 to 2017-18, which includes funding for an expanded Phase 2 Bunhill heat and power scheme (funded on the expectation that it will be a priority for planning gain from developments in Bunhill). (**Paragraph 5.1, Table 6 and Appendix E1**)
- 2.10 To agree that the Corporate Director of Finance and Resources applies capital resources to fund the capital programme in the most cost-effective way. (**Paragraph 5.3**)
- 2.11 To note the schemes that comprise the Capital Allowance pot of eligible affordable housing and regeneration schemes. (**Paragraph 5.4 and Appendix E1**)
- 2.12 To note the schedule of planned Traffic and Transportation schemes in 2015-16 and agree the related decision-making responsibilities for these schemes. (**Paragraph 5.5 and Appendix E2**)

#### **Treasury Management Strategy (Section 6 of the Main Report)**

- 2.13 To agree the Treasury Management Strategy, Annual Investment Policy, Prudential Indicators, Minimum Revenue Provision Policy Statement and investment criteria. (**Section 6 and Appendices F1 to F4**)

#### **Council Tax 2015-16, incl. Statutory Calculations (Section 7 of the Main Report)**

- 2.14 To agree the calculations required for the determination of the 2015-16 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
  - 1) The 2015-16 council tax requirement of £70,648,601. (**Paragraph 7.4**)
  - 2) The relevant amount of Islington Band D council tax of £981.22, a 1.99% increase compared to 2014-15, and to determine that this is not 'excessive'. (**Paragraphs 7.5 and 7.6**)
  - 3) The basic amount of Islington Band D council tax for dwellings to which no special item relates (i.e. outside of the Lloyd Square Garden area) of £981.01 and total Band D council tax (including the GLA precept) of £1,276.01. (**Paragraphs 7.8 and 7.12**)
  - 4) The amount of 2015-16 council tax (excluding the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.10**)
  - 5) The total amount of 2015-16 council tax (including the GLA precept) for each valuation band over each of the Council's areas. (**Paragraph 7.12**)

#### **Matters to consider in setting the Budget (Section 8 of the Main Report)**

- 2.15 To note the Section 151 Officer's and the Monitoring Officer's comments in their determination of the revenue and capital budgets for 2015-16 and the basis for the level

of council tax, including the Section 151 Officer's report in relation to his responsibilities under section 25 (2) of the Local Government Act 2003.

2.16 To note the Resident Impact Assessment (RIA) on the 2015-16 budget. (**Appendix G**)

2.17 To agree the Pay Policy Statement for 2015-16 at **Appendix H**.

### **3. INTRODUCTION**

3.1 This report sets out those matters upon which the Executive is being asked to make recommendations to Council.

3.2 It should be noted that some decisions are within the remit of the Executive whilst others are subject to approval by full Council. Decisions in relation to individual service areas (including the setting of rent) are matters which are Executive functions and in respect of which decisions may only be made by the Executive. Decisions on these areas of the budget were made at the meeting of the Executive on 15<sup>th</sup> January 2015. These are now incorporated in the overall Council budget to be agreed on 26<sup>th</sup> February 2015.

3.3 By contrast, decisions on the overall level of the budget, the calculation of estimates for the purposes of the council tax, the approval of the HRA and the approval of the capital programme are all recommendations by the Executive for onward transmission to and approval by full Council, as are the Treasury Management Strategy and prudential indicators. It is important that, in considering these recommendations, Members have fully read all reports before them and have taken account of the outcome of any consultation exercises as well as the financial and legal implications of such decisions.

### **4. PROCESS**

4.1 The report on the budget proposals for 2015-16, considered at the meeting of the Executive on 15<sup>th</sup> January 2015, was presented to a meeting of the Policy and Performance Scrutiny Committee on 22<sup>nd</sup> January 2015 when Non-Executive Members were given another opportunity to scrutinise the proposals and to make suggestions in respect of them. The Executive will now consider the representations made in the report from the Policy and Performance Scrutiny Committee.

4.2 The final GLA precept will be announced on 23<sup>rd</sup> February 2015. It is not anticipated that there will be any change to the GLA precept assumed within the substantive report 'Budget Proposals 2015-16'. If there is a change in the final GLA precept to that assumed, then Executive (after the 12<sup>th</sup> February 2015) will need to recommend a revised overall level of council tax for Council to agree on 26<sup>th</sup> February 2015.

4.3 In light of the fact that all the matters being considered by the Executive have already been subject to scrutiny by the Policy and Performance Scrutiny Committee in accordance with the Budget and Policy Framework Procedure Rules, call in does not apply to the decisions which may be made on the reports referred to herein.

## Final Report Clearance

Signed by



-----  
Executive Member for Finance and Performance

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Date

Received by

-----  
Head of Democratic Services

-----  
Date

Responsible Officer : Mike Curtis, Corporate Director of Finance and Resources  
Report Author : Tony Watts, Head of Financial Planning  
E-mail : [tony.watts@islington.gov.uk](mailto:tony.watts@islington.gov.uk)





**Report of :** Executive Member for Finance and Performance

Meeting of	Date	Agenda Item	Ward(s)
Executive Council	12 <sup>th</sup> February 2015 26 <sup>th</sup> February 2015		All
Delete as appropriate	Exempt	Non-exempt	

## **BUDGET PROPOSALS 2015-16**

### **1 INTRODUCTION**

- 1.1 The budget report is a strategic financial document which encapsulates the Council's priorities in an overall budget package for the financial year 2015-16. The principal purpose of this report is for the Executive to recommend proposals in respect of the 2015-16 budget, as the basis for setting the 2015-16 budget and council tax. The Policy and Performance Scrutiny Committee reviewed the proposed budget at its meeting on 22<sup>nd</sup> January 2015 and its recommendations have been taken into account in this report, in advance of setting the final budget and level of council tax at Council on 26<sup>th</sup> February 2015.
- 1.2 The contents of this report are summarised below:
- Section 2** sets out the recommendations.
  - Section 3** sets out the 2015-16 General Fund revenue budget and Medium Term Financial Strategy (MTFS).
  - Section 4** details the Housing Revenue Account (HRA) for 2015-16 and its MTFS.
  - Section 5** details the 2015-16 to 2017-18 Capital Programme.
  - Section 6** details the Treasury Management Strategy.
  - Section 7** sets out the statutory council tax calculations.
  - Section 8** details matters to consider in setting the budget.

## List of Appendices

<b>Appendix A</b>	MTFS 2015-16 to 2017-18
<b>Appendix B</b>	Revenue Savings 2015-16
<b>Appendix C</b>	General Fund Fees and Charges 2015-16
<b>Appendix D1</b>	HRA MTFS 2015-16 to 2017-18
<b>Appendix D2</b>	HRA Fees and Charges 2015-16
<b>Appendix E</b>	Capital Programme 2015-16 to 2017-18 <b>(E1)</b> Traffic and Transportation Schemes <b>(E2)</b>
<b>Appendix F</b>	Arlingclose's Economic and Interest Rate Forecast <b>(F1)</b> Prudential and Treasury Management Indicators <b>(F2)</b> Islington's Specified and Non Specified Investment Schedule <b>(F3)</b> Lending List <b>(F4)</b>
<b>Appendix G</b>	Resident Impact Assessment
<b>Appendix H</b>	Pay Policy Statement 2015-16

## **2** RECOMMENDATIONS

### The General Fund Budget 2015-16 and MTFS (Section 3)

- 2.1 To agree the 2015-16 net Council cash limits as set out in **Table 1 (paragraph 3.1.4)** and the MTFS at **Appendix A**, which include the revenue savings in **Appendix B**.
- 2.2 To note the report of the Policy and Performance Scrutiny Committee on 22<sup>nd</sup> January 2015 in reviewing the 'Budget Proposals 2015-16' and to agree its recommendation for the addition of an invest-to-save scheme comprising the installation of photovoltaic (PV) plates on corporate Council properties (excluding leisure centres, schools and housing, which are subject to ongoing exploration). (**Paragraph 3.1.3 and Appendix B**)
- 2.3 To agree, within the 2015-16 revenue budget, £1.16m from general grant funding to continue to provide a Resident Support Scheme following the reduction in Local Welfare Provision (LWP) funding by the Government on being transferred from specific to general grant, and to note that we will review expenditure on the Resident Support Scheme in the first three months of 2015-16 and supplement this funding as required from the Housing Benefit Reserve up to the level of the LWP funding for 2014-15 (£1.44m). (**Paragraphs 3.2.5 to 3.2.6**)
- 2.4 To note the requirement to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31<sup>st</sup> March to the Department for Education by 31<sup>st</sup> May each year. (**Paragraph 3.2.15**)
- 2.5 To agree the fees and charges policy and the schedule of 2015-16 fees and charges. (**Paragraph 3.2.16-17 and Appendix C**)
- 2.6 To agree the Council's policy on the level of General Fund balances and the estimated use of the Council's earmarked reserves. (**Paragraph 3.2.21-22 and Table 3**)

### The HRA Budget and MTFS (Section 4)

- 2.7 To agree the balanced HRA 2015-16 budget within the HRA MTFS at **Appendix D1**.
- 2.8 To note the proposed increases in 2015-16 for HRA rents and other fees and charges. (**Paragraphs 4.4 to 4.9, Table 5 and Appendix D2**)

### **The Capital Programme 2015-16 to 2017-18 (Section 5)**

- 2.9 To agree the 2015-16 capital programme and note the provisional programme for 2016-17 to 2017-18, which includes funding for an expanded Phase 2 Bunhill heat and power scheme (funded on the expectation that it will be a priority for planning gain from developments in Bunhill). **(Paragraph 5.1, Table 6 and Appendix E1)**
- 2.10 To agree that the Corporate Director of Finance and Resources applies capital resources to fund the capital programme in the most cost-effective way. **(Paragraph 5.3)**
- 2.11 To note the schemes that comprise the Capital Allowance pot of eligible affordable housing and regeneration schemes. **(Paragraph 5.4 and Appendix E1)**
- 2.12 To note the schedule of planned Traffic and Transportation schemes in 2015-16 and agree the related decision-making responsibilities for these schemes. **(Paragraph 5.5 and Appendix E2)**

### **Treasury Management Strategy (Section 6)**

- 2.13 To agree the Treasury Management Strategy, Annual Investment Policy, Prudential and Treasury Management Indicators, Minimum Revenue Provision Policy Statement and investment criteria. **(Section 6 and Appendices F1 to F4)**

### **Council Tax 2015-16, including Statutory Calculations (Section 7)**

- 2.14 To agree the calculations required for the determination of the 2015-16 council tax requirement and the level of council tax as detailed in **Section 7** and summarised below.
  - 1) The 2015-16 council tax requirement of £70,648,601. **(Paragraph 7.4)**
  - 2) The relevant (average) amount of Islington Band D council tax of £981.22, a 1.99% increase compared to 2014-15, and to determine that this is not 'excessive'. **(Paragraphs 7.5 and 7.6)**
  - 3) The basic amount of Islington Band D council tax for dwellings to which no special item relates (i.e. outside of the Lloyd Square Garden area) of £981.01 and total Band D council tax (including the GLA precept) of £1,276.01. **(Paragraphs 7.8 and 7.12)**
  - 4) The amount of 2015-16 council tax (excluding the GLA precept) for each valuation band over each of the Council's areas. **(Paragraph 7.10)**
  - 5) The total amount of 2015-16 council tax (including the GLA precept) for each valuation band over each of the Council's areas. **(Paragraph 7.12)**

### **Matters to consider in setting the Budget (Section 8)**

- 2.15 To note the Section 151 Officer's and the Monitoring Officer's comments in their determination of the revenue and capital budgets for 2015-16 and the basis for the level of council tax, including the Section 151 Officer's report in relation to his responsibilities under section 25 (2) of the Local Government Act 2003.
- 2.16 To note the Resident Impact Assessment (RIA) on the 2015-16 budget. **(Appendix G)**
- 2.17 To agree the Pay Policy Statement for 2015-16 at **Appendix H**.

### **3 GENERAL FUND BUDGET 2015-16**

#### **3.1 GENERAL FUND BUDGET - OVERVIEW**

- 3.1.1 Following the significant cut in national Government funding since 2010, Islington Council has had to close a net budget gap of £112m over the four years 2011-15. For the financial year 2015-16, there is a further budget gap of £37m to close, following the announcement of further Government cuts to the Council's general grant funding (£25m) and further inflationary and demographic cost pressures (£12m). There is significant financial uncertainty from 2016-17 onwards due in the main to the approaching General Election in May 2015 and the Spending Review that will follow.
- 3.1.2 The proposed General Fund revenue budget and net revenue cash limits for 2015-16 are shown within the MTFS at **Appendix A**. The MTFS includes the proposed 2015-16 General Fund savings, totalling £37m and included at **Appendix B**, and also details the forecast net expenditure over the medium term, based on current knowledge and expectations. Some savings are subject to the completion of consultation processes and detailed Resident Impact Assessments.
- 3.1.3 The savings proposals at **Appendix B** include the recommendation made by the Policy and Performance Scrutiny Committee on 22<sup>nd</sup> January 2015 in reviewing the 'Budget Proposals 2015-16' for the addition of an invest-to-save scheme comprising the installation of photovoltaic (PV) plates on corporate Council properties (excluding leisure centres, schools and housing, which are subject to ongoing exploration). This builds on the continuing work of the Task and Finish Group looking at Solar PV. The £1.1m invest to save requirement is included in the estimated use of the Council's earmarked reserves within **Table 3** of this report and reflected in the capital programme at **Appendix E1**. The ongoing saving will be £136k per annum from 2016-17 with a part-year saving of £68k in 2015-16 that forms part of the invest to save contribution.
- 3.1.4 **Table 1** below shows the net budget figures for 2015-16 that are included within the MTFS at **Appendix A**, for agreement as part of the recommendations of this report.

**Table 1 – Council Budget Requirement and Departmental Cash Limits 2015-16**

	<b>£000s</b>
<b>Departments</b>	
Children's Services	73,944
Chief Executive	6,870
Environment and Regeneration	30,564
Finance and Resources	467
Housing and Adult Social Services	81,619
Public Health	0
Corporate and Democratic Core (CDC)/Unapportionable Central Overheads (UCO)	16,675
<b>NET COST OF SERVICES</b>	<b>210,139</b>
<b>Net Corporate items</b>	<b>6,372</b>
<b>NET OPERATING EXPENDITURE</b>	<b>216,511</b>
<b>Other Budget Items:</b>	
Transfer to/(from) Reserves	14,361
New Homes Bonus (net of estimated top-slice to London Local Enterprise Partnership)	(9,884)
Education Services Grant (Estimate)	(2,322)
<b>AMOUNT TO BE MET FROM CORE GOVERNMENT FUNDING, RETAINED BUSINESS RATES AND COUNCIL TAX</b>	<b>218,666</b>

## 3.2 **GENERAL FUND BUDGET – DETAIL**

### **Local Government Finance Settlement 2015-16**

3.2.1 The Local Government Finance Settlement details the Council's core Government funding allocation for 2015-16. An analysis is shown in **Table 2** below.

**Table 2 – Core Government Funding 2015-16**

	<b>2015-16 £m</b>
Revenue Support Grant	66.5
Retained Business Rates	57.0
Top-up Grant	20.4
<b>Total Core Government Funding</b>	<b>143.9</b>

3.2.2 Overall, total core Government funding will be cut by £24.5m (15%) in 2015-16.

3.2.3 The Government estimates that the Council will collect £190m in business rates in 2015-16. Of this, the Council is estimated to retain £57m (30%) towards core funding, with 20% and 50% going to the GLA and Central Government respectively.

3.2.4 2015-16 core Government funding also includes a £20.4m top-up grant because estimated business rates income is less than the Government determined funding need.

### **Local Welfare Provision Funding/Resident Support Scheme**

3.2.5 Government funding for Local Welfare Provision (LWP) has been reduced from £1.44m in 2014-15 to £0.56m in 2015-16 (as announced in the final local government finance settlement), following the transfer in funding from specific to general grant. It is recommended that £1.16m is provided from general grant in 2015-16 to continue to provide a Resident Support Scheme. This can be provided for within the revenue budget due to the level of 2015-16 savings that have been found, including in particular £500k from reducing the number of refuse collection vehicles required by moving towards a communal kitchen waste and green waste collection service.

3.2.6 We are concerned, however, that this level of funding may not cover the demand for such support in 2015-16. As a result, we will review expenditure on the Resident Support Scheme in the first three months of 2015-16 and supplement this funding as required from the Housing Benefit Reserve up to the level of the specific government grant for 2014-15 (£1.44m). The Housing Benefit Reserve is being held to allow for the management of the transition from housing benefit to universal credit and for the ongoing requirement to run a council tax support scheme. The commencement of universal credit has continually been delayed by the Government and although our Islington start-date has not yet been fixed, we have recently been told that it will not be prior to October 2015 for new claimants and not until 2016-17 for current claimants. This delay should allow for the release of some temporary funding from the Housing Benefit Reserve as required in order to meet demand from some of the borough's most vulnerable residents through the Resident Support Scheme.

### **New Homes Bonus Scheme**

3.2.7 The Council will receive £13.8m New Homes Bonus income in 2015-16. Islington is the sixth highest recipient of New Homes Bonus in England, directly attributable to the number of new homes built in the borough over the past five years.

3.2.8 In 2015-16, an estimated £3.9m of our New Homes Bonus income will be top-sliced to fund London Local Enterprise Partnership (LEP) projects.

### **Health/Social Care Funding**

3.2.9 The Better Care Fund is a pooled budget to help improve the integration of health and care services that are currently commissioned by the NHS and local authorities. The revenue funding for Islington of £17m is from within Islington Clinical Commissioning Group budgets and will be pooled along with £1.4m of social care capital grants. The NHS and local authorities must agree locally through Health and Wellbeing Boards how

the funding will be spent across health and care services. Not all of these funds are transferring to the Council and £8.6m is existing NHS funding to support social care with health benefits, carers and reablement plus a further allocation for new burdens arising from the Care Bill.

- 3.2.10 The Council will receive £25.4m Public Health Grant in 2015-16, ring-fenced for spending on public health services.

#### **Children's Services Funding 2015-16**

- 3.2.11 The Dedicated Schools Grant (DSG) is a ring-fenced grant for spending on education. The Schools Forum makes recommendations about how the grant awarded to Islington should be allocated to schools and the Council (including the Early Years Service) as appropriate.
- 3.2.12 The Department for Education has committed to a DSG cash floor of minus 2% per pupil for 2015-16, to ensure that a minimum funding guarantee of minus 1.5% per pupil at school level can be maintained (excluding sixth form funding) and before the Pupil Premium is added. The DSG priorities for 2015-16 are being developed in conjunction with the Schools Forum.
- 3.2.13 The Pupil Premium is a specific grant to support disadvantaged pupils in mainstream and special schools, Pupil Referral Units, and 14 to 15 year olds in Further Education colleges. It is being extended to disadvantaged 3 and 4 year olds in early years provision from 2015-16. It is estimated that total Pupil Premium funding for Islington (including Academies) will be around £15.6m in 2015-16, to be announced in early 2015.
- 3.2.14 Education Services Grant (ESG) – The Department for Education has announced indicative allocations of this grant for 2015-16, with the Council's allocation being provisionally reduced by £0.5m in 2015-16 to £2.3m in line with an overall reduction in this funding stream at a national level.

#### **Statement of Assurance on Schools**

- 3.2.15 The Council has a system of audit in place that provides adequate assurance over maintained schools' standards of financial management and the regularity and propriety of their spending. The Council is required to report on the number of maintained schools that have completed the Schools Value Financial Standard (SVFS) by 31st March to the Department for Education by 31st May each year. The SVFS returns are also used by the Council to inform its programme of financial assessment of maintained schools and audit.

#### **Fees and Charges 2015-16**

- 3.2.16 Some fees and charges are laid down by statute and are not within the Council's power to vary locally; others are discretionary and are set with Council's approval. The Council's proposed discretionary fees and charges for 2015-16 are set out in the schedule included at **Appendix C** and incorporated in the overall revenue budget.
- 3.2.17 It is the Council's policy to increase its discretionary fees and charges in line with inflation (2.4% at Quarter 3 2014, this being the quarter average) unless a variation is approved by Council or Executive. The relevant extract of the Council's fees and charges policy is set out below:

"There will be an overall annual increase in fees and charges in line with the Retail Price Index (RPI), subject to the following:

- (i) use of the Quarter 3 RPI (All Items)
- (ii) appropriate rounding of charges for the purposes of administration and collection
- (iii) statutory changes to fees and charges being excluded
- (iv) fees and charges on which the Council has or decides to have a specific policy may be varied by report to the Executive

Where the Quarter 3 RPI (All Items) is negative all fees and charges will be frozen, subject to provisions (ii) to (iv) above."

3.2.18 Fees and charges in relation to Leisure Services and Cemeteries were agreed separately by the Executive on 27<sup>th</sup> November 2014 and took effect from 1<sup>st</sup> January 2015.

### **Local Initiatives Fund**

3.2.19 The Local Initiatives Fund is £240k, with £15k being allocated to each ward. Members decide on allocations locally and formal decisions will continue to be taken in-year by the Voluntary and Community Sector Committee.

### **General Balances and Reserves**

3.2.20 The Government has reserve powers under the Local Government Act 2003 to set a minimum level of reserves for which an authority must provide in setting its budget. These powers would only be used where there were grounds for serious concern about an authority and there is no intention to make permanent or blanket provision for minimum reserves under these provisions.

3.2.21 The Section 151 Officer is required to report to the authority, when it is making the statutory calculations required to determine its council tax, on the estimates included in the budget and the adequacy of reserves. The report of the Section 151 Officer is included within **Section 8** of this report. The estimated level of earmarked reserves and general balances for use in 2015-16, after taking into account existing and estimated allocations against these reserves, are shown in **Table 3** below:

**Table 3 – Estimated Reserve and General Balances 2015-16**

	<b>2015-16 £m</b>
Redundancy Reserve	4.8
Invest to Save Reserve	1.1
Contingency Reserve	1.9
Housing Benefit Reserve	7.3
Levies Smoothing Reserve	0.8
General Fund Balances (excluding schools)	10.6
Schools Balances	10.9
<b>Total</b>	<b>37.4</b>

3.2.22 It is recommended that the Council agrees the same policy as previous years on the level of general balances for the 2015-16 budget. This is as follows:

“The policy of the Council is to set a target level of General Fund balances (excluding schools balances) at 5% of the net budget requirement (excluding schools expenditure) over the course of the medium-term financial strategy. The rationale for this level is based upon an assessment of the level of risk inherent within the Council budget over the medium-term financial planning period. The level of General Fund balances should be adequate to meet working balance requirements and to provide a reasonable allowance for unquantifiable risks that are not already covered within the Council’s budgets and contingency sums. The Chief Finance Officer (Section 151 officer) shall be responsible for reporting to the Council on the adequacy of the reserves and balances.”

### **Corporate Levies**

3.2.23 The Council is required to pay levies to a number of other bodies, which must be met from within the overall budget requirement. The latest 2015-16 levy estimates are detailed in **Table 4**.

**Table 4 – Levy Estimates 2015-16**

<b>Levies by Body</b>	<b>2015-16 Budget £m</b>
Concessionary Fares (Freedom Pass)	11.923
North London Waste Authority	7.881
Lee Valley Regional Park Authority	0.226
Traffic and Control Liaison Committee	0.324
Inner London North Coroners Court	0.295
London Pensions Fund Authority	1.204
Environment Agency (Thames Region)	0.163
London Boroughs Grants Scheme	0.231
<b>Total</b>	<b>22.247</b>



## **4 THE HOUSING REVENUE ACCOUNT**

### **HRA Overview**

- 4.1 The HRA MTFS covers the cost of managing and maintaining council owned housing stock, servicing debt and contributing towards the long term investment in the stock, all of which is funded primarily from rents and tenant/leaseholder service charges.
- 4.2 The HRA MTFS is balanced over the medium term, accommodating the impact of inflation, the reintegration of the repairs service and the HRA's contribution towards the pension fund deficit. The proposed HRA budget for 2015-16 and the forecast budgets over the medium term, based on current knowledge and expectations, are shown within the HRA MTFS at **Appendix D1**.
- 4.3 A significant HRA budget risk over the medium term is the potential impact of the Government's welfare reforms. At this stage it is difficult to predict the financial impact with any degree of accuracy, but indicative modelling suggests costs in respect of additional staffing and rent arrears could be in the region of £5m.

### **Rental Income and Other HRA Fees and Charges**

- 4.4 It is Council policy to continue to apply the principles of rent restructuring; this means that properties not currently at target rent will move to the 2015-16 target rent subject to the affordability cap of the prior year rent plus the Consumer Price Index (1.2% at September 2014) plus 1% plus £2. However, properties already at target rent will simply increase by the Consumer Price Index (1.2% at September 2014) plus 1%.
- 4.5 **Table 5** below sets out the proposed average rent increase for 2015-16.

**Table 5 – Weekly Rent 2015-16**

	<b>Proposed 2015-16</b>
Average Weekly Rent	£115.89
Increase (£)	£4.40
Increase (%)	3.95%
Average Weekly Target Rent	£122.72

- 4.6 All other HRA fees and charges are set out at **Appendix D2** and increased in line with inflation in 2015-16 (Retail Price Index at September 2014, 2.3%) unless there are agreed reasons for doing otherwise. These exceptions are outlined below.
- 4.7 **Heating and Hot Water Charges** will not be increased in 2015-16. In addition, depending on the actual cost of energy in 2015-16, an energy fund will be established to mitigate against future energy price increases.
- 4.8 **Estate Parking Charges** will be increased to more closely reflect market charges.
- 4.9 **Concierge Charges:** a new £1 charge will be introduced where coverage is provided by a small number of cameras to enable anti-social behaviour issues to be addressed.

## 5 **CAPITAL PROGRAMME**

- 5.1 The 2015-16 to 2017-18 capital programme is summarised in **Table 6** below and shown in full at **Appendix E1**. This will deliver projects of £327m over the next three years and includes the continuation of existing programmes of investment in new homes (£119m), housing major works and improvements (£122m) and school buildings (£19m). This is a significant level of investment at a time when Government capital grants have been substantially scaled back.

**Table 6 – Capital Programme 2015-16 to 2017-18**

	<b>2015-16 £000</b>	<b>2016-17 £000</b>	<b>2017-18 £000</b>	<b>Total £000</b>
Housing and Adult Social Services	84,508	81,860	83,104	<b>249,472</b>
Children’s Services	16,165	4,000	0	<b>20,165</b>
Environment and Regeneration	29,446	15,425	8,326	<b>53,197</b>
Finance and Resources	1,500	1,500	1,500	<b>4,500</b>
<b>Total Capital Programme</b>	<b>131,619</b>	<b>102,785</b>	<b>92,930</b>	<b>327,334</b>

- 5.2 The capital programme includes funding for an expanded Phase 2 Bunhill Heat and Power scheme (£7.3m). This scheme is funded by external grant (£1m) and Council funding (£6.3m), on the expectation that the Council’s contribution will be a priority for planning gain from developments in Bunhill.
- 5.3 Whilst uncertainty surrounds the level and timing of capital receipts estimated to be available over the medium-term, the Council is forecasting that there will be sufficient resources to fund the 2015-16 programme and the provisional programme for 2016-17 to 2017-18. The Corporate Director of Finance and Resources will continue to apply capital resources to fund the ongoing capital programme in the most cost-effective way.
- 5.4 A key element of the Capital Medium Term Strategy is that the Council maximises the capital resources it has available for investment. This includes ensuring that the Council has a sufficient ‘Capital Allowance’ pot for affordable housing and regeneration schemes to avoid having to pay over housing capital receipts (excluding Right to Buy receipts which are covered by separate regulations) into the national pool. The schemes included in the Capital Allowance pot of eligible affordable housing and regeneration schemes are designated at **Appendix E1**.
- 5.5 A schedule of planned Traffic and Transportation schemes in 2015-16 and related decision-making responsibilities is provided at **Appendix E2**.

## **6 THE TREASURY MANAGEMENT STRATEGY 2015-16**

### **Background**

- 6.1 The Council's Treasury Management and Investment Strategy for 2015-16 was considered by Audit Committee on 29<sup>th</sup> January 2015. The key points of the Strategy are:
- The balance sheet and treasury position
  - Prospects for interest rates
  - Borrowing requirement and strategy
  - Debt rescheduling
  - Investment strategy and policy
  - HRA Self Financing
- 6.2 In summary it should be noted that:
- £61.2 million is estimated to be required to be borrowed over the next 3 years (£47.4 million to replace existing borrowing that matures and £13.8million of new borrowing to fund capital expenditure).
  - The borrowing strategy is to minimise borrowing costs, through using surplus internal cash and borrowing at optimal times at either variable or fixed rates which can include borrowing in advance of need.
  - It is expected that sums for investments will be minimal. Investment activity is restricted to institutions set in paragraph 6.25.
  - The Council's investment priorities in order of importance are:
    - security of the invested capital
    - liquidity of the invested capital
    - an optimum yield which is commensurate with security and liquidity
  - The Council's current contract with the Cooperative bank for banking services expires in 2015. Barclays PLC have been appointed following a tendering process and the arrangements will go live by spring 2015.
- 6.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) has defined treasury management as "the management of the organisations' investments and cashflow, its banking, money market and capital market transactions; the effective control of the risks associated with these activities and the pursuit of optimum performance consistent with those risks".
- 6.4 Treasury management activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Council adopted the Code of Practice on Treasury Management on 26th February 2002. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year. The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies procedures and practices.
- 6.5 The treasury management function is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. The Council is required to set out an Annual Treasury Strategy outlining at the least the expected treasury activity for the forthcoming three years.

- 6.6 A key requirement of this report is to explain both the risks, and the management of the risks, associated with treasury management which include:
- Liquidity Risk (inadequate cash resources);
  - Market or Interest Rate Risk (fluctuations in interest rate levels);
  - Inflation Risk (exposure to inflation);
  - Credit and Counterparty Risk (security of investments);
  - Refinancing Risk (impact of debt maturing in future years); and
  - Legal and Regulatory Risk.

### **Scope**

- 6.7 The Treasury Management Strategy considers the impact of the Council's revenue budget and capital programme on its balance sheet, the prospects for interest rates, borrowing requirement and strategy, debt rescheduling, investment strategy and policy, monitoring, members training and the use of advisors.

### **Balance Sheet and Treasury Position**

- 6.8 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR represents the level of borrowing needed for capital purposes. Revenue expenditure cannot be financed from borrowing. Net actual external borrowing should not exceed the CFR other than for short term cash flow requirements. It is permissible under the Prudential Code to borrow in advance of need, up to the level of the estimated CFR over the term of the Prudential Indicators. When this takes place the cash will form part of the invested sums until the related capital expenditure is incurred. This being the case net borrowing should not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years other than in the short term due to cash flow requirements.
- 6.9 The CFR together with balances and reserves are the core drivers of treasury management activity. The estimates, based on the current revenue budget and capital programmes and in advance of any changes to the 2015-16 budget to be considered in February, are set out in **Table 7** below:

**Table 7 – Capital Financing, Balances and Reserves Forecasts**

	<b>31.3.15 Estimate £m</b>	<b>31.3.16 Estimate £m</b>	<b>31.3.17 Estimate £m</b>	<b>31.3.18 Estimate £m</b>
General Fund CFR	127	122	118	114
HRA CFR	442	442	442	442
Long term liabilities - PFI	163	155	145	135
<b>Total CFR</b>	<b>732</b>	<b>719</b>	<b>705</b>	<b>691</b>
Less: Balances and Reserves	71	51	41	41
<b>Net Balance Sheet Position</b>	<b>661</b>	<b>668</b>	<b>664</b>	<b>650</b>

- 6.10 The Council's level of physical debt and investments is linked to these components of the balance sheet. The Council's approach to determining its borrowing and investment strategy for the underlying Balance Sheet position will be influenced by market conditions, affordability, interest rate expectations and credit risk considerations.

## Prospects for Interest Rates

- 6.11 Treasury management activities such as borrowing and investment introduce the risk of unexpected adverse movements in interest rates. The Council employs Arlingclose Ltd, treasury consultants, to advise on the treasury strategy, provide economic data and interest rate forecasts, assist in planning and reduce the impact of unforeseen adverse movements. **Appendix F1** draws together a number of current forecasts for short-term and longer-term fixed interest rates. Following seven years of interest rates being at 0.5% the forecast is for official UK interest rates to rise in August 2015 and a gradual increase thereafter to give a 0.75% average rate for 2015-16. Gilts yields are expected to rise in the medium term to take the forecast average 10 year PWLB rate for 2015-16 to 3.25%. It is worth noting that for a number of the years the forecast for an upcoming rise in interest rates has not come to pass. The outlook for interest rates is monitored constantly.

## Borrowing Requirement and Strategy

- 6.12 To ensure that borrowing will ultimately be financed or repaid, local authorities are required to set aside a sum from the General Fund budget each year to repay debt called the Minimum Revenue Provision (MRP).
- 6.13 Capital expenditure not financed from internal resources (i.e. capital receipts, capital grants and contributions, revenue or reserves) will produce an increase in the CFR (the underlying need to borrow) and in turn produce an increased MRP in the General Fund budget. The Council's borrowing requirement is shown in **Table 8** below.

**Table 8 – Borrowing Requirement**

	<b>2014-15 Estimate £m</b>	<b>2015-16 Estimate £m</b>	<b>2016-17 Estimate £m</b>	<b>2017-18 Estimate £m</b>
New Borrowing	3.9	-	-	-
Replacement Borrowing	38.9	21.9	11.1	14.4
<b>TOTAL</b>	<b>42.8</b>	<b>21.9</b>	<b>11.1</b>	<b>14.4</b>

- 6.14 In conjunction with advice from Arlingclose, the Council will keep under review the options it has in borrowing from the Public Works Loan Board (PWLB) or its successor body, other local authorities, the market and other sources up to the available capacity within the Authorised Limit (contained within the Prudential and Treasury Management Indicators in **Appendix F2** to be adopted in the 2015-16 budget). The types of borrowing still appropriate for a low interest rate environment from the PWLB are:
- Variable rate borrowing;
  - Medium term equal instalments of principal (EIP) or annuity loans; and
  - Long term maturity loans where affordable.
- 6.15 The chief objective when borrowing is to have an appropriate balance between securing low interest rates and cost certainty over the periods for which funds are required. The Council's strategy is to minimise its borrowing costs over the medium to longer term and maintain maximum control over its borrowing activities as well as flexibility on its loans' portfolio. Given the significant cuts to public expenditure and in particular local government funding, the strategy also looks to minimise the medium term cost to the budget without compromising the longer term stability of the debt portfolio. The use of internal resources in lieu of borrowing and short to medium term borrowing will continue because of the "cost of carry" (that is the differential between debt costs and investment earnings.). While variable rate loans are not currently utilised this option will be kept under regular review. Capital expenditure levels, cash

flow projections, market conditions and interest rate levels will be monitored in conjunction with Arlingclose, to determine the most appropriate borrowing options.

- 6.16 As at 17<sup>th</sup> December 2014, the Council had agreed long term loans of £56.5m. All these loans are from other local authorities over periods of 18 months to 6 years at an average rate of 1.5%.
- 6.17 The Council's borrowing requirement over the next three years is estimated to be £47.4m, all of which will be used to replace existing PWLB debt that matures over the next three years. If market rates were to fall considerably or future rates were expected to rise, then some borrowing could be taken ahead of spend. The borrowing strategy will continue to consider opportunities to borrow not only for 2015-16, but also for the next two financial years.

### **Minimum Revenue Provision (MRP) Policy Statement 2015-16**

- 6.18 To ensure that capital expenditure funded by borrowing is ultimately financed, the Council is required to make a Minimum Revenue Provision (MRP) within the revenue budget each year for the repayment of debt. This is designed to ensure that the MRP is charged over a period that is commensurate with the period over which the capital expenditure that gave rise to the debt provides benefits.
- 6.19 In the case of supported borrowing, the Council will charge MRP over the period reasonably commensurate with the period implicit in the determination of the revenue support. The Council has determined that by following the Regulatory Method a reasonable estimate would be on a 4% reducing balance.
- 6.20 This method cannot be used in relation to capital expenditure financed by unsupported borrowing. For new unsupported borrowing, the MRP will be determined by the life of the asset for which the borrowing is undertaken and where appropriate the annuity method will be used.
- 6.21 The result is a total estimated MRP liability of £4.3m in 2015-16.

### **Debt Rescheduling**

- 6.22 The factors affecting any decision on debt rescheduling will include, the generation of cash savings and / or discounted cash flow savings in interest cost, helping to fulfil the strategy outlined in the paragraphs above; enhancing the balance of the fixed to variable rate debt in the portfolio and, amending the maturity profile. All rescheduling activity will comply with the accounting requirements of the local authority Statement Of Recommended Practice (SORP) and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No. 573 as amended by SI 2008/414).

### **Investment Strategy and Policy**

- 6.23 To comply with the Government's guidance, the Council's general policy objective is to invest its surplus funds prudently.
- 6.24 The Council's investment priorities, in order of importance, are:
- security of the invested capital;
  - liquidity of the invested capital; and
  - an optimum yield which is commensurate with security and liquidity.
- 6.25 The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.
- 6.26 Investment instruments identified for use in the financial year are categorised under the 'Specified' and 'Non-Specified' Investments based on the CLG guidance.

## Specified Investments

6.27 Specified investments are described in the guidance as those identified as offering high security and high liquidity, and can be relied on with minimal formalities. All must be in sterling and with a maturity of no more than one year. All such short-term investments with the UK Government, other local authorities, or Parish Councils will automatically be considered 'specified', for other deposit takers a 'high' credit rating is required which the authority defines. This Council's definition is included at the end of this report.

## Non-Specified Investments

- 6.28 Non-specified investments carry a higher degree of potential risk, and the guidance requires the types of investments that can be used to be set out in the Strategy, and limits to be set on how much can be held in these investments at any time during the year. The guidance states that it is not the objective to discourage investment in any type of instrument, but to ensure that proper procedures are in place for undertaking risk assessments of investments made for longer periods or with bodies that are not highly credit rated.
- 6.29 Potential instruments for the Council's use within its investment strategy are listed in the specified and non-specified investment schedule attached as **Appendix F3**.
- 6.30 The Council has reviewed the way it formulates its counterparty criteria. The lending list criteria is devised from the use of a range of rating agencies which will include Fitch, Moody's Investor Services, Standard & Poor's (or other rating agency where necessary) as well as other factors. The main sovereign states whose banks are to be included are Australia, Canada, Finland, France, Denmark, Germany, Netherlands, Switzerland and the US. These countries and the Banks within them have been selected after analysis and careful monitoring of:
- Credit Ratings (minimum long-term A+ minimum short term F1);
  - Credit Default Swaps;
  - GDP, Net Debt as a Percentage of GDP;
  - Sovereign Support Mechanisms/potential support from a well-resourced parent institution; and
  - Share Price.
- 6.31 The Council will also take into account information on corporate developments, market sentiment towards counterparties and changes in banking regulations. The Council and Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and the Council will respond as necessary to ensure security of the capital sums invested.
- 6.32 The Council's internally managed investment as at 17<sup>th</sup> December 2014 totalled £81million and the forecast position for the end of March through 2015-16 will average £50million.
- 6.33 In this current environment the Council has restricted its investment activity to the following categories:
- The Debt Management Agency Deposit Facility;
  - AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV);
  - Deposits with other local authorities; and
  - Business reserve accounts and term deposits.
- 6.34 If the cash flow positions were to increase because of forward borrowing then investments criteria will revert to credit ratings as stated in paragraph 6.26.

- 6.35 A copy of the Council's current lending list and the institutions actually lent to as at December 2014 is attached as **Appendix F4**.
- 6.36 Currently the Council has borrowed £74m short term (under one year) for cashflow purposes, from other Local Authorities and Public Bodies. This has proved to be a cheaper alternative to variable rate PWLB borrowing.
- 6.37 The Council will constantly reappraise its strategy as market conditions and expectations for future interest rates evolve.
- 6.38 The Corporate Director of Finance and Resources under delegated powers will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. All investments will be made in accordance with the Council's investment policies and prevailing legislation and regulations.

#### **Housing Revenue Account Policy on Apportioning Interest**

- 6.39 Local authorities are required to recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by the Department for Communities and Local Government. The CIPFA Code recommends that authorities present this policy in their Treasury Management and Investment Strategy.
- 6.40 On 1<sup>st</sup> April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. New long-term loans borrowed are assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) are charged/credited to the respective revenue account.

#### **Internal Borrowing**

- 6.41 Where the HRA or General Fund has surplus cash balances which allow either account to have external borrowing below the level of the Capital Financing Requirement by borrowing internally, the Corporate Director of Finance and Resources will agree an appropriate and evidenced interest rate, determined and applied at the beginning of each financial year, to reflect the assumed opportunity cost forgone.

#### **Monitoring**

- 6.42 The treasury position is included in the regular Executive financial monitoring reports. The Executive Member for Finance and Performance is briefed on treasury activities. At the end of the financial year, an annual treasury report on the Council's investment activity is included in the financial outturn report to the Executive. The Audit Committees annually scrutinises the Annual Treasury Strategy Statement before Council approval at its February budget and council tax setting meeting.

#### **Members Training**

- 6.43 CIPFA's revised Code requires the Corporate Director of Finance and Resources to ensure that all Members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

#### **Advisors**

- 6.44 Arlingclose, our appointed Treasury Advisors, undertake their role as advisors to enable the Council to make informed decisions.

#### **Current Account Bank**

- 6.45 The council's current account is currently held with Cooperative Bank. The contract will expire in 2015 when the Cooperative Bank ceases its commercial banking activity. A full banking service tender has been undertaken and Barclays PLC has been appointed. The target date to transfer all banking services and go live with Barclays is spring 2015.



## **7 COUNCIL TAX 2015-16 (INCLUDING STATUTORY CALCULATIONS)**

### **Islington Tax Base 2015-16 and Collection Fund Forecast**

- 7.1 On 29<sup>th</sup> January 2015, the Audit Committee agreed a 2015-16 tax base of 72,001.07 Band D properties for the Council's whole area, and 44.34 Band D properties for the Lloyd Square Garden area. The tax base figures assume a collection rate of 94.5% for the Council's whole area and 96.8% for Lloyd Square Garden Area.
- 7.2 This tax base incorporates the Council decision on 4<sup>th</sup> December 2014 to leave unchanged for 2015-16 the existing Council Tax Support Scheme
- 7.3 Under the regulations prescribed under Section 99 of the Local Government Finance Act 1988, a billing authority must calculate the amount of any deficit or surplus on the Collection Fund (excluding those items relating to community charges and non-domestic rates) on the 15<sup>th</sup> January each year, and notify the precepting authorities of the amount to be added or refunded to their 2015-16 precepts within seven days of the calculation. At 15<sup>th</sup> January 2015, it was forecast that at 31<sup>st</sup> March 2015 the council tax account in the Collection Fund will be £5,037,000 in surplus, of which £3,842,537 is the Council's and £1,194,463 is the Greater London Authority's (GLA) share.

### **Islington Council Tax 2015-16**

- 7.4 Sections 31A and 31B of the amended Local Government Finance Act (LGFA) 1992 require the Council to calculate its gross expenditure, gross income and council tax requirement. For these purposes, HRA expenditure and income is included even though it has no effect on council tax, and the gross expenditure figure includes special expenses relating to part only of the Council's area. The calculation of the 2015-16 council tax requirement is set out in **Table 9** below.

**Table 9 – Section 31A (amended LGFA 1992) Calculation 2015-16**

	£
Aggregate of the amounts which the Council estimates for items set out in Section 31A (2) (a) to (f) of the LGFA 1992 <b>(A)</b>	963,762,900
Aggregate of the amounts which the Council estimates for items set out on Section 31A (3) (a) to (d) of the LGFA 1992 <b>(B)</b>	(893,114,299)
Calculation of the council tax requirement under Section 31A (4), being the amount by which the sum aggregated at <b>(A)</b> above exceeds the aggregate at <b>(B)</b> above	<b>70,648,601</b>

- 7.5 The calculation of the relevant (average) 2015-16 council tax per Band D property is set out in **Table 10** below.

**Table 10 – Section 31B (amended LGFA 1992) Calculation 2015-16**

Council Tax Requirement	£70,648,601
Council Tax Base	72,001.1
<b>2015-16 Relevant Band D Council Tax</b>	<b>£981.22</b>
<b>Increase Compared to 2014-15</b>	<b>1.99%</b>

- 7.6 The Localism Act 2011 abolished council tax capping but instead provides for council tax rises above a certain threshold (2% in 2015-16) to be subject to a local referendum giving local residents a power to approve or veto an 'excessive' increase. The proposed 1.99% increase in the relevant amount of Band D council tax in 2015-16 is not 'excessive' in terms of the Localism Act. The Council must formally determine this at the time of setting its council tax for 2015-16 and a recommendation to that effect is included in this report.

- 7.7 A grant has been made available by the Government for freezing the relevant amount of council tax in 2015-16, worth the equivalent value of a 1% increase in the relevant amount of Band D council tax (before taking into account deductions for the cost of council tax support). However, the freeze grant is one-off funding only and would not compensate for the permanent loss in additional council tax income that a council tax freeze would represent. An increase of 1.99% on Islington's council tax will cost a Band D (average) council tax payer around an extra 40p per week.
- 7.8 Section 34 of the LGFA 1992 requires additional calculations where special items relate to part only of the Council's area (for Islington, the Lloyd Square Garden Committee special expense). The calculation of the basic amount of council tax for dwellings in Islington to which no special item relates (i.e. outside of the Lloyd Square Garden area) is shown in **Table 11** below.

**Table 11 – 2015-16 Basic Council Tax for All Other Parts of the Council's Area**

Council Tax Requirement (including Lloyd Square Garden Committee special expense)	£70,648,601
Less Lloyd Square Garden Committee special expense	(£14,601)
<b>Council Tax Requirement (excluding special expenses)</b>	<b>£70,634,000</b>
Council Tax Base	72,001.1
<b>2015-16 Basic Band D Council Tax for All Other Parts of the Council's Area</b>	<b>£981.01</b>
<b>Increase Compared to 2014-15</b>	<b>1.99%</b>

- 7.9 The Lloyd Square Garden Committee special expense is £14,601 in 2015-16, an increase of 10% compared to 2014-15. When this is divided by the Lloyd Square Garden area Band D taxbase (44.34), it gives a charge of £329.30 per Band D property for 2015-16. This will be charged to Lloyd Square Garden area dwellings in addition to the basic Islington Band D council tax of £981.01 for all other parts of the Council's area.
- 7.10 The basic Islington council tax for each valuation band for the Lloyd Square Garden area and all other parts of the Council's area are shown in **Table 12** below. These amounts are calculated by multiplying the relevant Band D council tax amount per property by the proportions set out in Section 5(1) of the LGFA 1992.

**Table 12 – Basic Islington Council Tax 2015-16**

<b>Valuation Bands</b>	<b>Lloyd Square Garden Area (£)</b>	<b>All Other Parts of the Council's Area (£)</b>
A	873.54	654.01
B	1,019.13	763.01
C	1,164.72	872.01
<b>D</b>	<b>1,310.31</b>	<b>981.01</b>
E	1,601.48	1,199.01
F	1,892.66	1,417.01
G	2,183.85	1,635.02
H	2,620.61	1,962.02

7.11 The 2015-16 GLA precept for each valuation band is shown in **Table 13** below.

**Table 13 – GLA Precept 2015-16**

<b>Valuation Bands</b>	<b>GLA (£)</b>
A	196.67
B	229.44
C	262.22
<b>D</b>	<b>295.00</b>
E	360.56
F	426.11
G	491.67
H	590.00

7.12 In accordance with Section 30(2) of the LGFA 1992, **Table 14** below shows the total amount of 2015-16 council tax (including GLA precept) for each valuation band over each of the Council's areas.

**Table 14 – Total Islington and GLA Council Tax 2015-16**

<b>Valuation Bands</b>	<b>Lloyd Square Garden Area (£)</b>	<b>All Other Parts of the Council's Area (£)</b>
A	1,070.21	850.68
B	1,248.57	992.45
C	1,426.94	1,134.23
<b>D</b>	<b>1,605.31</b>	<b>1,276.01</b>
E	1,962.04	1,559.57
F	2,318.77	1,843.12
G	2,675.52	2,126.69
H	3,210.61	2,552.02

## **8 MATTERS TO CONSIDER IN SETTING THE BUDGET**

### **COMMENTS OF THE SECTION 151 OFFICER**

- 8.1 The Council, when determining the budget and thereby the level of council tax, must take into account the report of its Section 151 Officer. The report must comment on the robustness of the estimates included in the budget and parallel consideration of the adequacy of the Council's proposed reserves. This section of the report includes consideration of these specific areas and enables the authority to discharge its duty to take account of the statutory report under section 25(2) of the Local Government Act 2003.
- 8.2 The process for challenging, compiling and collating the budget begins in April prior to the year for which the council tax is being set. The process involves all of the spending departments, and assumptions are scrutinised throughout the year. It is the thoroughness of this process which provides the assurance that all strategic, operational and financial risks facing the authority have been taken into account, as far as they are reasonably anticipated to be incurred by the Council in the next financial year. It is the opinion of the Section 151 Officer that the estimates for 2015-16 have been prepared on a robust basis, and further that where there are uncertainties, for instance on the levels of service demand, that these can be covered by an adequate corporate contingency provision.
- 8.3 In setting the level of general reserves and balances, account has been taken of the key financial assumptions underpinning the budget, the views of the Council's auditors, the level of earmarked reserves and provisions, and the risks facing the Council over the medium term. The MTFS assumes contributions such that over the planning period the Council is forecast to attain the target of general balances at 5% of the budget requirement.

### **COMMENTS OF THE MONITORING OFFICER**

- 8.4 This report sets out the basis upon which a recommendation will be made for the adoption of a lawful budget and the basis for the level of the council tax for 2015-16. It also outlines the Council's current and anticipated financial circumstances, including matters relating to the General Fund budget and MTFS, the HRA, the capital programme, and borrowing and expenditure control.
- 8.5 The setting of the budget and council tax by Members involves their consideration of choices. No genuine and reasonable options should be dismissed out-of-hand and Members must bear in mind their fiduciary duty to the council taxpayers of Islington.
- 8.6 Members must have adequate evidence on which to base their decisions on the level of quality at which services should be provided. Where a service is provided pursuant to a statutory duty, it would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably. Where a service is derived from a statutory power and is in itself discretionary that discretion should be exercised reasonably.
- 8.7 The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully. They are under an obligation to produce a balanced budget and must not knowingly budget for a deficit. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality and level of services which they consider should be provided, against the costs of providing such services.

- 8.8 Under the constitutional arrangements, the setting of the Council budget is a matter for the Council, having considered recommendations made by the Executive. Before the final recommendations are made to the Council on 26<sup>th</sup> February 2015, Policy and Performance Scrutiny Committee has been given the opportunity to scrutinise these proposals and the Executive should take into account its comments when making those recommendations.

### **RESIDENT IMPACT ASSESSMENT**

- 8.9 The Equality Act 2010 sets out the requirement for the Council to pay due regard in the exercise of its functions to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
  - Advance equality of opportunity between people who share a protected characteristic and those who do not;
  - Foster good relations between people who share a protected characteristic and those who do not.
- 8.10 A Resident Impact Assessment (RIA) of the 2015-16 budget proposals is set out at **Appendix G**. It is supplemented at a departmental level by detailed RIAs of major proposals. These demonstrate that the Council has met its duties under the Equality Act 2010 and has taken account of its duties under the Child Poverty Act 2010.
- 8.11 While the majority of the 2015-16 savings proposals relate to efficiencies, it is difficult to make savings on the scale required without any impact on residents and there will inevitably be some impact on particular groups, including those with protected characteristics as defined by the Equality Act. The Council is not legally obliged to reject savings with negative impacts on any particular groups but must consider carefully and with rigour the impact of its proposals on the Public Sector Equality Duty (as set out above), take a reasonable and proportionate view about the overall impact on particular groups and seek to mitigate negative impacts where possible. In this context, the Council's proposals for achieving savings are considered to be reasonable overall and take adequate account of the three duties set out under the Equality Act.
- 8.12 Members are asked to note the Resident Impact Assessment.

### **PAY POLICY STATEMENT 2015-16**

- 8.13 Section 38 of the Localism Act 2011 requires local authorities to publish an annual 'Pay Policy Statement', setting out their policies in respect of chief officer remuneration and other specified matters. Regard must be had to guidance to be published by the Secretary of State in preparing the statement, which must be approved by full Council. The Council is then constrained by its pay policy statement when making determinations on chief officer pay, although the statement may be amended at any time by a further resolution of the full Council.
- 8.14 The Council's proposed Pay Policy Statement for 2015-16 is provided at **Appendix H**.
- 8.15 The Pay Policy Statement has been revised to reflect the market supplement policy agreed by the Audit Committee on 29<sup>th</sup> January 2015, arising out of the Policy and Performance Scrutiny Committee's review of the use of agency staff by the Council. Changes to the categories of remuneration, which require the approval by the Audit Committee or its Personnel sub-committee, have been amended to reflect this policy and also the funding of shared posts. The Pay Policy Statement has also been revised for updated job titles and remuneration levels, including reflecting that a number of Public Health staff in the Council are on NHS terms and conditions.

**Final report clearance**

Signed by



.....  
Executive Member for Finance and Performance

.....  
Date

Received by

.....  
Head of Democratic Services

.....  
Date

Responsible Officer : Mike Curtis, Corporate Director of Finance and Resources  
Report Author : Tony Watts, Head of Financial Planning

**MEDIUM TERM FINANCIAL STRATEGY 2015-16 TO 2017-18**

**APPENDIX A**

	2014-15	2015-16					2016-17					2017-18				
	Budget £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000	Inflation £000	Adjust. £000	Growth £000	Savings £000	Projected £000
<b>DEPARTMENTS</b>																
Chief Executive	7,268	176	1,642		(2,216)	6,870	149	(140)		6,879	150	(65)			6,964	
Children's Services	76,994	758	1,649		(5,457)	73,944	413			74,357	417	(635)			74,139	
Environment and Regeneration	36,215	877	2,286		(8,814)	30,564	400	(10)		30,954	404				31,358	
Finance and Resources	7,647	757	(5,010)	1,157	(4,084)	467	592			1,059	600				1,659	
Housing and Adult Social Services	83,737	2,082	5,250	1,650	(11,100)	81,619	266			81,885	269				82,154	
Public Health	0	0	2,101		(2,101)	0	0			0	0				0	
<b>TOTAL SERVICES</b>	<b>211,861</b>	<b>4,650</b>	<b>7,918</b>	<b>2,807</b>	<b>(33,772)</b>	<b>193,464</b>	<b>1,820</b>	<b>(150)</b>	<b>0</b>	<b>195,134</b>	<b>1,840</b>	<b>(700)</b>	<b>0</b>	<b>0</b>	<b>196,274</b>	
Corporate Democratic Core / Non Distributed Costs	16,626		49			16,675				16,675					16,675	
<b>NET COST OF SERVICES</b>	<b>228,487</b>	<b>4,650</b>	<b>7,967</b>	<b>2,807</b>	<b>(33,772)</b>	<b>210,139</b>	<b>1,820</b>	<b>(150)</b>	<b>0</b>	<b>211,809</b>	<b>1,840</b>	<b>(700)</b>	<b>0</b>	<b>0</b>	<b>212,949</b>	
Corporate Growth / Savings	2,525		1,014		(3,300)	239	1,000		6,000	7,239	1,000	(6)	2,000		10,233	
Demographic Contingency	2,377		(2,377)			0				0					0	
Corporate Financing Account	(13,276)		(2,853)			(16,129)				(16,129)					(16,129)	
Levies	22,273	(26)				22,247	2,026			24,273	700		3,000		27,973	
Special Expense - Lloyd Square Garden Committee	14		1			15				15					15	
<b>NET OPERATING EXPENDITURE</b>	<b>242,400</b>	<b>4,624</b>	<b>3,752</b>	<b>2,807</b>	<b>(37,072)</b>	<b>216,511</b>	<b>4,846</b>	<b>(150)</b>	<b>6,000</b>	<b>227,207</b>	<b>3,540</b>	<b>(706)</b>	<b>5,000</b>	<b>0</b>	<b>235,041</b>	
Insurance Fund	(300)		300			0				0					0	
Contingency	1,300		(900)		(400)	0				0					0	
Transfer to Capital Reserve (Ongoing Capital Programme)	5,000					5,000				5,000					5,000	
NHBS Tranche 1: Transfer to Capital Reserve (Until 2016-17)	3,000					3,000				3,000		(3,000)			0	
Transfer to/(from) Other Earmarked Reserves	(1,273)		10,434			9,161		(9,161)		0					0	
Transfer to/(from) General Balance	0		(2,800)			(2,800)		2,800		0					0	
New Homes Bonus	(12,007)		(1,774)			(13,781)				(13,781)		3,706			(10,075)	
New Homes Bonus top-sliced to London Local Enterprise Partnership	0		3,897			3,897				3,897					3,897	
One-off Return of New Homes Bonus Top-slice	(261)		261			0				0					0	
Education Services Grant	(2,850)		528			(2,322)				(2,322)					(2,322)	
Government Grant for Freezing Tax in 2014-15 (2nd Tranche of 2-year Grant)	(878)		878			0				0					0	
<b>AMOUNT TO BE MET FROM REVENUE SUPPORT GRANT, BUSINESS RATES RETENTION AND COUNCIL TAX</b>	<b>234,131</b>	<b>4,624</b>	<b>14,576</b>	<b>2,807</b>	<b>(37,472)</b>	<b>218,666</b>	<b>4,846</b>	<b>(6,511)</b>	<b>6,000</b>	<b>223,001</b>	<b>3,540</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>231,541</b>	
<b>CHANGE COMPARED TO PREV YEAR (%)</b>	<b>-7.33%</b>					<b>-6.61%</b>				<b>1.98%</b>					<b>3.83%</b>	
Revenue Support Grant	(91,548)			25,042		(66,506)		1,726	10,072	(54,708)			13,209		(41,500)	
Retained Business Rates	(55,929)	(1,069)				(56,998)				(56,998)					(56,998)	
Top-up Grant	(19,998)	(382)				(20,380)				(20,380)					(20,380)	
<b>SETTLEMENT FUNDING ASSESSMENT (SFA)</b>	<b>(167,475)</b>	<b>(1,451)</b>	<b>0</b>	<b>25,042</b>	<b>0</b>	<b>(143,884)</b>	<b>0</b>	<b>1,726</b>	<b>10,072</b>	<b>(132,086)</b>	<b>0</b>	<b>0</b>	<b>13,209</b>	<b>0</b>	<b>(118,878)</b>	
Additional Retained Business Rates	(250)		(40)			(290)				(290)					(290)	
Transfers (from)/to the Collection Fund	500		(4,343)			(3,843)		3,843		0					0	
<b>COUNCIL TAX REQUIREMENT</b>	<b>66,906</b>	<b>3,173</b>	<b>10,193</b>	<b>27,849</b>	<b>(37,472)</b>	<b>70,649</b>	<b>4,846</b>	<b>(942)</b>	<b>16,072</b>	<b>90,625</b>	<b>3,540</b>	<b>0</b>	<b>18,209</b>	<b>0</b>	<b>112,373</b>	

## REVENUE SAVINGS 2015-16

## APPENDIX B

LINE #	DIRECTORATE	SERVICE	SAVINGS DESCRIPTION	2015-16 £000s
1	CE	All	Reduce non-essential budgets (e.g. staff training and non-staff overheads) and increase income (e.g. through Assembly Hall hire) across the Chief Executive's department.	330
2	CE	Community Safety	Restructure the community safety team and delete vacant police posts.	280
3	CE	Human Resources	Reduce Human Resources transactional services (e.g. recruitment and payroll) and integrate internal training functions across the Council into a single corporate team.	140
4	CE	Islington Learning and Working (ILW) & Business and Employment Support Team (BEST)	Remodel service delivery and secure external funding (e.g. from New Homes Bonus and European Social Fund) for Islington Learning and Working and the Business and Employment Support Team.	440
5	CE	Legal Services	Delete one post in the Legal department.	40
6	CE	Strategy, Equality, Performance (SEP) and Communications	Integrate the 'Strategy, Equality and Performance' and 'Communications' teams and generate additional income (e.g. from selling printing services).	400
7	CE	Voluntary Sector Grants and Third Sector Partnerships	Reduce staff and administration costs in the Partnerships team, delete spare capacity in the Discretionary Rate Relief budget and reduce the Local Initiatives Fund to £15k per annum per ward.	246
8	CE	Voluntary Sector Grants and Third Sector Partnerships	Use funding from Section 106 to replace (not reduce) core council funding for the voluntary sector.	340
9	CORP	Contingency	Remove the corporate contingency budget (contingencies to be managed through reserves and balances).	400
10	CORP	Pensions	Charge Schools and the Housing Revenue Account their full share of the c£10m pension fund annual lump sum contribution.	1,900
11	CORP	Property	Use the Council's property portfolio more efficiently, including increased income from commercially letting vacant properties.	1,400
12	CS	All	Transfer funding of some health-related services to Public Health, Clinical Commissioning Group and Schools budgets and make efficiency savings through alternative use of government grant.	2,080
13	CS	All	Make planned reductions in administration and commissioning posts across Children's Services.	420
14	CS	Learning and Schools	Make savings in Early Years through grant aid saving, bringing the after-school childcare budget into line with demand and placing one Early Years Centre onto the standard funding formula.	200
15	CS	Learning and Schools	Shift funding from the General Fund to the Dedicated Schools Grant for pupil, school and early years support services, as agreed by Schools Forum, and continue traded schools services.	1,370
16	CS	Learning and Schools	Complete the reduction in the Connexions service, with schools taking their legal responsibility for youth careers advice.	550
17	CS	Learning and Schools	Reform and re-focus childcare subsidy, progressively distributing increases in charges via a graduated scale through the income bands and introducing additional bands at the top, so those on the lowest incomes face the lowest rises.	37
18	CS	Targeted Specialist Children and Families	Procure Independent Fostering Placements jointly and improve the procurement of residential provision.	800
19	E&R	All	Increase income generation across the Environment and Regeneration department, including through additional income from the new leisure contract, increasing our Commercial Waste business and establishing a trading company (iCo) to sell services such as energy advice.	3,671
20	E&R	All	Integrate separate enforcement teams across the Environment and Regeneration department into a multi-disciplinary team.	150
21	E&R	All	Make efficiencies in the Environment and Regeneration department, including in support functions and procurement.	1,466
22	E&R	Parks	Rationalise grounds maintenance in parks through revised maintenance routines for out-of-season and lower priority works.	96
23	E&R	Parks	Adopt a risk-based approach to locking parks, leaving only the lowest-risk parks unlocked.	70
24	E&R	Planning and Development	Restructure the Planning and Development service, reducing senior management, and increase the fees for the Design Review Panel service.	216
25	E&R	Street Environment Services	Review recycling points on estates to make them more accessible and, following pilots, move to communal recycling on the estates where doorstep recycling is currently still offered.	150
26	E&R	Street Environment Services	Introduce the 'village principle' into Street Environment Services by creating area-based teams.	150
27	E&R	Street Environment Services	Reduce the number of refuse collection vehicles by, following pilots, moving towards communal kitchen waste and green waste collection.	500
28	E&R	Street Environment Services	Complete planned reduction in the Bright Sparks service's reliance on Council funding.	125
29	E&R	Traffic and Parking	Review Pay and Display Charges to manage bay occupancy and availability.	1,000
30	E&R	Traffic and Parking	Introduce a 'diesel surcharge' for parking permits for diesel and heavy oil vehicles, with appropriate exemptions, to encourage residents to use cleaner vehicles.	880
31	E&R	Traffic and Parking	Increase the price of visitor vouchers, while introducing pensioner discounts for all visitor vouchers.	340



## REVENUE SAVINGS 2015-16

## APPENDIX B

LINE #	DIRECTORATE	SERVICE	SAVINGS DESCRIPTION	2015-16 £000s
32	F&R	All	Reduce senior management in the Finance and Resources department.	475
33	F&R	Financial Management	Reduce finance support by reducing the costs of the Finance Support service, finance systems contracts, the Parking and Small Payments teams, cash flow management and external audit.	1,861
34	F&R	Procurement and Internal Audit	Reduce the level of control over compliance functions in procurement and internal audit.	245
35	F&R	Housing Benefits, Business Rates and Council Tax Collection	Protect income collection and restructure benefits processing.	835
36	F&R	ICT and Customer Interactions	Improve information and communications technology to allow more online customer self-service and integrate Council advice services.	600
37	F&R	Corporate Landlord	Install photovoltaic (PV) plates on corporate Council properties, excluding leisure centres, schools and housing (which are subject to ongoing exploration).	68
38	HASS	Adult Social Services	Reduce the cost of support services in Adult Social Services by centralising training and making non-pay efficiencies.	550
39	HASS	Adult Social Services	Recommission grants to voluntary sector organisations and non-statutory services such as counselling.	600
40	HASS	Adult Social Services	Tailor the amount of care offered to people who are eligible for social services support, while maintaining adult social care for people with Moderate needs.	300
41	HASS	Housing Needs and Strategy	Reduce spending on temporary accommodation by doing additional work to prevent homelessness, use more private sector accommodation at lower rents and move people out of temporary accommodation faster.	500
42	HASS	Housing Needs and Strategy	Reduce staffing costs through improving processes and deleting vacant posts.	100
43	HASS	Integrated Community Services	Review assessment and care management functions and intermediate care services, increasing service user independence, signposting to external services where appropriate and increasing self-assessment online.	800
44	HASS	Integrated Community Services	Use preventative telecare to reduce and delay admission into residential care.	200
45	HASS	Integrated Community Services	Move to more personalised, community-based services, reducing double-up homecare and increasing the number of users of Direct Payments.	600
46	HASS	Integrated Community Services	Collaborate with the NHS to secure funding and reduce costs, using the Better Care Fund to integrate work across health and social care, including through shifting activity from acute and residential provision to community-based services, investment in reablement and reduction in permanent admissions to residential and nursing care homes.	4,550
47	HASS	Learning Disabilities	Increase independence for people with learning disabilities through the development of a new supported accommodation scheme and expanding the Shared Lives scheme and the Community Access Project.	750
48	HASS	Strategy and Commissioning	Make commissioning efficiencies in Housing Related Support and change the funding source for appropriate Housing Related Support from the General Fund to the Housing Revenue Account.	1,950
49	HASS	Strategy and Commissioning	Reduce transport costs by providing services closer to home rather than out-of-borough placements.	200
50	PH	Adult Health Improvement Services	Streamline, integrate and co-locate (e.g. in pharmacies or online) some adult health improvement services.	467
51	PH	All	Reduce staffing by deleting vacant posts.	300
52	PH	Sexual Health Services	Transform the way we pay providers for genito-urinary medicine and sexual health services, redesign sexual health services and review sexual health prevention and promotion.	390
53	PH	Substance Misuse Services	Review substance misuse services and contracts and redesign systems to reduce duplication and focus on services geared towards recovery.	944
<b>TOTAL</b>				<b>37,472</b>

Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
<b>CHIEF EXECUTIVE'S DEPARTMENT</b>					
<b>Registrars</b>					
<b>Charge for Births, Deaths and Marriages Certificates / Registration</b>					
Licence for approved premises	Licence for a three year period	Discretionary	£1000 per 3 year period	£1500 per 3 year period	50.00% Benchmarked other Register Office fees. Fee not increased in last four years and the approval is operational for a three year period.
Licensed Venues external to Town Hall	Monday to Saturday	Discretionary	£500.00	£580.00	16.0% Benchmarked other Register Office fees
Licensed Venues external to Town Hall	Sunday	Discretionary	£600.00	£680.00	13.3% Benchmarked other Register Office fees
Licensed Venues external to Town Hall	Bank Holiday	Discretionary	£900.00	£700.00	-22.2% Benchmarked other Register Office fees
Licensed Venues external to Town Hall (out of hours 6pm to 10pm)	Monday to Saturday	Discretionary	£600.00	£680.00	13.3% Benchmarked other Register Office fees
Licensed Venues external to Town Hall (out of hours 6pm to 10pm)	Sunday / Bank Holiday / Christmas Eve, New Years Eve	Discretionary	£1,000.00	£700.00	-30.0% Benchmarked other Register Office fees
Richmond Room	Saturday only (2pm to 6pm with max 60 guests)	Discretionary	£480.00	£480.00	0.0%
Mayor's Parlour - marriage or civil partnerships	Tuesday, Wednesday, Thursday, Friday	Discretionary	£300.00	£300.00	0.0%
Mayor's Parlour - marriage or civil partnerships	Saturday	Discretionary	£580.00	£580.00	0.0%
Mayor's Parlour - marriage or civil partnerships	Sunday	Discretionary	£700.00	£680.00	-2.9% Benchmarked other Register Office fees
Room 99 - Marriages or Partnership ceremonies	Basic ceremony (max 30 guests): Monday	Discretionary	£50	£54	8.0% Benchmarked other Register Office fees
	Basic ceremony (max 30 guests): Tuesday, Wednesday, Thursday	Discretionary	£120.00	£120.00	0.0%
	Basic ceremony (max 30 guests): Friday	Discretionary	£180.00	£200.00	11.1% Benchmarked other Register Office fees
	Basic ceremony (max 30 guests): Saturday (max 30 guests)	Discretionary	£250.00	£250.00	0.0%
Re-booking of ceremony		Discretionary	£35.00	£35.00	0.0%
Council Chamber - marriage or Civil Partnership or Renewal of vows & Naming Ceremonies	Tues, Weds, Thurs, Fri	Discretionary	£300.00	£350.00	16.7% Benchmarked other Register Office fees
	Saturday	Discretionary	£580.00	£580.00	0.0%
	Sunday	Discretionary	£700.00	£680.00	-2.9% Benchmarked other Register Office fees
	Use of balcony	Discretionary	£300.00	£180.00	-40.0% Benchmarked other Register Office fees
Births, deaths, marriages and civil partnership certificates	Express same day within 1 hour (walk in service before 11am)	Discretionary	£20.00	£20.00	0.0%
Births, deaths marriages and civil partnership certificates	Express same day within 2 hours (Contact centre order before 2 pm)	Discretionary	£16.00	£16.00	0.0%
Nationality check and send (incl. VAT) for citizenship applicants (Mon-Fri)	Per child	Discretionary	£30.00	£30.00	0.0%
	Per single adult application	Discretionary	£55.00	£55.00	0.0%
Nationality check and send (incl. VAT) for citizenship applicants - Saturday Service &	Per child	Discretionary	£35.00	£35.00	0.0%
	Per single adult application	Discretionary	£70.00	£70.00	0.0%
Settlement check and send (incl. VAT) for settlement applicants - (Mon-Fri)	Per single adult application	Discretionary	£90.00	£90.00	0.0%
Settlement check and send (incl. VAT) for settlement applicants - Saturday Service & evening appointments	Per single adult application	Discretionary	£100.00	£100.00	0.0%
Private Citizenship Ceremony (Mon - Fri)	Per single adult	Discretionary	£150.00	£150.00	0.0%
Private Citizenship Ceremony (Sat)	Per single adult	Discretionary	£180.00	£180.00	0.0%
<b>Islington Assembly Hall</b>					
<b>Commercial Rates -</b>					
Wedding package Monday-Thursday, inc VAT	10-hire hour of venue, including security, basic AV support, room set-up and staffing. Drinks package additional.	Discretionary	£2,000.00	£1,900.00	-5.0%
Wedding package Friday-Sunday, inc VAT	10-hire hour of venue, including security, basic AV support, room set-up and staffing. Drinks package additional.	Discretionary	£2,462.00	£2,900.00	17.8% The 2014-15 figure excluded VAT.
Civil ceremony package Monday-Thursday, inc VAT	6-hire hour of main hall, including security, basic AV support, room set-up and staffing.	Discretionary		£1,200.00	N/A
Civil ceremony package Friday-Sunday, inc VAT	6-hire hour of main hall, including security, basic AV support, room set-up and staffing. Drinks package additional.	Discretionary		£1,900.00	N/A
Private / corporate hire event Mon-Wed hourly rate, inc VAT	6-hire hour of main hall, including basic AV support, room set-up, and	Discretionary	£240.00	£240.00	0.0%
Private / corporate hire event Thur-Sun hourly rate, inc VAT	6-hire hour of main hall, including basic AV support, room set-up and	Discretionary	£360.00	£360.00	0.0%
<b>Non-Commercial Rates -</b>					
Council event full-day Monday-Wednesday	8-hour hire of main hall, including basic AV support, room set-up and staffing	Discretionary	£1,000.00	£1,000.00	0.0%
Council event half-day Monday-Wednesday	4-hour hire of main hall, including basic AV support, room set-up and staffing	Discretionary	£600.00	£600.00	0.0%
Council evening event Monday-Wednesday	6-hire hour of main hall, including basic AV support, room set-up, bar staffing	Discretionary	£1,200.00	£1,200.00	0.0%
Community and charity rates	We can offer a reduction on the private / corporate hire rates on Mon-Wed, subject to availability.	Discretionary	Rates not published but we do offer discounts to a certain level and also run the free hire scheme.		
<b>CHILDREN'S SERVICES</b>					
Primary School Meals		Discretionary	2.00	2.00	0.0% This has not been increased for three years and is covered by the Council's Universal Free School Meals Scheme.
<b>EARLY YEARS DAY CARE CHARGES - all increasing by 2% from September 2014. All prices are per child per week.</b>					
<b>COMMUNITY NURSERIES</b>					
<b>TERM TIME</b>					
<b>Under 2's</b>					
Band 1 (Up to £24,999)	Per week	Discretionary	170.48	173.89	2.0% 2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	180.41	184.01	2.0% 2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	196.32	200.25	2.0% 2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	217.55	221.90	2.0% 2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	244.08	248.96	2.0% 2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	275.91	281.43	2.0% 2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	312.26	318.51	2.0% 2% across all Early Years Day Care Charges
<b>2 to 3's</b>					







Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection	
Band 6 (£60,000 - £79,999)	Per week	Discretionary	216.40	220.73	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	227.10	231.64	2.0%	2% across all Early Years Day Care Charges
<b>4's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	133.71	136.39	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	141.49	144.32	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	153.98	157.06	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	170.63	174.04	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	191.43	195.26	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	216.40	220.73	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	227.10	231.64	2.0%	2% across all Early Years Day Care Charges
<b>CHILDREN'S CENTRES IN PRIMARY SCHOOLS</b>						
<b>TERM TIMES</b>						
<b>Under 2's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	170.48	173.89	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	180.41	184.01	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	196.32	200.25	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	217.55	221.90	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	244.08	248.96	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	275.91	281.43	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	312.26	318.51	2.0%	2% across all Early Years Day Care Charges
<b>2 to 3's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	167.14	170.48	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	176.87	180.41	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	192.47	196.32	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	213.28	217.55	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	239.29	244.08	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	270.50	275.91	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	283.87	289.55	2.0%	2% across all Early Years Day Care Charges
<b>3&amp;4's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	66.86	68.19	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	70.75	72.16	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	76.99	78.53	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	85.31	87.02	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	95.72	97.63	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	108.20	110.37	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	198.71	202.69	2.0%	2% across all Early Years Day Care Charges
<b>HOLIDAYS</b>						
<b>Under 2's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	170.48	173.89	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	180.41	184.01	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	196.32	200.25	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	217.55	221.90	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	244.08	248.96	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	275.91	281.43	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	312.26	318.51	2.0%	2% across all Early Years Day Care Charges
<b>2 to 3's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	167.14	170.48	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	176.87	180.41	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	192.47	196.32	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	213.28	217.55	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	239.29	244.08	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	270.50	275.91	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	283.87	289.55	2.0%	2% across all Early Years Day Care Charges
<b>3&amp;4's</b>						
Band 1 (Up to £24,999)	Per week	Discretionary	133.71	136.39	2.0%	2% across all Early Years Day Care Charges
Band 2 (£25,000 - £30,999)	Per week	Discretionary	141.49	144.32	2.0%	2% across all Early Years Day Care Charges
Band 3 (£31,000 - £39,999)	Per week	Discretionary	153.98	157.06	2.0%	2% across all Early Years Day Care Charges
Band 4 (£40,000 - £49,999)	Per week	Discretionary	170.63	174.04	2.0%	2% across all Early Years Day Care Charges
Band 5 (£50,000 - £59,999)	Per week	Discretionary	191.43	195.26	2.0%	2% across all Early Years Day Care Charges
Band 6 (£60,000 - £79,999)	Per week	Discretionary	216.40	220.73	2.0%	2% across all Early Years Day Care Charges
Band 7 (£80k and above) Marketed	Per week	Discretionary	227.10	231.64	2.0%	2% across all Early Years Day Care Charges
<b>FINANCE &amp; RESOURCES</b>						
<b>Telecare</b>						
Monitoring Service	Per week	Discretionary	3.30	3.37	2.1%	2% is the annual inflation charged on our contracts and services.
Full Service	Per week	Discretionary	6.53	6.66	2.0%	2% is the annual inflation charged on our contracts and services.
<b>HOUSING &amp; ADULT SOCIAL SERVICES</b>						
<b>Adult Social Services</b>						
Community care charges	No unit charge, individually assessed charge under Government regulations. The Care Act 2014 provides local authorities with the power to charge adults in receipt of care and support services.					
Residential care charges	No unit charge, individually assessed charge under Government regulations. The Care Act 2014 provides local authorities with the power to charge adults in receipt of care and support services.					
Meals in the home		Discretionary	3.00	3.00	0.0%	
Meals in day care centres		Discretionary	3.00	3.00	0.0%	
Deferred Payments	Admin Fee	Statutory	500.00	512.00	2.4%	
Deputyship	Annual management fee	Statutory				Various fixed rates
Protection of Property	Admin Fee	Statutory	250.00	256.00	2.4%	
Protection of Property	Fee per hour	Statutory	25.00	25.60	2.4%	
Protection of Property - Pets	Flat fee per week - for a dog	Statutory	15.00	15.35	2.3%	
Protection of Property - Pets	Flat fee per week - for a cat	Statutory	10.00	10.20	2.0%	
<b>Housing Needs &amp; Strategy</b>						
Furniture Storage		Discretionary	132.74	135.93	2.4%	
<b>ENVIRONMENT &amp; REGENERATION</b>						
<b>Library &amp; Heritage Services</b>						
Fax Charges	Charge for use of fax - to help with cost replacement of machine in future years and running expenses	Discretionary	£1 first page then 50p subsequent page	£1 first page then 50p subsequent page	0.0%	
Sale of Obsolete Stock	Sales - to help with the purchase of new books	Discretionary	10p to £2 on books, 50p to £2 on CD, computer games, video, DVDs	10p to £2 on books, 50p to £2 on CD, computer games, video, DVDs	0.0%	

Fee / Charge		Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
Digital images (Local history)	Per image	Discretionary	£15.00	£15.00	0.0%	
Reservation charges for items not in stock	Service charge - for books obtained via library interloans scheme	Discretionary	£3.60	£3.60	0.0%	
PC Printing	Hire charge - cost recovery	Discretionary	20p b/w 50p colour	20p b/w 50p colour	0.0%	Charges increased last year- need to maintain comparative charges.
Genealogical Research	Service charge - cost recovery	Discretionary	£15 per half-hour (Minimum 1 hour)	£15 per half-hour (Minimum 1 hour)	0.0%	
Local history photography pass	Per day	Discretionary	£5.00	£5.00	0.0%	
Charges for Overdue Books	Fines - to help ensure the timely return of books for other users of the Library Service	Discretionary	16p per day (£7.20 maximum charge per item)	16p per day (£7.20 maximum charge per item)	0.0%	
Hire of Music	Hire charge for CDs	Discretionary	50p; 60+ free	50p; 60+ free	0.0%	
Photocopying	Charge for use of photocopier - cost recovery	Discretionary	10p A4 b/w; 20p A3 b/w; 50p A4 colour; £1 A3 colour	10p A4 b/w; 20p A3 b/w; 50p A4 colour; £1 A3 colour	0.0%	
Hall Lettings	Hall lettings	Discretionary	Increase in line with inflation (round to £29 to £175 per hour)	Increase in line with inflation (round to £29 to £175 per hour)	0.0%	
Charges for Lost Items	Cost of replacing lost items	Discretionary	Original purchase price	Original purchase price	0.0%	
Replacement Library Cards	Cost of replacing lost card	Discretionary	£2.00	£2.00	0.0%	Increased by more than inflation last year
DVDs Hire charge per night	New feature films	Discretionary	£2.00	£2.00	0.0%	
DVDs Hire charge per night	Other / Non feature films	Discretionary	£1.50	£1.50	0.0%	
Local History and re-sale materials sales	Sales - cost recovery	Discretionary	Price range from 25p to £25	Price range from 25p to £25	0.0%	
<b>Local History Centre - Commercial reproduction charges (price per image unless otherwise stated)</b>						
<b>Books, periodicals, printed material, e-books, CD_ROMs</b>						
Front cover / jacket	UK rights (World rights double fee)	Discretionary	£75.00	£75.00	0.0%	
Interior	UK rights (World rights double fee)	Discretionary	£50.00	£50.00	0.0%	
Leaflets and brochures	UK rights (World rights double fee)	Discretionary	£50.00	£50.00	0.0%	
Advertising in newspapers and periodicals	UK rights (World rights double fee)	Discretionary	£75.00	£75.00	0.0%	
Postcards*, greetings cards*, giftware, calendars, posters, publicity material * +100 copies	UK rights (World rights double fee)	Discretionary	£125.00	£125.00	0.0%	
<b>Commercial interior design and decoration</b>						
Commercial interior design and decoration	For up to 5 images, additional images £25	Discretionary	£250.00	£250.00	0.0%	
<b>Television</b>						
Per transmission	one showing, one country including TV advertisements	Discretionary	£75.00	£75.00	0.0%	
5-year unlimited transmission	Excluding video & DVD	Discretionary	£250.00	£250.00	0.0%	
<b>DVDs, films, videos &amp; CD-ROMS</b>						
DVDs, films, videos & CD-ROMS	UK rights (World rights double fee)	Discretionary	£120.00	£120.00	0.0%	
<b>Exhibitions</b>						
Exhibitions		Discretionary	£75.00	£75.00	0.0%	
<b>Web use</b>						
Web use	Including blog posts and social media	Discretionary	£75.00	£75.00	0.0%	
* Discounts can be negotiated where: Works are educational / non-profit making Works require a large number of images (over 10) Print runs are below 1500 copies						
<b>Education Library Service</b>						
Primary School	Per pupil	Discretionary	£17.00	£17.00	0.0%	
Secondary School	Full subscription	Discretionary	£5,235.00	£5,235.00	0.0%	
	Tutor Box Only	Discretionary	£2,500.00	£2,500.00	0.0%	
PVI Nurseries		Discretionary	£165.00	£165.00	0.0%	
Out of Borough schools : Artefact Topic boxes	Per box + £15 delivery and collection charge	Discretionary	£65.00	£65.00	0.0%	



Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection	
<b>PUBLIC PROTECTION</b>						
Land Charges LA Searches (NB These charges need to be set to recover costs only by law. Charges are set based upon an analysis of prior year spend and income.)						
LLC1	Additional parcel £1	Discretionary	£21.00	£21.00	0.0%	Freeze due to ongoing legal challenge
Con29R	Additional Parcel £20	Discretionary	£93.00	£93.00	0.0%	Freeze due to ongoing legal challenge
Enhanced Personal search		Discretionary	£23.00	£23.00	0.0%	Freeze due to ongoing legal challenge
Information search		Discretionary	£49.00	£49.00	0.0%	Freeze due to ongoing legal challenge
Personal inspection of the Local Land Charges Register under EIR		Discretionary	£0.00	£0.00	N/A	
Part 2 (Con29O) questions		Discretionary	£10.50	£10.50	0.0%	Freeze due to ongoing legal challenge
Part 3 (your own) questions		Discretionary	£21.00	£21.00	0.0%	Freeze due to ongoing legal challenge
Right of Light Registration		Discretionary	£69.00	£69.00	0.0%	Freeze due to ongoing legal challenge
<b>LAND SEARCH ENQUIRIES</b>						
Per reply letter		Discretionary	£64.00	£64.00	0.0%	Freeze due to ongoing legal challenge
Per copy of consent		Discretionary	£1.00	£1.00	0.0%	Freeze due to ongoing legal challenge
<b>SCIENTIFIC SERVICES</b>						
<b>Environmental Protection Act 1990</b>						
<b>Statutory Registers</b>						
<b>Copies and Entries:</b>						
First Copy (per sheet)		Discretionary	£12.00	£12.00	0.0%	
Each subsequent (per sheet)		Discretionary	£4.20	£4.20	0.0%	
<b>ANIMAL SERVICES</b>						
Dog Recovery		Discretionary	£27.00	£27.00	0.0%	
Animal Rehoming		Discretionary	£49.00	£49.00	0.0%	
Animal Boarding		Discretionary	£10.70	£10.70	0.0%	
Register of Seized Dogs		Discretionary	£3.80	£3.80	0.0%	
<b>Animal Boarding Establishments Act 1963</b>						
Licence		Discretionary	£320.00	£320.00	0.0%	
Renewal		Discretionary	£320.00	£320.00	0.0%	
<b>Breeding Dogs Act 1973</b>						
Licence		Discretionary	£262.00	£262.00	0.0%	
Renewal		Discretionary	£262.00	£262.00	0.0%	
<b>Dangerous Wild Animals Act 1976</b>						
Licence		Discretionary	£320.00	£320.00	0.0%	
Renewal		Discretionary	£320.00	£320.00	0.0%	
<b>Performing Animals (Regulations) Act 1925</b>						
Registration (once only)		Discretionary	£51.00	£51.00	0.0%	
Copy Certificate		Discretionary	£18.00	£18.00	0.0%	
<b>Pet Animals Act 1951</b>						
Licence		Discretionary	£320.00	£320.00	0.0%	
Renewal		Discretionary	£320.00	£320.00	0.0%	
<b>Riding Establishments Act 1964</b>						
Licence		Discretionary	£465.00	£465.00	0.0%	
Renewal of Provisional Licence		Discretionary	£465.00	£465.00	0.0%	
<b>Pest Control</b>						
Contracted Pest Control treatments - per hour plus VAT		Discretionary	£160.00	£160.00	0.0%	
<b>Residential Environmental Health</b>						
Notices served under Housing Act 2004 Sections 11 & 12		Discretionary	£570.00	£585.00	2.6%	Rounded up to nearest £5.
HMO licensing	Per letting	Discretionary	£200.00	£260.00	30.0%	Increases in line with those proposed for possible new Additional Licensing Areas. Not to be implemented until after any Executive decision to declare areas. Charge covers a five year period.
HMO licensing - accredited landlords	Per letting	Discretionary	£160.00	£220.00	37.5%	
HMO licensing - assisted applications	Per HMO	Discretionary	£310.00	£325.00	4.8%	
Renewal of HMO licence after 5 year term from 11/12	Per letting	Discretionary	£160.00	£200.00	25.0%	
Renewal of HMO licence for accredited landlord after 5 year term from 11/12	Per letting	Discretionary	£140.00	£180.00	28.6%	
HMO Licensing of large student accommodation blocks	Per letting	Discretionary	£25.00	£30.00	20.0%	
<b>Commercial Environmental Health</b>						
Food Hygiene Training		Discretionary		£75.00	N/A	New charge
<b>PROPERTY RECORD VIEWING, PHOTOCOPYING &amp; VIEWING (CHARGE PER PROPERTY)</b>						
Solicitor's enquiry (24 hour response)		Discretionary	£115.00	£115.00	0.0%	
<b>TRADING STANDARDS</b>						
<b>Weighing and Measuring Equipment</b>						
Charges for examining, testing, certifying, stamping, authorising or reporting on special weighing or measuring equipment. Charges are per officer/hr.		Discretionary	£92.00	£94.00	2.2%	
<b>Weights</b>						
Exceeding 5kg or not exceeding 5g		Discretionary	£13.00	£13.50	3.8%	
Other weights		Discretionary	£12.00	£12.50	4.2%	
<b>Measures</b>						
Linear measures not exceeding 3m		Discretionary	£13.00	£13.50	3.8%	
<b>Weighing machines</b>						
Not exceeding 15kg		Discretionary	£32.00	£33.00	3.1%	
15kg to 100kg		Discretionary	£50.00	£51.00	2.0%	
100kg to 250 kg		Discretionary	£64.00	£66.00	3.1%	
250 kg to 1 tonne		Discretionary	£115.00	£118.00	2.6%	
1 tonne to 10 tonne		Discretionary	£200.00	£205.00	2.5%	
10 tonne to 30 tonne		Discretionary	£390.00	£400.00	2.6%	
30 tonne to 60 tonne		Discretionary	£580.00	£595.00	2.6%	
<b>Measuring Instruments for Intoxicating Liquor</b>						
Not exceeding 150 ml		Discretionary	£22.00	£22.50	2.3%	
Other		Discretionary	£23.00	£23.50	2.2%	
<b>Measuring Instruments for Liquid Fuel and Lubricants</b>						
Container Type (unsubdivided)		Discretionary	£92.00	£94.00	2.2%	
<b>Multigrade</b>						
a) solely price adjustment		Discretionary	£115.00	£118.00	2.6%	
b) otherwise		Discretionary	£200.00	£205.00	2.5%	
<b>Other types-single outlets</b>						
a) Solely price adjustment		Discretionary	£91.00	£93.00	2.2%	
b) otherwise		Discretionary	£116.00	£119.00	2.6%	
Other types - multi outlets - rate per meter		Discretionary	£116.00	£119.00	2.6%	

Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
<b>Other Charges</b>					
If without prior notice an appointment is cancelled or altered significantly by the person requesting the service, a minimum charge of £92 (£138 in respect of appointments outside the hours 9.00 a.m. - 5.00 p.m. Monday to Friday) will be made for the first hour or part thereof and then at a rate of £92 (£138) per hour thereafter. This will include travelling time to and from the premises.					
When a visit is made by a Trading Standards Officer to any premises for the purpose of carrying out any of the functions or activities listed above, each visit may be subject to a minimum charge of £92 per Officer per visit regardless of the nature or amount of work requested or completed.					
If the Service has to hire additional weights or equipment to carry out any testing or examination, then the additional cost will be payable by the submitter.					
<b>GLC General (Powers) Act 1984</b>					
Sale of Goods by Competitive Bidding	Discretionary	£222.00	£227.00	2.3%	
<b>Poisons Act 1972</b>					
Inclusion on List	Discretionary	£71.00	£73.00	2.8%	
Alteration	Discretionary	£31.00	£32.00	3.2%	
Retention	Discretionary	£71.00	£73.00	2.8%	
<b>Scrap Metal Dealers Act 2013</b>					
Scrap Metal Dealer - Site Licence	licence is of 3 years duration	Discretionary	£490.00	N/A	
Scrap Metal Dealer renewal		Discretionary	£490.00	N/A	
Scrap Metal Dealer variation		Discretionary	£245.00	N/A	
Scrap Metal Collector		Discretionary	£295.00	N/A	
Scrap Metal Collector renewal		Discretionary	£295.00	N/A	
Scrap Metal Collector variation		Discretionary	£235.00	N/A	
Duplicates (for either)		Discretionary	£5.00	N/A	
<b>GAMBLING ACT 2005</b>					
<b>Licence Fees</b>					
Bingo Club - New Application	Discretionary	£1,840.00	£1,885.00	2.4%	
Bingo Club Annual Fee	Discretionary	£930.00	£955.00	2.7%	
Bingo Club - Variation	Discretionary	£1,290.00	£1,325.00	2.7%	
Bingo Club - Transfer	Discretionary	£155.00	£160.00	3.2%	
Bingo Club - Re-instatement	Discretionary	£155.00	£160.00	3.2%	
Bingo Club - Provisional Statement	Discretionary	£1,840.00	£1,885.00	2.4%	
Bingo Club - New Application from Provisional Statement holder	Discretionary	£155.00	£160.00	3.2%	
Betting Premises excluding Tracks - New Application	Discretionary	£1,840.00	£1,885.00	2.4%	
Betting Premises excluding Tracks Annual Fee	Discretionary	£530.00	£545.00	2.8%	
Betting Premises excluding Tracks - Variation	Discretionary	£940.00	£965.00	2.7%	
Betting Premises excluding Tracks - Transfer	Discretionary	£155.00	£160.00	3.2%	
Betting Premises excluding Tracks - Re-instatement	Discretionary	£155.00	£160.00	3.2%	
Betting Premises excluding Tracks - Provisional Statement	Discretionary	£155.00	£160.00	3.2%	
Betting Premises excluding Tracks - New Application from Provisional Statement holder	Discretionary	£1,840.00	£1,885.00	2.4%	
Tracks - New Application	Discretionary	£1,840.00	£1,885.00	2.4%	
Tracks - Transfer	Discretionary	£380.00	£390.00	2.6%	
Tracks - Re-instatement	Discretionary	£380.00	£390.00	2.6%	
Tracks - Provisional Statement	Discretionary	£1,840.00	£1,885.00	2.4%	
Tracks - New Application New Application from provisional statement holder	Discretionary	£380.00	£390.00	2.6%	
<b>CCTV Enquiries/Requests form info Solicitors, Lawyers, Court Officers (Police Exempt)</b>					
Search only	Discretionary	£10.00	£10.00	0.0%	
Research / Reply	Discretionary	£50.00	£50.00	0.0%	
Research / Reply multiple cameras / images (up to 5)	Discretionary	£65.00	£65.00	0.0%	
Research / Reply multiple cameras / images (6+)	Discretionary	£85.00	£85.00	0.0%	
<b>PLANNING &amp; DEVELOPMENT</b>					
<b>Photocopying Correspondence &amp; Other Items</b>					
Each page	Discretionary	£0.80	£0.80	0.0%	
<b>Research fee</b>					
Admin time per hr	Discretionary	£37.00	£37.00	0.0%	
<b>Policy documents</b>					
UDP Adopted June 2002	Discretionary	£56.00	£56.00	0.0%	
Core Strategy	Discretionary	£47.00	£47.00	0.0%	
Proposals Maps (UDP and Core Strategy)	Discretionary	£7.00	£7.00	0.0%	
Development Management Policies DPD (once formally adopted)	Discretionary	£47.00	£47.00	0.0%	
Site Allocations DPD (once formally adopted)	Discretionary	£47.00	£47.00	0.0%	
Finsbury Local Plan (once adopted formally)	Discretionary	£47.00	£47.00	0.0%	
Environmental Design SPD	Discretionary	£21.00	£21.00	0.0%	
Affordable Housing Small Sites Contributions SPD	Discretionary	£0.00	£0.00	0.0%	
Streetbook SPD (new version, Oct 2012)	Discretionary	£21.00	£21.00	0.0%	
Inclusive Landscape Design SPD (Oct 09)	Discretionary	£16.00	£16.00	0.0%	
Planning Obligations SPD (July 2009)	Discretionary	£16.00	£16.00	0.0%	
Accessible Housing SPD (March 2009)	Discretionary	£0.00	£0.00	0.0%	
Archway Development Framework SPD (September 2007)	Discretionary	£0.00	£0.00	0.0%	
Nag's Head Town Centre Strategy SPD (May 2007)	Discretionary	£0.00	£0.00	0.0%	
Urban Design Guide SPD (Dec 06),	Discretionary	£16.00	£16.00	0.0%	
King's Cross Framework SPD (July 2005)	Discretionary	£0.00	£0.00	0.0%	
Statement of Community Involvement (July 2006)	Discretionary	£0.00	£0.00	0.0%	
Angel Town Centre Strategy	Discretionary	£0.00	£0.00	0.0%	
Mount Pleasant	Discretionary	£16.00	£16.00	0.0%	
Student Accommodation Contributions for Bursaries SPD (once adopted)	Discretionary	£0.00	£0.00	0.0%	
Shop front Design	Discretionary	£7.00	£7.00	0.0%	
Conservation Area Design Guidelines	Discretionary	£19.00	£19.00	0.0%	
Planning Briefs	Discretionary	£10.00	£10.00	0.0%	
<b>Other Documents</b>					
Street Index with No Areas	Discretionary	£13.00	£13.00	0.0%	
<b>Maps</b>					
Street Maps	Discretionary	£5.20	£5.20	0.0%	



Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection	
<b>Plan Printing</b>						
<b>(Other than plans from planning applications)</b>						
A4	Discretionary	£3.80	£3.80	0.0%		
A3	Discretionary	£3.80	£3.80	0.0%		
A2	Discretionary	£5.20	£5.20	0.0%		
A1 23" * 20"	Discretionary	£5.20	£5.20	0.0%		
A1 40" * 30"	Discretionary	£5.20	£5.20	0.0%		
A0	Discretionary	£5.20	£5.20	0.0%		
60" * 40"	Discretionary	£5.20	£5.20	0.0%		
<b>Pre-application and other advice fees</b>						
Charges will apply immediately upon approval						
Duty Planning Officer Slot	Discretionary		£55.00	N/A	New charge	
Householder application	Discretionary	£155.00	£220.00	41.9%	To reflect costs	
Householder application with site visit	Discretionary	£260.00	£360.00	41.9%	To reflect costs	
Householder follow up meeting /site visit	Discretionary	£105.00	£140.00	33.3%	To reflect costs	
Listed building consent	Discretionary	£210.00	£330.00	57.1%	To reflect costs	
Listed building consent with site visit	Discretionary	£320.00	£470.00	57.1%	To reflect costs	
Listed Building consent follow up meeting	Discretionary	£110.00	£140.00	27.3%	To reflect costs	
Small scale minor application (up to 3 residential units, or 499 sq.m commercial)	Discretionary	£470.00	£500.00	6.4%	To reflect costs	
Small scale minor application with site visit	Discretionary	£710.00	£730.00	2.8%	To reflect costs	
Small scale minor follow up meeting	Discretionary	£240.00	£360.00	50.0%	To reflect costs	
Larger scale minor development (4-9 residential units, or 500-999 sq.m commercial)	Discretionary	£1,290.00	£1,400.00	8.5%	To reflect costs	
Large scale minor follow up meeting	Discretionary	£650.00	£750.00	15.4%	To reflect costs	
Major application up to 20 units	Discretionary	£3,100.00	£3,200.00	3.2%	To reflect costs	
Major application >20 units	Discretionary		£4,200.00	N/A	New charge	
Major application per extra meeting	Discretionary	£1,370.00	£1,500.00	9.5%	To reflect costs	
Planning Performance Agreement	Discretionary		£6,000.00	N/A	New charge	
Planning Performance Agreement (conditions)	Discretionary		£3,000.00	N/A	New charge	
Planning Performance Agreement (follow up)	Discretionary		£1,500.00	N/A	New charge	
Design review panel	Discretionary	£2,850.00	£3,085.00	8.2%	To reflect costs	
Design review panel follow up	Discretionary	£2,270.00	£2,360.00	4.0%	To reflect costs	
Officer research/ correspondence per hour	Discretionary		£110.00	N/A	New charge	
Express Enforcement correspondence	Discretionary		£500.00	N/A	New charge	
<b>BUILDING CONTROL</b>						
<b>Property Record Viewing, Photocopying &amp; Viewing (Charge Per Property)</b>						
Enquiry Charge - all information readily available on back-office/land charges or statutory register	Discretionary	£25.00	£90.00	260.0%	Charged at standard hourly rate and assumes one hour (or part thereof) of work	
Enquiry Charge - additional research required	Discretionary		£90.00	N/A	New charge	
Additional page/drawing	Discretionary	£1.00	£1.00	0.0%	Copies of plans and documents to be charged at Plan Printing rates above	
Each single copy of microfiche	Discretionary	£8.50	£10.00	17.6%	Required to pay for rental and maintenance of equipment	
Solicitor's enquiry (48 hour response)	Discretionary	£126.00	£270.00	114.3%	Standard hourly rate for research and preparing document - assuming 3 hours of work	
<b>Temporary Structure-Renewals</b>						
Professional/Technical time per hr	Standard Hourly Rate	Discretionary	£90.00	£90.00	0.0%	Standard hourly rate
Administrative time per hr	Standard Hourly Rate	Discretionary	£41.00	£90.00	119.5%	All services to be charged at standard hourly rate
Demolition notice under section 10 of the London Local Authorities Act 2004	Standard applications	Discretionary	£429.00	£450.00	4.9%	Charged at hourly rate and assuming 5 hours of officer time to deal with application
Demolition notice under section 10 of the London Local Authorities Act 2005	Complex applications	Discretionary	£795.00	£810.00	1.9%	Charged at hourly rate and assuming 9 hours of officer time to deal with application
<b>Temporary Structure-New Structures &amp; S21 London Building Ct 1939</b>						
Minimum charge	Minimum charge is £300 paid on application, with additional charges to be assessed on a case by case basis based on nature of structure and resources required in order to deal with application.	Discretionary		£300.00	N/A	New charge
<b>Dangerous Structures</b>						
Standard Charge on issue of Notice		Discretionary	£105.00	£315.00	200.0%	Charge based on standard hourly rate of £90+VAT and on assumption of 3 hours work in preparation for issuing notice
Site visits and time spent on dealing with matter to be charged at standard hourly rate	Time to be charged at standard hourly rate	Discretionary	On application	On application	N/A	Time to be charged and invoiced at standard hourly rate
<b>Miscellaneous Charges</b>						
Misc. charges and services delivered that are not specifically stated		Discretionary	On application	On application	N/A	
Refunds and Cancellations	£100 + any time spent on application charged at hourly rate	Discretionary	£100.00	£105.00	5.0%	
<b>Street Naming and Numbering</b>						
<b>New sites or developments</b>						
1-9 units		Discretionary	£185.00	£185.00	0.0%	
10-20 units		Discretionary	£240.00	£240.00	0.0%	
For each additional unit over 20		Discretionary	£35.00	£35.00	0.0%	
Naming a new street (including access ways, mews, cul-de-sacs)		Discretionary	£220.00	£220.00	0.0%	
<b>Existing property</b>						
Renaming a street		Discretionary	£390.00	£390.00	0.0%	
Naming or re-naming of a property		Discretionary	£220.00	£220.00	0.0%	
Renumbering of a property		Discretionary	£220.00	£220.00	0.0%	
Postcode enquiries		Discretionary	£0.00	£0.00	N/A	
Resubmission with new proposals if original application refused and within 1 month of refusal		Discretionary	£0.00	£0.00	N/A	
<b>ENVIRONMENTAL SERVICES</b>						
<b>HIGHWAYS GROUP</b>						
<b>NEW ROADS &amp; STREET WORKS ACT</b>						
<b>Streetscene Records:</b>						
Staff viewing charge		Discretionary	£45.00	£45.00	0.0%	
First page copying - per page		Discretionary	£5.20	£5.20	0.0%	
Subsequent pages - per page		Discretionary	£0.90	£0.90	0.0%	
Restoration of database if required		Discretionary	£560.00	£560.00	0.0%	
Provision of information by post		Discretionary	£57.00	£57.00	0.0%	
Provision of accident data		Discretionary	£68.00	£68.00	0.0%	



Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
<b>Enquiries/Requests form info Solicitors, Developers/Business Orgs</b>					
Search only	Discretionary	£40.00	£40.00	0.0%	
Research/Reply	Discretionary	£79.00	£79.00	0.0%	
Research/Reply multiple questions (up to 5)	Discretionary	£140.00	£140.00	0.0%	
Research/Reply multiple questions (6+)	Discretionary	£195.00	£195.00	0.0%	
<b>Supply Lamps</b>					
Per lamp	Discretionary	£13.00	£13.00	0.0%	
Per night	Discretionary	£117.00	£117.00	0.0%	
<b>Deposits</b>					
Deposit Handling Charge	Discretionary	£75.00	£75.00	0.0%	
Deposit based on full replacement cost of highway (m2)	Discretionary	£171.00	£200.00	17.0%	
<b>Highway Licences</b>					
Section 50 opening of highway - Excavation up to 0.9 metres	Discretionary	£300.00	£310.00	3.3%	
Section 50 opening of highway - Excavation 0.9 - 1.5 metres	Discretionary	£640.00	£700.00	9.4%	
Section 50 opening of highway - Excavation over 1.50 metres	Discretionary	£1,800.00	£1,845.00	2.5%	
Section 50 opening of highway - Non excavation	Discretionary	£220.00	£225.00	2.3%	
Temp X over Section 50 opening of highway - Standard Vehicle	Discretionary	£640.00	£700.00	9.4%	
Temp X over Section 50 opening of highway - Heavy Duty Vehicle	Discretionary	£1,800.00	£1,845.00	2.5%	
Section 81 - First and second notifications	Discretionary	£0.00	£0.00	0.0%	
Section 81 - Remedial works including survey	Discretionary	£0.00	£0.00	0.0%	
Extension fees for agreed and non agreed Section 50 - excavations and temporary crossovers	Discretionary	£135.00	£140.00	3.7%	
Site Inspection fee for valid complaints or unauthorised overstay	Discretionary	£135.00	£140.00	3.7%	
<b>Tables and chairs</b>					
Management fee - all bands	Discretionary	£395.00	£405.00	2.5%	
Band A - Price per seat up to 12	Discretionary	£69.00	£75.00	8.7%	
Band A - Price per seat 13 upward	Discretionary	£49.00	£55.00	12.2%	
Band B - Price per seat up to 12	Discretionary	£49.00	£50.00	2.0%	
Band B - Price per seat 13 upward	Discretionary	£32.00	£35.00	9.4%	
Band C - Price per seat up to 12	Discretionary	£27.00	£30.00	11.1%	
Band C - Price per seat 13 upward	Discretionary	£20.00	£25.00	25.0%	
<b>A Boards &amp; Tables and Chairs</b>					
Band A price per A board added to existing Tables and Chair licence	Discretionary	£264.00	£275.00	4.2%	
Band B price per A board added to existing Tables and Chair licence	Discretionary	£190.00	£195.00	2.6%	
Band C price per A board added to existing Tables and Chair licence	Discretionary	£75.00	£80.00	6.7%	
<b>A Boards only</b>					
Band A price per A board	Discretionary	£372.00	£380.00	2.2%	
Band B price per A board	Discretionary	£269.00	£275.00	2.2%	
Band C price per A board	Discretionary	£109.00	£115.00	5.5%	
<b>Dispensers (newspapers et al)</b>					
All bands	Discretionary	£340.00	£345.00	1.5%	
<b>Skips</b>					
Skip license - admin	Discretionary	£75.00	£85.00	13.3%	
<b>Materials license fee</b>					
deposit value <£1500	Discretionary	£300.00	£315.00	5.0%	
£1501-<£3000	Discretionary	£435.00	£500.00	14.9%	
£3001-<£6000	Discretionary	£780.00	£800.00	2.6%	
£6001-<	Discretionary	On application	On application	N/A	
<b>Scaffold license fee</b>					
deposit value <£1500	Discretionary	£300.00	£315.00	5.0%	
£1501-<£3000	Discretionary	£435.00	£500.00	14.9%	
£3001-<£6000	Discretionary	£780.00	£800.00	2.6%	
£6001-<	Discretionary	On application	On application	N/A	
<b>Scaffold Gantry licence fee</b>					
deposit value <£1500	Discretionary	£610.00	£650.00	6.6%	
£1501-<£3000	Discretionary	£955.00	£1,000.00	4.7%	
£3001-<£6000	Discretionary	£1,270.00	£1,300.00	2.4%	
£6001-<	Discretionary	On application	On application	N/A	
<b>Hoarding license fee</b>					
deposit value <£1500	Discretionary	£300.00	£315.00	5.0%	
£1501-<£3000	Discretionary	£435.00	£500.00	14.9%	
£3001-<£6000	Discretionary	£780.00	£800.00	2.6%	
£6001-<	Discretionary	On application	On application	N/A	
Extension fees for Material, Scaffolding & Hoarding	Discretionary	£135.00	£150.00	11.1%	
Site Inspection fee for valid complaints or unauthorised overstay	Discretionary	£135.00	£150.00	11.1%	
<b>Crane Operation licenses</b>					
Oversailing the highway	Discretionary	£540.00	£750.00	38.9%	Change in lifting technology. Site evaluations required. To be approved by qualified person.
Operation on the highway	Discretionary	£335.00	£350.00	4.5%	
Overhang licence section 177	NEW LICENCE TYPE		£325.00	N/A	Documentation approval by engineer prior to submission to legal
<b>Shoring and whaling</b>					
One off fee per m2 of enclosed highway land	Discretionary	£215.00	£250.00	16.3%	
Monthly charge for occupation	Discretionary	£65.00	£75.00	15.4%	
<b>Containers</b>					
Admin fee	Discretionary	£160.00	£175.00	9.4%	
Weekly storage fee on the highway	Discretionary	£175.00	£185.00	5.7%	

Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection	
<b>Legal notices and works</b>						
Temporary Traffic Restriction Orders/Notices (incl statutory press notices) under section 14 for max of 3 months	Discretionary	£3,200.00	£3,200.00	0.0%		
Extension to section 14 closure per month	Discretionary	£375.00	£450.00	20.0%	Deterrent to avoid overstay	
Temporary Traffic Restriction Orders/Notices (incl statutory press notices) under section 16 and Section 22 to accommodate Filming	Discretionary	£3,400.00	£3,200.00	-5.9%	No fee for non commercial events. Parity with Section 14 closures.	
Permanent traffic orders under all sections of the highways, traffic regulation and road traffic acts	Discretionary	£2,150.00	£2,200.00	2.3%		
<b>Parity with Section 14 closures</b>						
Access Bar Marking installation and consultation	Discretionary	£356.00	£400.00	12.4%		
Professional fees for works	Discretionary	25% of total value for works up to 20,000 in value then 17.5% of total value	25% of total value for works up to 20,000 in value then 17.5% of total value	0.0%		
Emergency call out works	Discretionary	£560.00	£600.00	7.1%		
<b>Waste Management</b>						
<b>COMMERCIAL WASTE CHARGES</b>						
Sacks (per 50 sacks)	Per 50	Discretionary	£86.00	£86.00	0.0%	
Bulk (per metre)	Metre = 12 bags	Discretionary	£22.00	£22.00	0.0%	
Paladin	Per lift	Discretionary	£14.00	£14.00	0.0%	
Paladin	Annual hire	Discretionary	£114.00	£114.00	0.0%	
Wheelie Bin 240 litre	Per lift	Discretionary	£6.80	£6.80	0.0%	
Wheelie Bin 330/360 litre	Per lift	Discretionary	£8.50	£8.50	0.0%	
Eurobin 550/660 litre	Per lift	Discretionary	£11.00	£11.00	0.0%	
Eurobin 550/660 litre	Annual hire	Discretionary	£120.00	£120.00	0.0%	
Eurobin 770 litre	Per lift	Discretionary	£12.00	£12.00	0.0%	
Eurobin 770 litre	Annual hire	Discretionary	£140.00	£140.00	0.0%	
Eurobin 1100 litre	Per lift	Discretionary	£15.00	£15.00	0.0%	
Eurobin 1100 litre	Annual hire	Discretionary	£176.00	£176.00	0.0%	
Eurobin 1280 litre	Per lift	Discretionary	£16.00	£16.00	0.0%	
Eurobin 1280 litre	Annual	Discretionary	£190.00	£190.00	0.0%	
Skips Light Waste (8 yarder)	Per lift	Discretionary	£274.00	£274.00	0.0%	
Skips Building Material (8 yarder)	Per lift	Discretionary	£331.00	£331.00	0.0%	
Special Collections (Minimum Charge)	One off	Discretionary	£79.00	£79.00	0.0%	
Confidential Waste Collection	One off	Discretionary	£64.00	£64.00	0.0%	
<b>To purchase Eurobins:</b>						
240 litre		Discretionary	£52.00	£52.00	0.0%	
360 litre		Discretionary	£95.00	£95.00	0.0%	
660 litre		Discretionary	£370.00	£370.00	0.0%	
770 litre		Discretionary	£390.00	£390.00	0.0%	
1100 litre		Discretionary	£420.00	£420.00	0.0%	
1280 litre		Discretionary	£430.00	£430.00	0.0%	
<b>CHARITY/EDUCATIONAL ESTABLISHMENT WASTE CHARGES</b>						
Sacks (per 50 sacks)	Per 50	Discretionary	£42.00	£42.00	0.0%	
Paladin hire	Per lift	Discretionary	£8.00	£8.00	0.0%	
Paladin hire	Annual hire	Discretionary	£111.00	£111.00	0.0%	
Wheelie Bin 240 litre	Per lift	Discretionary	£4.00	£4.00	0.0%	
Wheelie Bin 330/360 litre	Per lift	Discretionary	£6.00	£6.00	0.0%	
Eurobin 550/660 litre	Per lift	Discretionary	£6.40	£6.40	0.0%	
Eurobin 550/660 litre	Annual hire	Discretionary	£120.00	£120.00	0.0%	
Eurobin 770/800 litre	Per lift	Discretionary	£7.50	£7.50	0.0%	
Eurobin 770/800 litre	Annual hire	Discretionary	£140.00	£140.00	0.0%	
Eurobin 1100 litre	Per lift	Discretionary	£8.00	£8.00	0.0%	
Eurobin 1100 litre	Annual hire	Discretionary	£176.00	£176.00	0.0%	
Eurobin 1280 litre	Per lift	Discretionary	£9.10	£9.10	0.0%	
Eurobin 1280 litre	Annual hire	Discretionary	£190.00	£190.00	0.0%	
Skips Light Waste (8 yarder)	Per lift	Discretionary	£191.00	£191.00	0.0%	
Skips Light Waste (12 yarder) perm	Per lift	Discretionary	£206.00	£206.00	0.0%	
Special Collections (Minimum Charge)	One off	Discretionary	£95.00	£95.00	0.0%	
Confidential Waste Collection	One off	Discretionary	£64.00	£64.00	0.0%	
<b>To buy Eurobins</b>						
240 litre		Discretionary	£52.00	£52.00	0.0%	
360 litre		Discretionary	£96.00	£96.00	0.0%	
660 litre		Discretionary	£370.00	£370.00	0.0%	
770 litre		Discretionary	£390.00	£390.00	0.0%	
1100 litre		Discretionary	£420.00	£420.00	0.0%	
1280 litre		Discretionary	£430.00	£430.00	0.0%	
Duty of Care Document Charge	Quarter	Discretionary	£15.00	£15.00	0.0%	
	Half year	Discretionary	£31.00	£31.00	0.0%	
	Annual	Discretionary	£62.00	£62.00	0.0%	
<b>CLINICAL WASTE CHARGES</b>						
<b>Removal of Bagged Clinical Waste</b>						
Min charge per visit & up to 7 bags (inclusive)	Up to 7 bags	Discretionary	£34.00	£34.00	0.0%	
Each additional bag over 7 collected	Each bag	Discretionary	£5.40	£5.40	0.0%	
<b>Sharps</b>						
Min charge per visit & up to 5 boxes (inclusive)	Up to 5 boxes	Discretionary	34.00	34.00	0.0%	
Each additional box over 5 collected	Each box	Discretionary	5.40	5.40	0.0%	
<b>PARKING</b>						
<b>PARKING PERMITS</b>						
<b>Blue Badge</b>						
Blue Badge processing		Statutory Maximum Limit	£0.00	£0.00	0.0%	Up to £10 set by government
Associated residents permit for Blue Badge holders		Discretionary	£0.00	£0.00	0.0%	
Blue Badge replacement for lost 1st one in 3 years		Statutory Maximum Limit	£0.00	£0.00	0.0%	Up to £10 set by government
Blue Badge replacement for stolen 1st one in 3 years		Statutory Maximum Limit	£0.00	£0.00	0.0%	Up to £10 set by government
Blue Badge replacement for lost subsequent ones in 3 years		Statutory Maximum Limit	£10.00	£10.00	0.0%	Up to £10 set by government



Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
<b>All Diesel Vehicles - Surcharge in additional to Standard Resident Permit Prices - subject to some vehicle-type policy exemptions</b>					
1 month permit	Discretionary		£8.00	N/A	New charge
3 month permit	Discretionary		£24.00	N/A	New charge
6 month permit	Discretionary		£48.00	N/A	New charge
12 month permit	Discretionary		£96.00	N/A	New charge
<b>Residents Parking Permit - based on CO2 emissions</b>					
Band A - (up to 100g/km) - 1 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - (up to 100g/km) - 3 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - (up to 100g/km) - 6 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - (up to 100g/km) - 12 month permit	Discretionary	£0.00	£0.00	0.0%	
Band B - (101-110g/km) - 1 month permit	Discretionary	£5.75	£6.00	4.3%	
Band B - (101-110g/km) - 3 month permit	Discretionary	£5.75	£6.00	4.3%	
Band B - (101-110g/km) - 6 month permit	Discretionary	£7.75	£7.95	2.6%	
Band B - (101-110g/km) - 12 month permit	Discretionary	£15.50	£15.90	2.6%	
Band C - (111-120g/km) - 1 month permit	Discretionary	£5.75	£6.00	4.3%	
Band C - (111-120g/km) - 3 month permit	Discretionary	£7.00	£7.20	2.9%	
Band C - (111-120g/km) - 6 month permit	Discretionary	£14.00	£14.35	2.5%	
Band C - (111-120g/km) - 12 month permit	Discretionary	£28.00	£28.70	2.5%	
Band D - (121-130g/km) - 1 month permit	Discretionary	£6.25	£6.35	1.6%	
Band D - (121-130g/km) - 3 month permit	Discretionary	£18.50	£18.95	2.4%	
Band D - (121-130g/km) - 6 month permit	Discretionary	£37.00	£37.90	2.4%	
Band D - (121-130g/km) - 12 month permit	Discretionary	£74.00	£75.80	2.4%	
Band E - (131-140g/km) - 1 month permit	Discretionary	£7.50	£7.70	2.7%	
Band E - (131-140g/km) - 3 month permit	Discretionary	£22.50	£23.05	2.4%	
Band E - (131-140g/km) - 6 month permit	Discretionary	£45.00	£46.10	2.4%	
Band E - (131-140g/km) - 12 month permit	Discretionary	£90.00	£92.15	2.4%	
Band F - (141-150g/km) - 1 month permit	Discretionary	£8.25	£8.30	0.6%	
Band F - (141-150g/km) - 3 month permit	Discretionary	£24.25	£24.85	2.5%	
Band F - (141-150g/km) - 6 month permit	Discretionary	£48.50	£49.65	2.4%	
Band F - (141-150g/km) - 12 month permit	Discretionary	£97.00	£99.30	2.4%	
Band G - (151-165g/km) - 1 month permit	Discretionary	£10.00	£10.35	3.5%	
Band G - (151-165g/km) - 3 month permit	Discretionary	£30.25	£31.00	2.5%	
Band G - (151-165g/km) - 6 month permit	Discretionary	£60.50	£61.95	2.4%	
Band G - (151-165g/km) - 12 month permit	Discretionary	£121.00	£123.90	2.4%	
Band H - (166-175g/km) - 1 month permit	Discretionary	£11.50	£11.90	3.5%	
Band H - (166-175g/km) - 3 month permit	Discretionary	£34.75	£35.65	2.6%	
Band H - (166-175g/km) - 6 month permit	Discretionary	£69.50	£71.25	2.5%	
Band H - (166-175g/km) - 12 month permit	Discretionary	£139.00	£142.50	2.5%	
Band I - (176-185g/km) - 1 month permit	Discretionary	£14.00	£14.00	0.0%	
Band I - (176-185g/km) - 3 month permit	Discretionary	£40.75	£41.75	2.5%	
Band I - (176-185g/km) - 6 month permit	Discretionary	£81.50	£83.50	2.5%	
Band I - (176-185g/km) - 12 month permit	Discretionary	£163.00	£167.00	2.5%	
Band J - (186-200g/km) - 1 month permit	Discretionary	£17.50	£17.60	0.6%	
Band J - (186-200g/km) - 3 month permit	Discretionary	£51.50	£52.75	2.4%	
Band J - (186-200g/km) - 6 month permit	Discretionary	£103.00	£105.50	2.4%	
Band J - (186-200g/km) - 12 month permit	Discretionary	£206.00	£211.00	2.4%	
Band K - (201- 225g/km) - 1 month permit	Discretionary	£20.00	£20.50	2.5%	
Band K - (201- 225g/km) - 3 month permit	Discretionary	£60.00	£61.50	2.5%	
Band K - (201- 225g/km) - 6 month permit	Discretionary	£120.00	£123.00	2.5%	
Band K - (201- 225g/km) - 12 month permit	Discretionary	£240.00	£246.00	2.5%	
Band L - (226-255g/km) - 1 month permit	Discretionary	£28.00	£28.75	2.7%	
Band L - (226-255g/km) - 3 month permit	Discretionary	£84.00	£86.00	2.4%	
Band L - (226-255g/km) - 6 month permit	Discretionary	£168.00	£172.00	2.4%	
Band L - (226-255g/km) - 12 month permit	Discretionary	£336.00	£344.00	2.4%	
Band M - (256g/km and above) - 1 month permit	Discretionary	£36.50	£37.00	1.4%	
Band M - (256g/km and above) - 3 month permit	Discretionary	£108.50	£111.00	2.3%	
Band M - (256g/km and above) - 6 month permit	Discretionary	£217.00	£222.00	2.3%	
Band M - (256g/km and above) - 12 month permit	Discretionary	£434.00	£444.00	2.3%	
<b>Residents Parking Permit - pre-2001 vehicles - based on engine sizes</b>					
Band A - 1 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - 3 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - 6 month permit	Discretionary	£0.00	£0.00	0.0%	
Band A - 12 month permit	Discretionary	£0.00	£0.00	0.0%	
Band B - (1-900cc) - 1 month permit	Discretionary	£5.75	£6.00	4.3%	
Band B - (1-900cc) - 3 month permit	Discretionary	£5.75	£6.00	4.3%	
Band B - (1-900cc) - 6 month permit	Discretionary	£7.75	£7.95	2.6%	
Band B - (1-900cc) - 12 month permit	Discretionary	£15.50	£15.90	2.6%	
Band C - (901-1100cc) - 1 month permit	Discretionary	£5.75	£6.00	4.3%	
Band C - (901-1100cc) - 3 month permit	Discretionary	£7.00	£7.20	2.9%	
Band C - (901-1100cc) - 6 month permit	Discretionary	£14.00	£14.35	2.5%	
Band C - (901-1100cc) - 12 month permit	Discretionary	£28.00	£28.70	2.5%	
Band D - (1101-1200cc) - 1 month permit	Discretionary	£6.25	£6.35	1.6%	
Band D - (1101-1200cc) - 3 month permit	Discretionary	£18.50	£18.95	2.4%	
Band D - (1101-1200cc) - 6 month permit	Discretionary	£37.00	£37.90	2.4%	
Band D - (1101-1200cc) - 12 month permit	Discretionary	£74.00	£75.80	2.4%	
Band E - (1201-1300cc) - 1 month permit	Discretionary	£7.50	£7.70	2.7%	
Band E - (1201-1300cc) - 3 month permit	Discretionary	£22.50	£23.05	2.4%	
Band E - (1201-1300cc) - 6 month permit	Discretionary	£45.00	£46.10	2.4%	
Band E - (1201-1300cc) - 12 month permit	Discretionary	£90.00	£92.15	2.4%	
Band F - (1301-1399cc) - 1 month permit	Discretionary	£8.25	£8.30	0.6%	
Band F - (1301-1399cc) - 3 month permit	Discretionary	£24.25	£24.85	2.5%	
Band F - (1301-1399cc) - 6 month permit	Discretionary	£48.50	£49.65	2.4%	
Band F - (1301-1399cc) - 12 month permit	Discretionary	£97.00	£99.30	2.4%	
Band G - (1400-1500cc) - 1 month permit	Discretionary	£10.00	£10.35	3.5%	
Band G - (1400-1500cc) - 3 month permit	Discretionary	£30.25	£31.00	2.5%	
Band G - (1400-1500cc) - 6 month permit	Discretionary	£60.50	£61.95	2.4%	
Band G - (1400-1500cc) - 12 month permit	Discretionary	£121.00	£123.90	2.4%	
Band H - (1501-1650cc) - 1 month permit	Discretionary	£11.50	£11.90	3.5%	
Band H - (1501-1650cc) - 3 month permit	Discretionary	£34.75	£35.65	2.6%	
Band H - (1501-1650cc) - 6 month permit	Discretionary	£69.50	£71.25	2.5%	
Band H - (1501-1650cc) - 12 month permit	Discretionary	£139.00	£142.50	2.5%	
Band I - (1651-1850cc) - 1 month permit	Discretionary	£14.00	£14.00	0.0%	
Band I - (1651-1850cc) - 3 month permit	Discretionary	£40.75	£41.75	2.5%	
Band I - (1651-1850cc) - 6 month permit	Discretionary	£81.50	£83.50	2.5%	
Band I - (1651-1850cc) - 12 month permit	Discretionary	£163.00	£167.00	2.5%	
Band J - (1851-2100cc) - 1 month permit	Discretionary	£17.50	£17.60	0.6%	
Band J - (1851-2100cc) - 3 month permit	Discretionary	£51.50	£52.75	2.4%	
Band J - (1851-2100cc) - 6 month permit	Discretionary	£103.00	£105.50	2.4%	
Band J - (1851-2100cc) - 12 month permit	Discretionary	£206.00	£211.00	2.4%	
Band K - (2101-2500cc) - 1 month permit	Discretionary	£20.00	£20.50	2.5%	
Band K - (2101-2500cc) - 3 month permit	Discretionary	£60.00	£61.50	2.5%	

Fee / Charge	Type (Discretionary / Statutory)	Fee or Charge 2014-15	Proposed Fee or Charge 2015-16	% Change	Explanation if % change varies from RPI Quarter 3 Average inflation (2.4%) other than appropriate rounding for the purposes of administration and collection
Band K - (2101-2500cc) - 6 month permit	Discretionary	£120.00	£123.00	2.5%	
Band K - (2101-2500cc) - 12 month permit	Discretionary	£240.00	£246.00	2.5%	
Band L - (2501-2750cc) - 1 month permit	Discretionary	£28.00	£28.75	2.7%	
Band L - (2501-2750cc) - 3 month permit	Discretionary	£84.00	£86.00	2.4%	
Band L - (2501-2750cc) - 6 month permit	Discretionary	£168.00	£172.00	2.4%	
Band L - (2501-2750cc) - 12 month permit	Discretionary	£336.00	£344.00	2.4%	
Band M - (2751cc and above) - 1 month permit	Discretionary	£36.50	£37.00	1.4%	
Band M - (2751cc and above) - 3 month permit	Discretionary	£108.50	£111.00	2.3%	
Band M - (2751cc and above) - 6 month permit	Discretionary	£217.00	£222.00	2.3%	
Band M - (2751cc and above) - 12 month permit	Discretionary	£434.00	£444.00	2.3%	
<b>Motorcycle Parking Permits</b>					
Solo Motorcycle - 1 month permit	Discretionary	£6.50	£6.50	0.0%	
Solo Motorcycle - 3 month permit	Discretionary	£12.50	£12.70	1.6%	
Solo Motorcycle - 6 month permit	Discretionary	£24.75	£25.35	2.4%	
Solo Motorcycle - 12 month permit	Discretionary	£49.50	£50.70	2.4%	
Residents Match day permit - valid only during match or event days	Discretionary	£0.00	£0.00	0.0%	
Hire Car permit (linked to hire car vouchers)	Discretionary	£13.40	£13.75	2.6%	
Residents permit - black taxi driver concession - one band lower than the norm	Discretionary	Various	Various	N/A	
<b>Residents Parking Permit refunds for unused permits (per complete month, based on annual permit surrender)</b>					
Band A	Discretionary	£0.00	£0.00	0.0%	
Band B	Discretionary	£1.30	£1.30	0.0%	
Band C	Discretionary	£2.35	£2.40	2.1%	
Band D	Discretionary	£6.20	£6.30	1.6%	
Band E	Discretionary	£7.50	£7.70	2.7%	
Band F	Discretionary	£8.25	£8.30	0.6%	
Band G	Discretionary	£10.25	£10.35	1.0%	
Band H	Discretionary	£11.75	£11.90	1.3%	
Band I	Discretionary	£14.00	£14.00	0.0%	
Band J	Discretionary	£17.75	£17.60	-0.8%	
Band K	Discretionary	£20.00	£20.50	2.5%	
Band L	Discretionary	£28.25	£28.75	1.8%	
Band M	Discretionary	£37.00	£37.00	0.0%	
Admin fee - refund handling charge	Discretionary	£21.75	£22.25	2.3%	
Diesel vehicle surcharge refund - 1 month	Discretionary		£8.00	N/A	New charge
<b>Visitor parking vouchers</b>					
Half hour vouchers (books of 20)	Discretionary	£8.80	£10.40	18.2%	Has to be in 20p multiples
3-hour vouchers (books of 10)	Discretionary	£24.40	£29.20	19.7%	Has to be in 20p multiples
All day voucher	Discretionary	£11.20	£13.40	19.6%	
Half hour vouchers (concessionary)	Discretionary	£4.60	£5.20	13.0%	Has to be in 20p multiples
3-hour vouchers (concessionary)	Discretionary	£12.20	£14.60	19.7%	Has to be in 20p multiples
All day voucher (concessionary)	Discretionary		£6.70	N/A	New concession
E-visitor voucher charges (per hour)	Discretionary	£1.00	£1.20	20.0%	Not yet implemented
E-visitor voucher charges (concessionary)	Discretionary	£0.50	£0.60	20.0%	Not yet implemented
Hire car permit holder vouchers - half hour (books of 20)	Discretionary	£7.00	£8.40	20.0%	Has to be in 20p multiples
Hire car permit holder vouchers - 3 hour (books of 10)	Discretionary	£20.20	£24.20	19.8%	Has to be in 20p multiples
1-hour business voucher (books of 10)	Discretionary	£11.20	£11.40	1.8%	Has to be in 10p multiples
New parents vouchers - 40 hours free	Discretionary	£0.00	£0.00	0.0%	
1-hour business visitor vouchers	Discretionary	£49.60	£50.80	2.4%	Has to be in 20p multiples
<b>Business Visitor parking vouchers</b>					
Business visitor Half hour vouchers (books of 20)	Discretionary	£12.40	£12.80	3.2%	Has to be in 20p multiples
Business visitor All day voucher	Discretionary	£27.50	£28.15	2.4%	
E-business visitor voucher charges (per hour)	Discretionary	£1.20	£1.40	16.7%	Not yet implemented
<b>Other permits</b>					
Doctors parking permit - annual	Discretionary	£237.50	£243.20	2.4%	
(New Doctors parking place installation - includes 1 permit)	Discretionary	£2,685.00	£2,749.50	2.4%	
Essential Services Permit - annual (formerly Teacher Permit)	Discretionary	£335.00	£343.00	2.4%	
Business permit - annual (under 150kg/m2 or up to 1600cc)	Discretionary	£670.00	£686.00	2.4%	
Business permit - annual (under 150kg/m2 or up to 1600cc) 2nd permit	Discretionary	£890.00	£911.40	2.4%	
Business permit - annual (over 151kg/m2 or over 1600cc)	Discretionary	£1,110.00	£1,136.60	2.4%	
Business permit - annual (over 151kg/m2 or over 1600cc) 2nd permit	Discretionary	£1,320.00	£1,351.60	2.4%	
Business permit - electric	Discretionary	£516.00	£528.40	2.4%	
Business permit - annual permit linked to vouchers scheme	Discretionary	£16.75	£17.15	2.4%	
Match day and event day trader permits - annual	Discretionary	£610.00	£624.60	2.4%	
Permission to Park - per day	Discretionary	£23.25	£23.80	2.4%	
Permission to Park - per week	Discretionary	£95.00	£97.30	2.4%	
Permission to Park - per month	Discretionary	£377.00	£386.00	2.4%	
Universal all-zone permit - annual only (1-25 fleet vehicles)	Discretionary	£3,670.00	£3,760.00	2.5%	
Universal all-zone permit - annual only (26-50 fleet vehicles)	Discretionary	£2,440.00	£2,499.00	2.4%	
Universal all-zone permit - annual only (50+ fleet vehicles)	Discretionary	£1,240.00	£1,270.00	2.4%	
Universal permit - discounted fee for electric vehicles	Discretionary	£2,660.00	£2,720.00	2.3%	
Universal permit - discounted fee for registered charities	Discretionary	£2,660.00	£2,720.00	2.3%	
Car club permit	Discretionary	£222.00	£227.30	2.4%	
Trader's Permit	Discretionary	£22.25	£22.80	2.5%	
<b>PARKING PLACE SUSPENSIONS</b>					
Permission to place a licensed skip in a parking place - no dedicated suspension	Discretionary	£55.75	£57.00	2.2%	
Suspension admin charge (non residents) - first day	Discretionary	£180.00	£184.00	2.2%	
Suspension admin charge (residents) - first day	Discretionary	£88.00	£90.00	2.3%	
Suspension admin charge (all applicants) - subsequent days, per day	Discretionary	£27.50	£28.15	2.4%	
Yellow line essential parking waiver (day rate)	Discretionary	£55.00	£56.30	2.4%	
<b>PAY AND DISPLAY TARIFFS</b>					
Minimum made order - band 1 (per hour)	Discretionary	£1.20	£1.20	0.0%	No change - dependent on occupancy
Minimum made order - band 2 (per hour)	Discretionary	£1.80	£1.80	0.0%	No change - dependent on occupancy
Minimum made order - band 3 (per hour)	Discretionary	£2.00	£2.00	0.0%	No change - dependent on occupancy
Minimum made order - band 4 (per hour)	Discretionary	£2.40	£2.40	0.0%	No change - dependent on occupancy
Minimum made order - band 5 (per hour)	Discretionary	£3.00	£3.00	0.0%	No change - dependent on occupancy
Minimum made order - band 6 (per hour)	Discretionary	£3.60	£3.60	0.0%	No change - dependent on occupancy
Minimum made order - band 7(per hour)	Discretionary	£4.00	£4.00	0.0%	No change - dependent on occupancy
Minimum made order - band 8 (per hour)	Discretionary	£4.80	£4.80	0.0%	No change - dependent on occupancy
Minimum made order - band 9 (per hour)	Discretionary	£5.00	£5.00	0.0%	No change - dependent on occupancy
Minimum made order - band 10 (per hour)	Discretionary	£5.40	£5.40	0.0%	No change - dependent on occupancy
Minimum made order - band 11 (per hour)	Discretionary	£6.00	£6.00	0.0%	No change - dependent on occupancy
<b>Motorcycle P&amp;D</b>					
All day parking band 1	Discretionary	£0.50	£0.50	0.0%	Not yet implemented
All day parking band 2	Discretionary	£1.00	£1.00	0.0%	Not yet implemented
All day parking band 3	Discretionary	£1.20	£1.20	0.0%	Not yet implemented
All day parking band 4	Discretionary	£1.50	£1.50	0.0%	Not yet implemented
All day parking band 5	Discretionary	£1.80	£1.80	0.0%	Not yet implemented
All day parking band 6	Discretionary	£2.20	£2.20	0.0%	Not yet implemented
<b>Abandoned vehicle disposal</b>					
Removal of abandoned vehicle from private land	Discretionary	£200.00	£200.00	0.0%	



<b>HRA MEDIUM TERM FINANCIAL STRATEGY</b>	<b>2014-15 Approved £m</b>	<b>2015-16 Proposed £m</b>	<b>2016-17 Estimate £m</b>	<b>2017-18 Estimate £m</b>
<b>HOUSING REVENUE ACCOUNT:</b>				
<b>HRA INCOME:</b>				
Income From Dwellings				
Tenants Rents	147.7	152.3	158.2	164.5
Tenants Service Charges	10.3	10.5	10.7	11.0
Income From Dwellings	158.0	162.8	169.0	175.5
Commercial Property Rents	1.7	1.7	1.8	1.8
Heating Charges (Tenants and Leaseholders)	2.3	2.4	2.5	2.7
Leaseholder Annual Service Charges	7.3	7.1	7.2	7.4
Leaseholder Charges for Major Works	2.1	2.1	2.2	2.3
Other fees	0.1	0.1	0.1	0.1
Leaseholder Charges	9.5	9.3	9.5	9.7
Other Charges for Services and Facilities	3.9	4.1	4.2	4.6
Private Finance Initiative Government Subsidy	22.9	22.9	22.9	22.9
Interest Receivable	0.4	2.0	2.8	3.5
Transfers from the General Fund for Shared Services	0.8	0.9	0.9	0.9
<b>GROSS INCOME SUB TOTAL</b>	<b>199.5</b>	<b>206.0</b>	<b>213.6</b>	<b>221.6</b>
<b>HRA EXPENDITURE:</b>				
General Management	45.8	48.6	49.4	50.1
Private Finance Initiative - Payments	39.3	40.1	40.7	41.5
Special Services	15.0	16.0	16.5	17.1
Repairs and Maintenance	23.1	29.7	30.2	30.8
Rents, Rates, Taxes and Other Charges	0.7	0.8	0.8	0.8
HRA Contributions to the Capital Programme	10.6	10.4	10.6	10.9
Interest Charges on Debt	14.6	14.5	15.8	17.3
Provision For Debt Repayment	17.2	12.7	15.4	18.3
Depreciation - Contribution to the Major Repairs Reserve (to fund the Capital Programme)	28.8	29.5	30.3	31.1
Total Capital Financing Costs	60.6	56.8	61.5	66.7
Increase In Bad Debt Provision	0.8	0.8	0.8	0.8
HRA Contingency	3.5	3.0	3.0	3.0
<b>GROSS EXPENDITURE SUB TOTAL</b>	<b>199.5</b>	<b>206.0</b>	<b>213.6</b>	<b>221.6</b>
<b>HRA IN-YEAR DEFICIT (+) / SURPLUS (-)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**HRA FEES AND CHARGES 2015-16****Tenant Service Charges and Digital TV Charges**

	<b>Proposed weekly charge or compensation sum</b>
Caretaking and Cleaning	£7.10
Estate Services (estate lighting, communal estate and grounds maintenance)	£2.91
<b>Tenant Service Charge</b>	<b>£10.01</b>
Digital TV	£0.31
Compensation for loss of caretaking service	£1.70 per day (after 5 consecutive days of lost service)
<b>Note:</b> The weekly tenant service charge for caretaking and estate services increases in line with inflation (2.3% RPI Sept.14) from £9.78 in 2014-15 to £10.01 in 2015-16, an increase of 23p per week.	

**Heating and Hot Water Charges**

	<b>Bedsit Weekly Charge £</b>	<b>1-Bed Weekly Charge £</b>	<b>2-Bed Weekly Charge £</b>	<b>3-Bed Weekly Charge £</b>	<b>4-Bed Weekly Charge £</b>
Heating and Hot Water	10.33	11.45	13.58	15.98	18.10
Heating Only (60% Full Charge)	6.20	6.87	8.15	9.59	10.86
Spa Green (18 hours/day, 18c at night)	10.98	12.17	14.43	16.98	19.24
Bunhill Energy Network (St Luke's, Stafford Cripps and Redbrick)	9.39	10.41	12.34	14.53	16.46
<b>Note:</b> Charges for 2015-16 have been frozen in absolute terms at 2014-15 rates.					

### Estate Parking Charges

	<b>EMISSION BANDS / CHARGES</b>			
<b>CARBON EMISSION AND ENGINE SIZES:</b>	BAND A	BAND B	BAND C	BAND D
Carbon CO2 Rating G/km (Grams per kilometre)	0-120	121-150	151-185	186+
Engine Size CC (Cylinder Capacity)	0-1100	1101-1399	1400-1850	1851+
	<b>Weekly Charge £</b>	<b>Weekly Charge £</b>	<b>Weekly Charge £</b>	<b>Weekly Charge £</b>
<b>LBI Residents:</b>				
- Garage	9.07	18.13	18.13	19.93
- Car Cage	4.24	8.47	8.47	9.32
- Parking Space	2.32	4.63	4.63	5.09
- Internal Garage	6.25	12.48	12.48	13.74
<b>Non LBI Residents:</b>				
- Garage	17.29	34.55	34.55	37.99
- Car Cage	8.12	16.15	16.15	17.77
- Parking Space	4.76	10.14	10.14	13.94
				<b>£</b>
<b>Garages Used For Non-Vehicle Storage – LBI Residents</b>				19.93
<b>Garages Used For Non-Vehicle Storage – Non LBI Residents</b>				37.99
A 50% or 100% discount is offered on all vehicle parking charges to holders of an Islington Council disability parking blue badge				
VAT will be added to the above charges where applicable				
<b>Note:</b> LBI Resident Charges increase in line with inflation (2.3% RPI September 2014). For example the charge to an LBI resident for a garage with a Band B vehicle increases by 41p from £17.72 to £18.13.				
Non LBI Resident charges have been increased to more closely reflect current market rates.				

### Concierge Service Charges

	<b>Weekly Charge £</b>
Category A (Concierge Office in Block)	7.06
Category B (Concierge Office in Estate)	5.29
Category C (Concierge Office – Remote multiple cameras)	3.18
Category D (Concierge Office – Remote a small number of cameras)	1.00
<b>Note:</b> Charges increase in line with inflation (2.3% RPI September 2014). For example the charge to tenants who receive a Category B service increases by 12p from £5.17 to £5.29.	
Introduction of new Cat.D £1 charge to enable service expansion and ASB issues to be addressed through maximising monitoring capacity at Concierge Offices whilst keeping charges to an affordable level.	

### Parking Charge Notices (PCN)

	<b>Council Estates £</b>
Parking Charge Notices	100.00
Parking Charge Notices (Paid within 14 days of issue)	60.00
<p><b>Note:</b> The maximum charges for unauthorised parking on council estates (off-street parking) are fixed by the British Parking Association on behalf of the Home Office. For on-street parking (outside council estates), the Council charges between £80 and £130 depending on the seriousness of the offence.</p>	

### Storage Units

	<b>Weekly Charge £</b>
LBI Residents	1.63
Non-LBI Residents	3.25
<p><b>Note:</b> Charges increase in line with inflation (2.3% RPI September 2014). The charge to residents has increased by 4p from £1.59 to £1.63 and that for non-residents has increased by 7p from £3.18 to £3.25.</p>	



<b>DEPARTMENT / BUDGET HEADING</b>	<b>2015-16 Total Programme £000</b>	<b>2016-17 Total Programme £000</b>	<b>2017-18 Total Programme £000</b>	<b>Total Programme 2015-16 to 2017-18 £000</b>	<b>Total Corporate Funding 2015-16 to 2017-18 £000</b>	<b>Capital Allowance Scheme</b>
<b>HASS</b>						
Aids and Adaptations	2,340	2,411	2,483	7,234	0	Yes
Other Adult Social Services Capital	1,038	0	0	1,038	86	Yes
<b>ADULT SOCIAL SERVICES</b>	<b>3,378</b>	<b>2,411</b>	<b>2,483</b>	<b>8,272</b>	<b>86</b>	
Major Works and Improvements	40,345	41,016	41,046	122,407	1,284	Yes
New Homes Programme	40,785	38,433	39,575	118,793	54,102	Yes
<b>HOUSING</b>	<b>81,130</b>	<b>79,449</b>	<b>80,621</b>	<b>241,200</b>	<b>55,386</b>	
<b>SUBTOTAL HOUSING &amp; ADULT SOCIAL SERVICES</b>	<b>84,508</b>	<b>81,860</b>	<b>83,104</b>	<b>249,472</b>	<b>55,472</b>	
<b>CHILDREN'S SERVICES</b>						
Newington Green Refurbishment	250	0	0	250	250	Yes
Moreland School & Children's Centre	6,100	4,000	0	10,100	10,100	Yes
Dowrey Street / Primary Pupil Referral Unit	3,300	0	0	3,300	2,000	Yes
Bridge Free School	3,767	0	0	3,767	0	Yes
Winton Windows	176	0	0	176	176	Yes
Gillespie Windows	79	0	0	79	79	Yes
Sacred Heart School	1,300	0	0	1,300	0	Yes
Bulge Classes	183	0	0	183	183	Yes
<b>PRIMARY SCHOOLS</b>	<b>15,155</b>	<b>4,000</b>	<b>0</b>	<b>19,155</b>	<b>12,788</b>	
Two Year Old Capital	1,010	0	0	1,010	1,010	Yes
<b>EARLY YEARS</b>	<b>1,010</b>	<b>0</b>	<b>0</b>	<b>1,010</b>	<b>1,010</b>	
<b>SUBTOTAL CHILDREN'S SERVICES</b>	<b>16,165</b>	<b>4,000</b>	<b>0</b>	<b>20,165</b>	<b>13,798</b>	
<b>ENVIRONMENT AND REGENERATION</b>						
Archway Development	120	0	0	120	120	Yes
Section 106	2,000	2,000	2,000	6,000	0	Yes
Transport Planning	0	50	0	50	50	Yes
<b>PLANNING AND DEVELOPMENT</b>	<b>2,120</b>	<b>2,050</b>	<b>2,000</b>	<b>6,170</b>	<b>170</b>	
Disabled Facilities	601	601	601	1,803	0	Yes
Empty Properties	100	0	0	100	100	Yes
Private Sector Housing	1,400	1,300	1,000	3,700	3,700	Yes
<b>PUBLIC PROTECTION</b>	<b>2,101</b>	<b>1,901</b>	<b>1,601</b>	<b>5,603</b>	<b>3,800</b>	
Energy Saving Council Buildings	1,904	0	0	1,904	1,904	Yes
Combined Heat & Power	3,425	3,425	0	6,850	6,050	Yes
External Wall Insulation	2,203	0	0	2,203	2,203	Yes
Greenspace	807	0	0	807	807	Yes
Highways	1,400	1,400	1,400	4,200	4,200	Yes
Leisure	3,380	2,449	825	6,654	6,654	Yes
Traffic & Engineering	3,606	4,200	2,500	10,306	5,100	Yes
Vehicles	8,500	0	0	8,500	8,500	Yes
<b>PUBLIC REALM</b>	<b>25,225</b>	<b>11,474</b>	<b>4,725</b>	<b>41,424</b>	<b>35,418</b>	
<b>SUBTOTAL ENVIRONMENT AND REGENERATION</b>	<b>29,446</b>	<b>15,425</b>	<b>8,326</b>	<b>53,197</b>	<b>39,388</b>	
<b>FINANCE &amp; RESOURCES</b>						
Corporate ICT Programme	1,500	1,500	1,500	4,500	4,500	
<b>SUBTOTAL FINANCE &amp; RESOURCES</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>4,500</b>	<b>4,500</b>	
<b>TOTAL</b>	<b>131,619</b>	<b>102,785</b>	<b>92,930</b>	<b>327,334</b>	<b>113,158</b>	

## Decision-Making Responsibility for the 2015-16 Capital Programme Traffic and Transportation Schemes

The traffic and transportation schemes listed below have been allocated funding from a range of sources and are likely to be progressed during 2015-16. All schemes are subject to consultation. Formal decisions are normally only required for schemes that require a traffic management order.

Scheme	Ward/s	Funding	Decision-making responsibility	Details of funding allocation
<b>TRAFFIC &amp; ENGINEERING: Schemes funded by Transport for London</b>				
Finsbury Park Town Centre Area Improvements Scheme	Finsbury Park, Tollington and Highbury West.	£370,000 (LIP year 2 of 2. Scheme total £930,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Archway Public Realm Improvements	Hillrise, Junction	£250,000 (LIP year 2 of 2, scheme total £330,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Highbury and Islington Station Square	St Mary's, Highbury East	£20,000 (LIP year 2 of 3, scheme total £60,000).	Executive	Funding allocated by Executive, 17 October 2013
Junction Road Safety and Environmental Scheme	Junction	£250,000 (LIP year 2 of 3, scheme total £400,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
New North Road Safety and Environmental Scheme	St Peter's	£110,000 (LIP year 2 of 2, scheme total £230,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Nags Head Safety and Environmental Improvement scheme	Holloway, Highbury West, Finsbury Park, St George's	£120,00 (LIP year 2 of 2, scheme total £150,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Tufnell Park Road Safety and Environmental Improvements Scheme	St George's Junction	£228,000 (LIP year 2 of 2, scheme total £260,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Safer Routes to Estates	Various	£80,000 (LIP year 2 of 3, scheme total £245,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Central Street Masterplan	Bunhill	£77,000 (LIP year 2 of 3, scheme total £336,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Borough wide road safety schemes	Various	£285,000 (LIP year 2 of 3, scheme total: £855,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Caledonian Road Declutter Improvements	Caledonian Barnsbury	£20,000 (LIP 2 of 2 year, scheme total £80,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013

<b>Scheme</b>	<b>Ward/s</b>	<b>Funding</b>	<b>Decision-making responsibility</b>	<b>Details of funding allocation</b>
Air Quality Schemes	Various	£20,000 (LIP year 2 of 3, scheme total £60,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Scotability	Various	£80,000 (LIP LTF year 2 of 3, scheme total £240,000)	Corp. Director of Environment and Regeneration*	Funding allocated by Executive, 17 October 2013
Principal road maintenance	Various	£380,000	Corp. Director of Environment and Regeneration	TfL Principal road maintenance allocation

\* Decision to be taken in consultation with the Executive Member for Environment

**Economic and Interest Rate Forecast December 2014**

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
<b>Official Bank Rate</b>													
Upside risk				0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	<b>0.50</b>	<b>0.50</b>	<b>0.75</b>	<b>0.75</b>	<b>1.00</b>	<b>1.00</b>	<b>1.25</b>	<b>1.25</b>	<b>1.50</b>	<b>1.50</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>
Downside risk			0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>3-month LIBID rate</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	<b>0.60</b>	<b>0.75</b>	<b>0.90</b>	<b>1.05</b>	<b>1.20</b>	<b>1.35</b>	<b>1.50</b>	<b>1.60</b>	<b>1.70</b>	<b>1.80</b>	<b>1.90</b>	<b>2.00</b>	<b>2.10</b>
Downside risk	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	-0.95	-0.95	-0.95	-0.95	-1.00
<b>1-yr LIBID rate</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	<b>1.00</b>	<b>1.05</b>	<b>1.20</b>	<b>1.35</b>	<b>1.50</b>	<b>1.65</b>	<b>1.80</b>	<b>1.95</b>	<b>2.10</b>	<b>2.20</b>	<b>2.30</b>	<b>2.40</b>	<b>2.50</b>
Downside risk	-0.15	-0.20	-0.30	-0.50	-0.55	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80	-0.80	-0.80
<b>5-yr gilt yield</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55	0.55
<b>Arlingclose Central Case</b>	<b>1.45</b>	<b>1.60</b>	<b>1.75</b>	<b>1.90</b>	<b>2.00</b>	<b>2.15</b>	<b>2.25</b>	<b>2.35</b>	<b>2.45</b>	<b>2.50</b>	<b>2.55</b>	<b>2.60</b>	<b>2.60</b>
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.70	-0.70	-0.70
<b>10-yr gilt yield</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55	0.55
<b>Arlingclose Central Case</b>	<b>2.00</b>	<b>2.10</b>	<b>2.20</b>	<b>2.30</b>	<b>2.40</b>	<b>2.50</b>	<b>2.60</b>	<b>2.70</b>	<b>2.75</b>	<b>2.80</b>	<b>2.85</b>	<b>2.90</b>	<b>2.95</b>
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60
<b>20-yr gilt yield</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55	0.55
<b>Arlingclose Central Case</b>	<b>2.55</b>	<b>2.65</b>	<b>2.75</b>	<b>2.85</b>	<b>2.95</b>	<b>3.00</b>	<b>3.05</b>	<b>3.10</b>	<b>3.15</b>	<b>3.20</b>	<b>3.25</b>	<b>3.30</b>	<b>3.30</b>
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60
<b>50-yr gilt yield</b>													
Upside risk	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55	0.55
<b>Arlingclose Central Case</b>	<b>2.65</b>	<b>2.70</b>	<b>2.80</b>	<b>2.90</b>	<b>3.00</b>	<b>3.05</b>	<b>3.10</b>	<b>3.15</b>	<b>3.20</b>	<b>3.25</b>	<b>3.30</b>	<b>3.55</b>	<b>3.60</b>
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60	-0.60

**Underlying Assumptions:**

- The UK economic recovery has continued. Household consumption remains a significant driver, but there are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP in 2015.
- We expect consumption growth to slow, given softening housing market activity, the muted outlook for wage growth and slower employment growth. The subdued global environment suggests there is little prospect of significant contribution from external demand.
- Inflationary pressure is currently low (annual CPI is currently 1.3%) and is likely to remain so in the short-term. Despite a correction in the appreciation of sterling against the US dollar, imported inflation remains limited. We expect commodity prices will remain subdued given the weak outlook for global growth.

- The Monetary Policy Committee's (MPC) focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.
- Nominal earnings growth remains weak and below inflation, despite large falls in unemployment, which poses a dilemma for the MPC. Our view is that spare capacity remains extensive. The levels of part-time, self-employment and underemployment are significant and indicate capacity within the employed workforce, in addition to the still large unemployed pool. Productivity growth can therefore remain weak in the short term without creating undue inflationary pressure.
- However, we also expect employment growth to slow as economic growth decelerates. This is likely to boost productivity, which will bear down on unit labour costs and inflationary pressure.
- In addition to the lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone. These factors will maintain the dovish stance of the MPC in the medium term.
- The continuing repair of public and private sector balance sheets leave them sensitive to higher interest rates. The MPC clearly believes the appropriate level for Bank Rate for the post-crisis UK economy is significantly lower than the previous norm. We would suggest this is between 2.5 and 3.5%.
- While the ECB is likely to introduce outright QE, fears for the Eurozone are likely to maintain a safe haven bid for UK government debt, keeping gilt yields artificially low in the short term.
- The probability of potential upside risks crystallising has waned a little over the past two months. The primary upside risk is a swifter recovery in the Eurozone.

<b>Capital Expenditure</b>						
			<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>General Fund</b>			37,973	50,489	23,336	12,309
<b>HRA</b>			56,014	81,130	79,449	80,621
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>93,987</b>	<b>131,619</b>	<b>102,785</b>	<b>92,930</b>

The above capital expenditure figures for 2015-16 to 2017-18 are based on the capital programme at Appendix E1.

<b>Capital Financing Requirement</b>						
			<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>General Fund</b>			126,706	122,452	118,368	114,447
<b>HRA</b>			442,261	442,261	442,261	442,261
<b>Other Long Term Liabilities</b>			163,105	154,606	145,259	134,947
<b>TOTAL CAPITAL FINANCING REQUIREMENT</b>			<b>732,072</b>	<b>719,319</b>	<b>705,887</b>	<b>691,655</b>

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for a capital purpose and is in effect the level of capital assets on the Council's balance sheet that need to be financed from borrowing. Other long-term liabilities include items such as PFI schemes and finance leases.

<b>Actual External Debt</b>						
						<b>31.3.14 £000s Actual</b>
<b>Borrowing</b>						298,000
<b>Other Long Term Liabilities</b>						163,000
<b>TOTAL EXTERNAL DEBT</b>						<b>461,000</b>

This is the actual external debt that the Council held at 31st March 2014. Other long-term liabilities include items such as PFI schemes and finance leases.

<b>Operational Boundary for External Debt</b>						
		<b>2014-15 £000s Approved</b>	<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>Borrowing</b>		466,500	458,400	488,000	503,700	522,700
<b>Other Long Term Liabilities</b>		153,000	153,000	145,000	135,000	125,000
<b>TOTAL OPERATIONAL BOUNDARY</b>		<b>619,500</b>	<b>611,400</b>	<b>633,000</b>	<b>638,700</b>	<b>647,700</b>

The Operational Boundary for External Debt is based on the probable level of external debt during the course of the year. It is not a limit and actual borrowing could vary around this operational boundary for short periods during the year. It acts as an early warning indicator to ensure that the authorised limit is not breached. It also provides scope for the Council to borrow in advance of need. Other long-term liabilities include items such as PFI schemes and finance leases.

<b>Authorised Limit for External Debt</b>						
		<b>2014-15 £000s Approved</b>	<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>Borrowing</b>		516,500	508,400	538,000	553,700	572,700
<b>Other Long Term Liabilities</b>		163,000	163,000	155,000	145,000	135,000
<b>TOTAL AUTHORISED LIMIT</b>		<b>679,500</b>	<b>671,400</b>	<b>693,000</b>	<b>698,700</b>	<b>707,700</b>

The Authorised Limit for External Debt sets the maximum level of external debt that the Council can incur during the course of the year. It is the Council's expected maximum borrowing need with headroom for unexpected cashflow and scope to borrow in advance of need. Other long-term liabilities include items such as PFI schemes and finance leases.

<b>Ratio of Financing Costs to Net Revenue Stream</b>						
		<b>2014-15 %</b>	<b>2015-16 %</b>	<b>2016-17 %</b>	<b>2017-18 %</b>	
		<b>Revised</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	
<b>General Fund</b>		3.3%	2.3%	2.3%	2.3%	
<b>HRA</b>		15.7%	12.2%	13.3%	14.5%	

This indicator measures the Council's net capital financing costs as a proportion of its revenue stream for both the General Fund and the HRA. Most of the Council's debt relates to the HRA, explaining why the HRA ratio is significantly higher.

<b>Incremental Impact of Capital Expenditure Plans</b>						
			<b>2014-15 £ Revised</b>	<b>2015-16 £ Estimate</b>	<b>2016-17 £ Estimate</b>	<b>2017-18 £ Estimate</b>
<b>Band D Council Tax</b>			£0.00	£0.00	£0.00	£0.00
<b>Average Weekly Housing Rents</b>			£0.00	£0.00	£0.00	£0.00

This indicator measures the incremental revenue cost of the non-housing capital programme as a proportion of Band D council tax and the housing capital programme as a proportion of average weekly housing rents. Both are nil for all years because none of the current year and future capital programme is funded from additional borrowing.

<b>Adoption of CIPFA's Treasury Management Code of Practice</b>
<b>The Council formally adopted CIPFA's Code of Practice on Treasury Management on 26th February 2002 and CIPFA's revised Code of Practice on Treasury Management on 25th February 2010.</b>

<b>Upper Limit for Fixed Interest Rate Exposure</b>						
	<b>31.3.14 £000s Existing (Benchmark) Level</b>	<b>2014-15 £000s Approved</b>	<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>Net principal relating to fixed rate borrowing/investments</b>	276,000	340,000	340,000	345,000	345,000	345,000

This indicator identifies a maximum limit for the level of debt (net of investments) taken out at fixed rates of interest and its purpose is to help the Council to manage its exposure to adverse movements in interest rates.

<b>Upper Limit for Variable Interest Rate Exposure</b>						
	<b>31.3.14 £000s Existing (Benchmark) Level</b>	<b>2014-15 £000s Approved</b>	<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>Net principal relating to variable rate borrowing/investments</b>	138,000	170,000	170,000	175,000	175,000	175,000

This indicator identifies a maximum limit for the level of debt (net of investments) taken out at variable rates of interest and its purpose is to help the Council to manage its exposure to adverse movements in interest rates.

<b>Maturity Structure of New Fixed Rate Borrowing</b>						
				<b>31.3.14 Existing (Benchmark) Level %</b>	<b>2015-16 Upper Limit %</b>	<b>2015-16 Lower Limit %</b>
<b>Under 12 months</b>				14.0%	100%	0%
<b>12 months and within 24 months</b>				7.0%	100%	0%
<b>24 months and within 5 years</b>				7.0%	100%	0%
<b>5 years and within 10 years</b>				8.0%	100%	0%
<b>10 Years and within 20 years</b>				24.0%	100%	0%
<b>More than 20 years</b>				40.0%	100%	0%

These limits are set to reduce the Council's exposure to large fixed rate sums of borrowing falling due for refinancing in any one year.

<b>Upper Limit for Total Principal Sums Invested for over 364 Days</b>						
		<b>2014-15 £000s Approved</b>	<b>2014-15 £000s Revised</b>	<b>2015-16 £000s Estimate</b>	<b>2016-17 £000s Estimate</b>	<b>2017-18 £000s Estimate</b>
<b>Total principal sum invested</b>		40,000	40,000	30,000	30,000	30,000

These limits are set to reduce the need for the early sale of an investment, and are based on the availability of investments at each year-end.

<b>Credit Risk</b>
<b>The Council considers security, liquidity and yield in that order when making investment decisions. It uses credit ratings along with a range of other criteria such as sovereign support mechanisms, credit default swaps and share prices to assess the credit strength of a counterparty. A full description of credit criteria used is included in the Council's Treasury Management Strategy.</b>

**Islington Council Specified Investments**

All “Specified Investments” listed below must be sterling-denominated, with maximum maturity one year.

\*\* If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

Investment	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Max period
<b>Debt Management Agency Deposit Facility* (DMADF)</b>  * this facility is at present available for investments up to 6 months	Yes	Government-backed.	In-house and by external fund managers	1 year *
<b>Term Deposits</b> with the UK Government or other UK Local Authorities	Yes	High security although the majority of Local Authorities do not have credit rating with one of the three recognised credit rating agencies.	In-house and by external fund managers	1 year
<b>Term Deposits</b> with credit-rated deposit or UK Government backed (banks and building societies), including callable deposits.	Yes	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b> £30 m per institution  Plus  <b>Council Bankers</b> Overnight, weekend & Public Sector Reserve – Maximum of £10m For late funds only	In-house and by external fund managers	1 year



Investment	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Max period
<p><b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) up to 1 year.</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	<p>Fitch IBCA Short-term F1</p> <p>Maximum 10% of fund with fund manager.</p>	To be used in house or by fund managers;	1 year
<p><b>Gilts</b> : with maturities up to 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	<p>Government-backed</p> <p>Minimum credit rating: AA+</p>	<p>(1) Buy and hold to maturity or trade: to be used in-house after consultation / advice from Arlingclose.</p> <p>(2) trading by external cash fund manager(s) only subject to the guidelines agreed.</p>	1 year
<p><b>Money Market Funds</b></p> <p><i>These funds do not have any maturity date</i></p>	Yes	<p>Minimum credit rating: AAA</p>	In-house and by external fund managers subject to the guidelines agreed.	subject to cash flow / liquidity
<p><b>Forward deals</b> with credit rated or UK government backed banks and building societies plus other Local Authorities &lt; 1 year (i.e. negotiated deal period plus period of deposit)</p>	Yes	<p><b>Minimum Short Term Ratings</b></p> <p>Fitch F1 Moody's P-1 S &amp; P A-1</p> <p><b>Minimum Long term Ratings</b></p> <p>Fitch A+ Moody's A1 S &amp; P A+</p> <p><b>Maximum Deposit</b></p> <p>£30m per institution</p>	In-house and fund managers	1 year in aggregate
<p><b>Gilt Funds and other Bond Funds</b> (dependent on set-up structure)</p>	Yes	<p><b>Minimum Rating:</b></p> <p>Fitch: A+ Moody's: A1 S&amp;P: A+</p>	<p>External fund managers only subject to guidelines agreed</p> <p><b>*Important : In choosing the manager we will ensure that the fund is not a body corporate by virtue of its set up structure</b></p>	

\*\*\* These are open-end

Investment	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Max period
<p><i>mutual funds investing predominantly in UK Government gilts and corporate bonds. These funds do not have any maturity date and would hold highly liquid instruments.</i></p>				
<p><b>Treasury bills</b> [Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	Government-backed	In- house or External fund managers subject to the guidelines and parameters agreed	1 year
<p><b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities under 12 months</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	AA+ (Government-backed)	<p>(1) Buy and hold to maturity or trade: to be used in-house after consultation / advice from Arlingclose</p> <p>(2) trading by external cash fund manager(s) only subject to guidelines agreed</p>	1 year
<p><b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities under 12 months</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Yes	AAA	<p>(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose</p> <p>(2) ) trading by external cash fund manager(s) only subject to guidelines agreed</p>	1 year

Investment	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Max period
<b>UK Sterling Denominated Corporate Bonds issued by UK PLC`s or Public Sector Bodies ( From 01/04/2012 )</b>	Yes	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long Term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b> £10m per institution	(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose  (2) ) trading by external cash fund manager(s) only subject to guidelines agreed	1 year

**\*\* Open ended funds continually create new units (or shares) to accommodate new monies as they flow into the funds and trade at net asset value (NAV).**

**Islington Council Non Specified Investments**

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 Months?</u>	<u>Security / Minimum Credit Rating **</u>	<u>Capital Expenditure?</u>	<u>Circumstance of Use</u>	<u>Maximum Held at Any One Time During the Year</u> £M	<u>Maximum Maturity of Investment</u>
<b>Term deposits</b> with UK government or other local authorities (with maturities in excess of 1 year)	No	No	High security although the majority of Local Authorities do not have credit rating with one of the three recognised credit rating agencies	No	In-house and fund managers	100	5 years
<b>Term deposits</b> with credit rated deposit takers or UK government backed (banks and building societies) with maturities greater than 1 year	No	No	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b>  £30m per institution		In-house and fund managers	100	5 years
<b>Certificates of Deposit</b> with credit rated deposit takers or UK government backed (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b>  £30m per institution	No	To be used by fund managers.  To be used in-house "buy and hold" or trade after consultation / advice from Arlingclose.	100	5 years
<b>Callable deposits</b> with	No	No	<b>Minimum Short Term Ratings</b>	NO	To be used by fund	100	5 years in aggregate

## APPENDIX F3

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 Months?</u>	<u>Security / Minimum Credit Rating **</u>	<u>Capital Expenditure?</u>	<u>Circumstance of Use</u>	<u>Maximum Held at Any One Time During the Year</u> £M	<u>Maximum Maturity of Investment</u>
credit rated deposit takers or UK government backed (banks and building societies) with maturities greater than 1 year			Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long Term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b>  £30m per institution.		managers.  To be used in-house "buy and hold" or trade after consultation / advice from Arlingclose.		
<b>UK government gilts</b> with maturities in excess of 1 year  <i>Custodial arrangement required prior to purchase</i>	No	Yes	Government backed	No	(1) Buy and hold to maturity or trade: to be used in-house after consultation / advice from Arlingclose  (2) for trading: by external cash fund manager(s) only subject to the guidelines and parameters agreed with them.	100	10 years including but also including the 10 year benchmark gilt
<b>Sovereign issues ex UK Government gilts</b> : any maturity  <i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	No	(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose  (2) for trading: by	100	10 years

## APPENDIX F3

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 Months?</u>	<u>Security / Minimum Credit Rating **</u>	<u>Capital Expenditure?</u>	<u>Circumstance of Use</u>	<u>Maximum Held at Any One Time During the Year</u> £M	<u>Maximum Maturity of Investment</u>
<b>Forward deposits</b> with credit rated or UK government backed banks and building societies plus other Local Authorities for periods > 1 year (i.e. negotiated deal period plus period of deposit)	No	No	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long Term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b>  £30m per institution <b>For Maturities&gt;2 years</b> Long Term Minimum AA	No	external cash fund manager(s) only subject to the guidelines and parameters agreed with them  To be used by fund managers.   To be used in-house after consultation/ advice from Arlingclose	100	5 years in aggregate
<b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities in excess of 1 year  <i>Custodial arrangement required prior to purchase</i>	Yes	Yes	AA+ / government guaranteed	No	(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose  (2) for trading: by external cash fund manager(s) only, subject to guidelines and parameters agreed	100	10 years
<b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities in excess of	Yes	Yes	AAA or government guaranteed	No	(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose	100	10 years

## APPENDIX F3

<u>Investment</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 Months?</u>	<u>Security / Minimum Credit Rating **</u>	<u>Capital Expenditure?</u>	<u>Circumstance of Use</u>	<u>Maximum Held at Any One Time During the Year</u>  £M	<u>Maximum Maturity of Investment</u>
1 year  <i>Custodial arrangement required prior to purchase</i>					(2) for trading: by external cash fund manager(s) only, subject to the guidelines and parameters agreed with them		
<b>UK Sterling Denominated Corporate Bonds issued by UK PLC's or Public Sector Bodies ( From 01/04/2012 )</b>	No	No	<b>Minimum Short Term Ratings</b> Fitch F1 Moodys P-1 S & P A-1  <b>Minimum Long Term Ratings</b> Fitch A+ Moodys A1 S & P A+  <b>Maximum Deposit</b> £10m per institution	No	(1) Buy and hold to maturity or trade: to be used in-house after consultation/ advice from Arlingclose  (2) for trading: by external cash fund manager(s)	100  Max £10m per institution	10 years

**LENDING LIST AS AT 15.12.14**

**APPENDIX F4**

Minimum Criteria	A+	F1	A1	P-1	A+	A-1								
	Fitch L/T	Fitch S/T	Moodys L/T	Moodys S/T	S & P L/T	S & P S/T	Sovereign Rating - F/M/S&P	5 year CDS	Share Price	Maximum Limit - £	Maximum Term	Arlingclose Current Advice	LBI Position	
<b>UK Banks</b>														
Barclays	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu	50	239	30,000,000	36 Months	Limit to 100 Days		
HSBC	AA-	F1+	Aa3	P-1	AA-	A-1+	AA+/Aa1/AAu	43	608	30,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Lloyds	A	F1	A1	P-1	A	A-1	AA+/Aa1/AAu	49	75	30,000,000	36 Months	Limit to 6 Months	SUSPENDED	
RBS	A	F1	Baa1	P-2	A-	A-2	AA+/Aa1/AAu	49	382	30,000,000	36 Months	SUSPENDED	SUSPENDED	
Santander UK	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu/ BBB+/Baa2/BBB(Spain)	66	N/A	30,000,000	36 Months	Limit to 6 Months	SUSPENDED	
Standard Chartered	AA-	F1+	A1	P-1	A+	A-1	AA+/Aa1/AAu	92	952	30,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Co-Operative	B*-	B*-	Caa2	NP	N/A	N/A	AA+/Aa1/AAu	N/A	N/A	10,000,000	O/N Weekend	<b>Council Bankers - Overnight liquidity only</b>	<b>Downgraded to sub investment grade Use for late funds overnight only</b>	
<b>UK Building Societies</b>														
Nationwide	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu	N/A	N/A	30,000,000	36 Months	Limit to 6 Months	SUSPENDED	
<b>Non UK Banks</b>														
<b>Australia</b>														
Australia & NZ Banking Group	AA-	F1+	Aa2	P-1	AA-	A-1+	AAA/Aaa/AAu	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Commonwealth Bank of Australia	AA-	F1+	Aa2	P-1	AA-	A-1+	AAA/Aaa/AAu	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
National Australia Bank	AA-	F1+	Aa2	P-1	AA-	A-1+	AAA/Aaa/AAu	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Westpac Banking Group	AA-	F1+	Aa2	P-1	AA-	A-1+	AAA/Aaa/AAu	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>Canada</b>														
Bank of Montreal	AA-	F1+	Aa3	P-1	A+	A-1	AAA/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Bank of Nova Scotia	AA-	F1+	Aa2	P-1	A+	A-1	AAA/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Canadian Imperial Bank of Commerce	AA-	F1+	Aa3	P-1	A+	A-1	AAA/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Royal Bank of Canada	AA	F1+	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
Toronto-Dominion Bank	AA-	F1+	Aa1	P-1	AA-	A-1+	AAA/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>Finland</b>														
Nordea Bank	AA-	F1+	Aa3	P-1	AA-	A-1+	AAA/Aaa/AA+	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>France</b>														
BNP Paribas	A+	F1	A2	P-1	A+	A-1	AA+/Aa1/AAu	90	N/A	15,000,000	36 Months	SUSPENDED	SUSPENDED	
Credit Agricole CIB	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu	100	N/A	15,000,000	36 Months	SUSPENDED	SUSPENDED	
Credit Agricole SA	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu	100	N/A	15,000,000	36 Months	SUSPENDED	SUSPENDED	
Societe General	A	F1	A2	P-1	A	A-1	AA+/Aa1/AAu	100	N/A	15,000,000	36 Months	SUSPENDED	SUSPENDED	
<b>Germany</b>														
Deutsche Bank	A+	F1+	A3	P-2	A	A-1	AAA/Aaa/AAu	80	N/A	15,000,000	36 Months	Limit to 100 Days	SUSPENDED	
<b>Netherlands</b>														
ING Bank	A+	F1+	A2	P-1	A	A-1	AAA/Aaa/AA+u	55	N/A	15,000,000	36 Months	Limit to 100 Days	SUSPENDED	
Rabobank	AA-	F1+	Aa2	P-1	A+	A-1	AAA/Aaa/AA+u	50	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>Sweden</b>														
Svenska Handelsbanken	AA-	F1+	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAu	50	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>Switzerland</b>														
Credit Suisse	A	F1	A1	P-1	A	A-1	AAA/Aaa/AAu	55	N/A	15,000,000	36 Months	Limit to 100 Days	SUSPENDED	
<b>USA</b>														
JP Morgan Chase	A+	F1	Aa3	P-1	A+	A-1	AAA/Aaa/AA+u	60	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months	
<b>Other</b>														
Deutsche Bank Global Liquidity Fund			Aaa / MR1+		AAA m		N/A	N/A	N/A	15,000,000	N/A	Limit to 0.5% of Fund Size (approx £25M)	Limit to 0.5% of Fund Size (approx £25m)	
UK Local Authorities							N/A	N/A	N/A	15,000,000(per authority)	36 Months	OK	OK	
Supra-National Bonds ( EIB )	AAA		Aaa		AAA		N/A	N/A	N/A	Unlimited	Unlimited	OK	SUSPENDED	
UK DMADF	AA+		Aa1		AAA		N/A	N/A	N/A	Unlimited	6 Months	OK	OK	



## RESIDENT IMPACT ASSESSMENT

Title of plan, policy and/or procedure being assessed	<b>Budget Savings Proposals 2015-16</b>
Name of Service Area Assessed	Council-wide
Staff conducting assessment, including contact details	Lela Kogbara ( <a href="mailto:lela.kogbara@islington.gov.uk">lela.kogbara@islington.gov.uk</a> ) Olvia Fellas ( <a href="mailto:olvia.fellas@islington.gov.uk">olvia.fellas@islington.gov.uk</a> )
Date of assessment	November to December 2014

### 1. Introduction

1.1 The purpose of this report is to provide an analysis of the likely impact of the Council's budget savings proposals for 2015-16 on residents and employees with different "protected" characteristics as defined by the Equality Act 2010. It also enables consideration of the impact on child poverty and socio-economic disadvantage. The nine protected characteristics are: age, disability, gender reassignment, marriage and civil partnerships, race, religion and belief, pregnancy and maternity, sexual orientation, and gender. The Act requires the Council to comply with the Public Sector Equality Duty (PSED) and have "due regard" in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and those who do not share it.

1.2 The precise wording of the PSED is set out at the end of this document (15.1).

1.3 This report provides a summary of the more detailed Resident Impact Assessments (RIAs) performed on individual savings proposals. It first considers the resident impacts by service, goes on to consider the cumulative impact on different groups and then considers the impact on employees. In addition, Islington's policy is to assess the socio-economic, human rights and safeguarding impact of proposals, so this report also does that.

1.4 A range of savings options have been considered over the last six months. As part of that process, equalities risks have been flagged up and proposals which posed the greatest such risks with insufficient mitigation were ruled out.

### 2. Synopsis

2.1 It is difficult to make savings on the scale required (£37m over the next year) without any impact on residents and there will inevitably be some impact on particular groups, including those with protected characteristics. The Council is not legally obligated to reject savings with negative impacts on any particular groups but must consider carefully and with rigour the impact of its proposals on the PSED (as set out above), take a reasonable and proportionate view about the

overall impact on particular groups and seek to mitigate negative impacts where possible.

- 2.2 Although the resident impact assessment by service identifies some savings proposals where there is a risk of disproportionately negative impacts for some groups, overall there is no group where significant actual negative impacts have been identified that are not mitigated. That is not to say that none of the savings will have a negative impact on anyone with a protected characteristic. But the overall impact is deemed to be relatively minor in relation to the size of the populations with protected characteristics. In this context, the Council's proposals for achieving savings are reasonable overall and take account of the three requirements of the Public Sector Equality Duty.
- 2.3 It is not always possible to anticipate every potential impact and the data available (e.g. on service users) may not always be sufficient to assess risk, so it is possible that in a few cases proposals could unwittingly negatively impact on groups with protected characteristics. The report highlights the following areas where we need to monitor the actual impact on residents and monitor the effectiveness of the proposed mitigation:
- Community Safety – impact on women of the restructuring relating to Violence Against Women and Girls (VAWG).
  - Adult Social Care – impact on older people and disabled people of the transformation programme under way
  - Temporary Accommodation – impact on the homeless population of the changes proposed
  - Adult Health Improvement Services – impact on men, disabled people, older people and BME people.
  - Staff reorganisations – impact by ethnicity and gender
- 2.4 These and any other unforeseen negative impacts will need to be brought to the attention of management in a timely fashion to facilitate remedial action where this is considered appropriate.

### **3. Resident Impact by Service: Areas of Actual and Perceived Risk**

- 3.1 The Council has suffered a sharp reduction in Government grant since 2010 and this is set to continue. In addition, demand for services, particularly from vulnerable residents, continues to grow and we face unavoidable rises in some costs. Some challenging choices have to be made and they will have an impact on the services we deliver. Throughout the budget process we have tried to make reductions in a way that is fair and protects those most in need of our support, mostly comprising groups that have historically suffered disadvantage and discrimination.
- 3.2 The service analyses below highlight areas where there are likely to be actual risks relating to budget proposals or where there are likely to be perceived risks. Assurance is given where it is considered that there is no real risk or that the mitigation envisaged is sufficient.

## 4. Chief Executive's Department

### Community Safety Projects

- 4.1 The reduction in project budget is the same as the projected underspend on that budget and so no risks arise from that proposal.

### Violence against Women and Girls (VAWG)

- 4.2 The extension of the senior VAWG role to cover all victims and the deletion of the VAWG Project Officer reduces the Council's capacity for work that focuses specifically on vulnerable females and, within that, BME, refugee and Muslim women who are disproportionately affected by specific issues such as Female Genital Mutilation, honour-based violence and trafficking. There could be a risk that any reduction in capacity has a negative impact on these groups. However, additional VAWG capacity has been created as we have significantly mainstreamed VAWG, with 3 new commissioned advice, advocacy and support services, specialist staff at Whittington hospital, GP practice changes, and a newly established, proactive investigation team within Islington police.
- 4.3 The Council is also extending work to cover other vulnerable victims (e.g. victims of religious and homophobic hate crime) and this could result in the total equality focus being greater than it is at present. Working differently and more effectively with offender services and partners could mitigate the aforementioned risks. It will be necessary to monitor what happens in practice and to optimise the overall impact on protected groups.

### Merger of 'Strategy, Equality and Performance' with 'Communications'

- 4.4 This proposal and the reduction in staffing it entails could present a risk to the Council demonstrating compliance with the PSED, but this can be mitigated by the relevant managers ensuring equalities priorities are addressed, for instance by setting equality objectives and ensuring that RIAs are done. Only the No Recourse to Public Funds (NRPF) casework team works directly with residents, all of whom are BME and either families with children in need or vulnerable adults (e.g. disabled or mentally ill). The two caseworkers have a steadily growing caseload which now stands at 173 clients in 80 households and so no savings are proposed for this team. Moreover, the existing level of dedicated Equalities resource is to be maintained.

### Voluntary Sector

- 4.5 The Local Initiatives Fund (LIF) is allocated by ward councillors to different initiatives each year and so it is difficult to be precise about which protected groups might be affected by a reduction in this budget.

## 5. Corporate

### Premises

- 5.1 No negative impacts are anticipated as a result of property savings. Where organisations working with specific equality groups are affected (e.g. Disability Action in Islington) steps have been taken to ensure that their client groups will still have access to services and that accessibility needs such as premises and

transport will be met. It is also worth noting that the client numbers for these organisations are small compared with the relevant populations.

### **Council Tax**

- 5.2 A comprehensive RIA was undertaken a year ago on the Council Tax Support Scheme and found that sufficient measures had been taken to mitigate impacts on disabled people, older people and families on low incomes. Although no equality data is collected on all those who pay council tax, the main impact will potentially be on people who are not eligible for discounts but with low disposable income on whom any additional financial demands will increase pressure.

### **Customer Access**

- 5.3 No equalities data is collected on residents calling Contact Islington, so it is difficult to identify potential impacts of the move towards self-service. Older residents may be less IT-literate and those without a computer may be less able to access online services. This will be mitigated by having computers available in the customer service centre and in libraries and free wifi access in certain parts of the borough, and assistance will be provided by staff where necessary.

## **6. Children's Services**

- 6.1 Savings proposals for Children's Services will be perceived to disproportionately affect young people. However, it is not anticipated that there will be any significant negative impacts overall because the majority of savings are being achieved by schools picking up costs previously borne by the Council and so in most cases there will be no service loss.

### **Childcare**

- 6.2 Approximately 1,400 families could be affected by these proposals to a greater or lesser extent. Some 250 users are likely to be lone mothers (18 per cent of the total group), while it is estimated that 750 will be from BME communities (55 per cent of the group). It should be noted that these are estimates based on January 2014 census data and proportions of the population with children aged 0-4.
- 6.3 Steps are being taken to further reduce the burden on low-income families. The actual impact will not be known until decisions are made about which income bands are included.

### **Youth Careers**

- 6.4 There is a risk that the proposed savings relating to Youth Careers could have a disproportionate effect on vulnerable young people who constitute the majority of the service caseload as summarised below and within which BME males are over-represented:

Special Educational Needs and Disabilities	500
In care, leaving care or within the Youth Justice System	70
Not in Education, Employment or Training (NEET)	260
At risk of being NEET at the end of Year 11	320

6.5 As part of implementing the recommendations of the Employment Commission, external funds have already been secured to support youth careers work and the Council intends to bid for further funds. Arrangements will be put in place to ensure that the first three groups cited above as a minimum will be provided with a service.

**7. Environment and Regeneration**

**Parks**

7.1 In relation to savings on grounds maintenance work in parks, the overall impact on residents is anticipated to be minimal in terms of parks’ usage. 29 per cent of all households live in overcrowded or severely overcrowded housing, so reliance on parks is essential for households with children. Of this group, “Other” ethnic groups have the highest proportion of overcrowded homes (42 per cent).

**Refuse and Recycling**

7.2 The move from doorstep to communal re-cycling on estates could have a potential impact on older people and disabled people who may not be able to access communal recycling points easily. 27 per cent of residents live in council rental properties. Of this group, 25 per cent are over 65. We do not have data on the number of disabled residents living in council rental properties but it is reasonable to assume that a significant proportion of the 18 per cent of disabled residents in the borough do.

7.3 The introduction of communal green waste and kitchen waste collections could likewise disproportionately affect older or disabled people who may have difficulty accessing recycling centres or local sites. Both these initiatives will be trialled throughout the borough before any wholesale change is implemented and these matters will be fully explored through those trials. We also plan to consider concessionary charges for older people, should it be decided to confirm a charge for the doorstep collection of green waste, and an assisted collection service will be offered where this is needed for disabled residents.

**8. Adult Social Services**

8.1 We provide a broad range of day activities across the voluntary and non-statutory sector, as well as Council-run provision, providing support to 3,432 adults in total. These cover all service groups, including people with mental health needs, physical impairments, learning disabilities and older people. The profile of users is shown in the table below. This is based on data that are reported to us from external providers, and not all information is available to us at this stage. Therefore, numbers will not all add up to the total number of service users.

Gender	Male	1132	33.0%
	Female	1842	53.7%
Age	18-29	149	4.4%

	30-49	617	18.0%
	50-65	449	13.1%
	65+	1233	35.9%
Ethnic Group	White British	1305	38.0%
	Black British, Caribbean, African and other	483	14.1%
	Irish	199	5.8%
	Asian Indian, Pakistani, Bangladeshi and other	133	3.9%
	White Other	186	5.4%
	Other	770	22.4%
	Not known	358	10.4%

- 8.2 There were 3,516 users of community, nursing and residential care services in 2013-14, some of whom also used day opportunities. The user profile is similar. Some services are under-utilised, with some of the target population not using the services that are commissioned. Additionally, benchmarking information shows that some services are more expensive than comparators in other boroughs and that services are not adequately delivering a 7-day service across the system.
- 8.3 People who use social care services are more likely to have one or more protected characteristics than other residents. Therefore, it might be expected that changes would pose a disproportionate risk to disabled, older, female and BME people due to their higher prevalence in our services. However, all the changes in Adult Social Services are part of a transformation programme that will better integrate adult and health services and invest in activities that support people to be active and connected in the community, which should lead to better outcomes. There is therefore no anticipated negative impact on any groups with protected characteristics.

## 9. Housing Needs and Strategy

- 9.1 69 per cent of people in temporary accommodation (TA) are women and 48 per cent are from BME backgrounds. The aim of the proposed changes to provision is to continue preventing homelessness and reduce numbers going into TA by incentivising landlords to rent out their properties to TA tenants. The objective is by year 2 to be able to provide more cost effective TA. Clients are assessed on need, circumstances and availability so it is unlikely that this proposal will affect people on the basis of their possession of protected characteristics.

## 10. Public Health

### Adult Health Improvement

- 10.1 The proposal is to achieve savings through contracting efficiencies and delivering interventions in lower cost settings. Services would be redesigned to commission a more integrated adult health improvement 'offer' for our residents, so they could access a range of different interventions in a single setting or via a particular channel e.g. through their local pharmacy, and/or through a single point of assessment and referral (including online). This should offer residents a more integrated package of lifestyle support, particularly for those people with multiple risk factors (smokers, overweight, inactive etc.).
- 10.2 There are some risks for older people, disabled people, men and some ethnic groups.

- The decommissioning of Bowel Cancer Screening will affect people aged 60-64 years who will not be provided with an endorsement letter or reminder letter as part of the local service. They will, however, still receive all of the standard communications from NHS England about bowel cancer screening and the bowel cancer screening kit through the post. NHS England is also considering setting up a similar national service to our locally commissioned one over the next couple of years.
- There is generally a need for more intensive adult health improvement services for disabled people, such as those with mental health problems.
- The prevalence of unhealthy behaviours varies by race / ethnicity. It will be important that services are delivered proportionate to need and are culturally specific and sensitive if they are to be successful. Bowel Cancer Screening uptake has been noted to be lower in BME groups,
- There are some differences in how men and women engage with services and men generally have poorer health than women in Islington.

10.3 The intention is to ensure through the design and commissioning processes that the needs of these groups are addressed and that any negative consequences that become apparent are mitigated. We will need to ensure age-appropriate models of delivery, addressing the specific needs for adult health improvement of the ageing population. We also need to ensure that any service redesign takes the needs of people with different disabilities into account. There will need to be ongoing monitoring of the actual impacts and the effectiveness of any mitigation.

### **Sexual Health**

10.4 The proposal is to achieve savings by transforming the way we pay providers for sexual health services, redesigning services and reviewing prevention and promotion services.

10.5 The number of Islington residents that need these services is significant. In 2013, the total number accessing genito-urinary medicine (GUM) and sexual reproductive health services were 22,824 and 17,082 respectively. The sexually transmitted infection (STI) rate of 1,875 acute STIs per 100,000 is significantly higher than London and England rates. STI diagnoses vary by age, gender, ethnicity and sexual orientation.

10.6 HIV remains a serious communicable disease for which there is no cure or vaccine. According to the Department for Health's Framework for Sexual Health Improvement in England (2013) the groups most at risk are gay and bisexual men and Black Africans originating from sub-Saharan Africa.

10.7 The proposed service changes should not in themselves have a negative impact on service user experience and should not therefore have a negative equality impact. However, given that new service models are proposed, it is not yet possible to be definite about the impacts and so monitoring will be required.

### **Substance Misuse**

10.8 There are an estimated 15,000 Islington residents that use illicit drugs and Islington is in the top 5 London boroughs for alcohol-related deaths and hospital admissions.

- 10.9 The savings plans are based on streamlining current pathways of care, for example to reduce duplication of services, and enhancing the focus on recovery-oriented services. The plans include re-negotiating and re-tendering the major contracts for drug and alcohol services provided by Camden & Islington Foundation Trust and Whittington Health.
- 10.10 At present the demographic of those using drug and alcohol treatment services in Islington comprises predominantly white males between 40 and 60 years of age. Although there are women, BME groups and younger people (18-24) accessing treatment services, these groups are under-represented in the treatment population in comparison to the estimated need within the local population.
- 10.11 There is a current arrangement in place with Children's Services to ensure priority free access to early years' childcare for parents who require drug or alcohol treatment. The arrangement was set up in order to promote access for women who could require but could not access treatment because of a need for childcare. This arrangement remains in place in order to promote treatment access to women who are traditionally under-represented in treatment services.

### **11. Resident Impact by Protected Characteristic**

- 11.1 Equalities analysis shows that users of council services are more likely to be female, young or old (i.e. fewer in the 25 to 50 age bracket), disabled, BME and from lower socio-economic groups. These are therefore the groups most likely to be affected by service changes. However, it is worth noting that universal services have a greater impact than targeted services on all groups.
- 11.2 Data on sexual orientation is not routinely provided by residents accessing services and so the assessment of risks for this group is missing from most of the analysis, although a specific risk is flagged up in relation to the Sexual Health Transformation Programme.
- 11.3 Similarly, data on religion/belief is not routinely provided by residents accessing services. But there is a correlation between some ethnic groups and religion and so it is possible to extrapolate risks.
- 11.4 Although the resident impact assessment by service identifies some savings proposals where there is a risk of disproportionately negative impacts for some groups, overall there is no group where significant actual negative impacts have been identified that are not mitigated. That is not to say that none of the savings will have a negative impact on anyone with a protected characteristic.
- 11.5 Some proposed changes could have impact interdependencies with others, in terms of where service provision is picked up. Some changes cumulatively are more likely to create an adverse impact, even though the individual impact would be negligible. These should be considered together to reduce the risk of impacting negatively upon one or more groups or areas.
- 11.6 Whilst some changes should lead to an improved service, the Council should be aware of multiple changes which may cause disruption or uncertainty for vulnerable groups, and ensure the change is managed and communicated effectively.



11.7 The key issue for the Council to be alert to is potential negative impacts on small numbers of people who may face multiple disadvantage where poverty combines with other characteristics. The council is continuing to fund a range of support, advice, outreach and advocacy services which minimise the likelihood that people will be negatively impacted without any voice or recourse.

### **Child Poverty and Socio-Economic Disadvantage**

11.8 Poverty combined with other characteristics is perhaps the most significant risk for individuals and communities. Islington has the second highest rate of child poverty in the country and of the 15,000 children living in poverty 86% are in workless households and disabled people and certain BME groups are over-represented. We believe that the best way to support people out of poverty is through employment and the Islington Employment Commission was established to look at the best ways of supporting our residents into sustainable employment, including a specific focus on parents. Over £2m has been secured from New Homes Bonus bids to support the implementation of the recommendations of the Employment Commission, and based on the work that the Council has done to date it is reasonable to expect that this will have a positive impact on reducing poverty in general and reducing the disadvantage faced by disabled people and some BME groups.

### **Disabled People**

11.9 As well as mitigating the impacts of proposals relating to services that are specifically for disabled people, the Council needs to ensure that universal services are appropriate and accessible. Several proposals will change services for disabled residents. For individuals affected by more than one of these, this represents significant change which needs to be coordinated, communicated and managed effectively.

12. Staff Equality Impact

12.1 The current equality profile of the Council workforce for each department is as follows:

	Chief Exec's	Children's Services	E&R	Finance and Resources	HASS	Public Health	Council Total
Total Employees	332	882	1132	750	1368	53	4517
Female	67%	76%	32%	48%	50%	81%	52%
Male	33%	24%	68%	52%	50%	19%	48%
16 to 24	5%	3%	4%	4%	2%	2%	3%
25 to 39	39%	36%	26%	34%	27%	62%	31%
40 to 49	27%	31%	30%	28%	27%	23%	29%
50 to 64	27%	29%	38%	32%	42%	13%	35%
65+	1%	1%	2%	2%	2%	0%	2%
BME Total	36%	40%	24%	45%	37%	15%	35%
Asian							
Bangladeshi	2%	2%	1%	3%	1%	0%	1%
Asian Indian	4%	2%	2%	6%	2%	4%	3%
Asian Other	3%	1%	1%	2%	1%	0%	2%
Asian Pakistani	2%	0%	0%	1%	0%	2%	1%
Black African	4%	7%	5%	13%	12%	2%	9%
Black Caribbean	9%	16%	7%	12%	13%	4%	12%
Black Other	5%	4%	3%	3%	4%	0%	3%
Mixed	5%	5%	3%	3%	2%	2%	3%
Not Declared	3%	7%	16%	5%	15%	15%	11%
Other	2%	2%	3%	3%	2%	2%	2%
White British	45%	34%	43%	36%	31%	49%	37%
White Irish	5%	3%	4%	4%	5%	2%	4%
White Other	11%	16%	13%	11%	12%	19%	13%
Disabled	8%	5%	7%	5%	8%	2%	7%
Not disabled	14%	15%	10%	4%	18%	53%	14%
Not stated	78%	79%	83%	90%	73%	46%	80%
Heterosexual	50%	37%	46%	34%	40%	72%	41%
LGB	5%	3%	3%	3%	3%	0%	3%
Not Stated	44%	59%	50%	64%	57%	29%	56%
Buddhist	0%	1%	1%	0%	1%	0%	0%
Christian	24%	19%	20%	19%	25%	21%	21%
Hindu	2%	1%	1%	2%	1%	0%	1%
Jewish	1%	0%	1%	1%	1%	2%	1%
Muslim	3%	2%	4%	5%	3%	2%	4%
No Religion	9%	4%	9%	5%	6%	19%	6%

	Chief Exec's	Children's Services	E&R	Finance and Resources	HASS	Public Health	Council Total
Not Known	0%	0%	0%	1%	0%	0%	0%
Not Stated	45%	61%	55%	62%	55%	27%	56%
Other Religion	10%	9%	5%	3%	6%	19%	6%
Pagan	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	2%	1%	3%	1%	1%	6%	2%
Roman Catholic	2%	1%	2%	1%	1%	4%	1%
Sikh	1%	0%	0%	0%	0%	2%	0%

12.2 Our overall staffing numbers are at an all-time high following the Kier TUPE in August 2014. Based on the data available from London Councils we have just overtaken Camden and are now the 4th largest council in London by headcount. We now have 48.4 per cent of the workforce made up of males, the highest proportion on record. 6.7 per cent of staff have declared a disability and 35 per cent of staff are from a BME background.

12.3 Evidence suggests that the equality issues that arise from Islington Council reorganisations have their roots not in the reorganisations themselves but in historic issues such as horizontal and vertical professional segregation which extend well beyond Islington's boundaries. Examples include men, women and people from different social classes being steered towards (or choosing) to go into different professions; and e.g. a high proportion of qualified accountants from Black African backgrounds never progressing to senior financial strategy/policy roles.

12.4 Services have just embarked upon reorganisation proposals and there will be individual equality impact assessments for these. Until reorganisations are completed it is not possible to know what the actual impacts will be but there are a few risks to flag up at this stage:

- Correlation analysis shows that divisions where the savings are being made have higher concentrations of female and BME staff.
- There are very high numbers of BME staff in Service Finance and so a large number of BME staff's posts will be deleted as a result of the savings proposals. Although it is unlikely that this will be disproportionate within the service itself, it may have an impact on disproportionality for the Council as a whole.
- Of the 179 employees that have applied for voluntary redundancy, disabled and non-BME employees are over-represented.
- BME staff make up approximately 42 per cent of scale 1 – SO1 roles, meaning any reorganisations focused on administrative functions may impact BME staff more.

12.5 The high proportion of "not stated" for disability, sexual orientation and faith is a concern as it makes it impossible to assess the actual impact of reorganisations.

12.6 To address the high numbers of BME staff at scale 1 – SO1 roles, the Council has developed an Inspiring Leadership (IL) initiative to inspire people from BME backgrounds to be leaders and to encourage existing BME leaders to provide

inspiration. For all staff, periods of organisational change can be an unsettling and anxious time. Human Resources provide a range of support to staff including free training opportunities, information, support and guidance. Staff whose posts are being deleted are also able to apply for other vacancies across the Council through the redeployment pool. Working Transitions provide support to staff who are unable to be redeployed within the Council and are coming to the end of their employment. Support includes face to face career coaching, telephone coaching, job information, company research, a career manual, job databases and a personal help line.

### 13. Safeguarding Implications

13.1 The Corporate Director of Children's Services and the Service Director for Adult Social Services have reviewed all the savings proposed and have confirmed that there are no inherent safeguarding risks that arise as a result of them.

### 14. Human Rights Implications

14.1 In assessing human rights implications, we have looked at the cumulative impact of changes that could give rise to human rights implications. There is a need to ensure we provide the right resources to ensure fair access to assessing needs, and access to services and support. **There are no potential human rights breaches arising from any of the proposals.**

### 15. Public Sector Equality Duty

15.1 Section 149 of the Equality Act 2010 provides that:

(1) A public authority must, in the exercise of its functions, have due regard to the need to—

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

...

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) tackle prejudice, and

(b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are—

age;  
disability;  
gender reassignment;  
pregnancy and maternity;  
race;  
religion or belief;  
sex;  
sexual orientation

15.2 The savings proposed for 2015-16 are in keeping with the requirements of this legal duty.

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### Pay Policy Statement 2015/16 in Accordance with the Localism Act 2011

#### 1 Chief Officer Pay Scales

The council's chief officers as defined in the Localism Act are its Chief Executive, senior officers reporting to the Chief Executive (Corporate Directors and Assistant Chief Executives) and senior officers reporting to the Corporate Directors and Assistant Chief Executives.

The council's Chief Executive is paid on a spot salary of £160,000.

Some officers who are chief officers, as defined in the Localism Act, are paid on the National Joint Council for Local Government Service salary scale which is the scale which applies to most council employees.

All other chief officers are paid on the council's chief officer pay scale. This salary scale which comprises five separate salary bands is locally determined.

Percentage increases in cost of living are usually applied in line with the national pay negotiations of the Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities or the National Joint Council for Local Government Services. Those officers on the chief officer scale received a pay award of 2.0% covering the period 01 January 2015 – 31 March 2016. Other officers received a 2.2% increase covering the period 1 January 2015 – 31 March 2016.

The job roles for those paid on the chief officer pay scale are evaluated using the Hay Job Evaluation Scheme and the conditions of service are in the main those of the JNC with slight local variations agreed by the council's Audit Committee. Any new or amended posts established at this level will be evaluated on the same basis, subject to the requirements of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Progression through a salary scale is not automatic but dependent upon performance as measured by a positive performance appraisal outcome. Success at appraisal is measured not only in terms of annual targets reached but also leadership and other behaviours that have contributed to the council achieving its overall aims and objectives.

The final point on each of the pay bands on the chief officer pay scale is known as a threshold point. This element of pay is available to chief officers who have reached that point in the scale and whose performance in the previous year has received a positive performance appraisal. Continuance on this salary point is again dependent upon receiving a positive performance appraisal outcome in subsequent years and so must be earned back each year.

Table 1 sets out details of the grades and pay bandings and the chief officer posts paid on the chief officer scale as at 31.3.2015 and the pay band which applies to each post.

Table 1

Grade	Pay Banding £	Number of points in pay banding including threshold point	Job role
CO1+	129,675 – 139,407	5	Corporate Director of Children’s Services
CO1	107,862 - 129,741	10	All other Corporate Directors including the Director of Public Health* Director of Schools
CO2	97,657 – 110,451	7	Director, Targetted and Specialist Children Director, Digital Services and Transformation Assistant Chief Executive (Governance and HR) Assistant Chief Executive (Strategy & Community Partnerships) Service Director Planning & Development Service Director Public Protection Director Public Realm Director Property and Procurement Director Financial Management Director Financial Operations and Customer Services Director of Property Services – Housing Director of Housing Operations Service Director, Adult Social Care Camden Assistant Director Op’s & Health Partnerships* Islington Assistant Director Public Health*
CO3	82,207 – 97,228	7	Service Director Service Needs and Strategy Public Health Consultant x 4* Camden Deputy Director Public Health*
CO4	69,845 – 84,998	7	Head of Service - Community Safety Head of Human Resources Head of Schools Human Resources Head of Service - Democratic Services Assistant Director of Law (Corporate and Dispute Resolution) Assistant Director of Law (Commercial and Environment) Head of Partnerships and Service Support

Some senior manager posts which are not chief officer posts for the purposes of the Localism Act are also paid on this salary scale.

Posts marked with an asterisk are on NHS terms and conditions following a TUPE transfer but are indicated for completeness within the band that most closely matches their NHS band grade.

Where posts which are required by the Localism Act to be included in this statement are not evaluated on the chief officer scale, they will be evaluated on the Great London Provincial Council Job Evaluation Scheme and paid on the National Joint Council for Local Government Services payscale (published [on the council's website](#)); subject to the requirements of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

**Table 2**

PO11	£62,460 - £66,366	3	Head of Strategy and Communications Head of Partnerships, Place and Culture Head of Learning Skills and Employment
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Progression through a salary scale is dependent upon performance as measured by a positive performance appraisal outcome in the same way as for posts on the chief officer scale and the same threshold point arrangement as described above is in place.

Full details of the current pay and other remuneration for senior officers together with the organisational structure are published [on the council's website](#). Remuneration information about senior officers is also published annually in accordance with the Accounts and Audit (England) Regulations 2011.

Senior posts which the council shares with another organisation in a shared service or other joint arrangement (e.g. the joint Director of Public Health with LB Camden) are only included in this statement if the postholders are employed by Islington Council. Some joint postholders (e.g. the joint Head of Internal Audit with LB Camden) are employed by partners and are not included.

## 2 Pay Ratios

The council is committed to tackling income inequality as a means of ensuring a fairer Islington and is setting an example to other local employers by reducing the pay differential between its lowest and highest paid employees.

The council also works with other local employers and its own contractors to establish the London Living Wage as the minimum pay to their staff.

The information below describes the pay ratio between the council's highest paid employee (the Chief Executive who is on a salary of £160,000 per annum\*) as at 1 January 2015 and other staff by reference to the following:

- (i) The numerical difference between the highest and lowest paid employees
- (ii) The Mode (most common salary)
- (iii) Median (mid point between highest and lowest salaries)



- (iv) Mean average (the total amount of remuneration paid to employees divided by the number of employees)

**Table 2 - Pay Ratios**

Reference Point		Annual Salary	Ratio to highest paid employee salary
i)	lowest paid full time council employee – London Living Wage £9.15 per hour <i>(excluding those on training schemes such as the apprenticeship scheme or work placements)</i>	£16,701	1:9.58
ii)	Most common salary paid to a council employee (the mode)	£32,964	1:4.9
iii)	Mid point between the highest and lowest salaries (the median)	£30,525	1:5.2
iv)	Average salary (the mean)	£30,564	1:5.2

The Islington Fairness Commission, set up by the council in June 2010 to look into how to make the borough a fairer place, produced its final report in June 2011 which recommended that the pay ratio between the highest and lowest salaries should be no more than 1:10 and this was adopted as policy by the council in its Corporate Strategy and the current position is that the ratio is slightly less than 1:10.

\* This ignores election duty fees which may be received by the Chief Executive as these do not arise in every year and are variable.

### **3 Recruitment of Chief Officers**

Recruitment to all Chief Officers posts is covered by the requirements of the council’s Officer Employment Procedure Rules. For full details see [Procedure Rules](#). The appointment of the Chief Executive is subject to the approval of the full Council. The appointment of other chief officers and in some cases their direct reports is by the Personnel Sub-Committee.

The starting salary level of such officers is also agreed by the Personnel Sub-Committee. This Personnel Sub-Committee or the Audit Committee (both of which are politically balanced committees responsible for personnel matters) will also agree the starting salary for any other post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100k. This ensures that elected councillors are accountable for the salaries of these senior appointments and that they are made in a transparent way without delay to appointment processes.

New entrants to the council are generally appointed to the first point of the pay scale. Only in exceptional circumstances, such as the need to match a candidate's existing salary are appointments made above the first point of the salary scale. All new entrants to the council are placed on a probationary period of six months, regardless of previous local government service, including senior staff. During this time the new recruit is expected to demonstrate their suitability for their job role. Failure to do so could lead to their appointment being terminated. Employees who successfully complete their probationary period, in line with the performance appraisal policy are entitled to a salary increment, if it would otherwise mean that they would have to wait more than twelve months for their next salary increment.

Individuals appointed on an interim basis to cover a vacant Chief Officer post, whether directly employed or engaged through an agency or as a contractor, will normally be paid on a basis which (taking account of the nature of the arrangement with them) provides them with remuneration that is equivalent to the remuneration for the post in accordance with the Chief Officer pay scale, with an appropriate reduction if they are not undertaking the full responsibilities of the post. The council takes a proactive and stringent approach to ensuring that all arrangements are lawful and properly reflect the substance of the relationship between the council and the individual concerned.

#### 4 Pension Arrangements

All employees of the council up to 75 years of age and who have a contract for at least three months service join the Local Government Pension Scheme (LGPS) other than those on NHS terms and conditions. However there is an opt out right, and employees can make their own private pension arrangements.

All senior staff are entitled to be members of the LGPS. This is a contributory scheme, whereby the employee contributes to the scheme from his or her own salary. Employees will contribute 5.5%-12.5% of their salaries according to the figures set out in table 3 below in 2014/15. Government reviews the salary bands annually.

**Table 3**

Whole time salary	Employee Contribution Rate
Up to £13,500	5.5
£13,501 to £21,000	5.8
£21,001 to £34,000	6.5
£34,001 to £43,000	6.8
£43,001 to £60,000	8.5
£60,001 to £85,000	9.9
£85,001 to £100,000	10.5
£100,001 to £150,000	11.4
More than £150,000	12.5

Employers' contributions to the LGPS vary depending upon how much is needed to ensure benefits under the scheme are properly funded, and are set independently. For full details see: [LGPS](#)

The Council's Flexible Retirement Policy allows employees aged 55 and over who are members of the Local Government Pension Scheme (LGPS) to apply to reduce their working hours or pay grade (stepping down) and to draw pension benefits accrued up until the transfer to flexible retirement.

Where an employee is in receipt of a pension from the council and obtains a job with another local authority or any other employer who participates in the LGPS, they are obliged to notify the council and their pension will then be adjusted so that they are not (with the new job and the pension) drawing more than their original salary.

The NHS scheme is a contributory one and scheme members contribute to the scheme from his or her own salary. Contribution rates for 2014 – 15 vary from 5% for those on a salary of up to £15,431.99 to 14.5 % for employees earning £111,377.00 and over. These rates are subject to review by Government and the employer's contributions are determined by Government.

### 5 Additional Payments

The council recognises that in certain limited circumstances additional payments may need to be attached to particular posts because of difficulties in recruiting to particular posts or particular employees may need to be remunerated or awarded an additional payment above that of their normal pay scale either for exceptional performance or additional work undertaken. Such payments must be authorised in advance by senior management and details of the nature of and eligibility for those payments which may be made to Chief Officers who are on the chief officer scale are given in table 4 below.

**Table 4**

Type of allowance	Reason for Payment	Eligible Group
Honorarium payments	Undertaking additional work or project	All employees
Market Supplement	Factor To attract and retain employees with specialist skills in a competitive job market.	All employees in posts that are demonstrated to be hard to recruit to in accordance with the council's Market Supplements Policy.

The Corporate Director Children's Services post has a market supplement attached. The amount of this market supplement is fixed and does not vary year to year. See the [council's website](#) for further details.

A special allowance is paid to the council's monitoring officer, the Assistant Chief Executive (Governance and HR). This is a fixed amount and does not vary year to year. See the [council's website](#) for further details.

Honoraria payments made to chief officers in accordance with policy are detailed [on the council's website](#)

Any new honorarium payments to chief officers will be agreed by the Chief Executive in consultation with the Chair of the Audit Committee.

Any new market supplement payment which results in the overall remuneration package (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) for a post exceeding £100k, or which affects a post the overall remuneration package for which already exceeds £100k will be approved by the Personnel Sub-Committee or the Audit Committee. Any market supplement which is more than 20% of the evaluated grade for the post, or is more than 15% of the evaluated grade of the post if the number of posts available exceeds 15, will also require approval of Personnel Sub-Committee or the Audit Committee.

There are a few other allowances which are payable to designated employees related to their job role such as on call or standby allowances. Chief Officers do not receive such payments other than those stated above and the council does not make bonus payments to such officers.

Where council officers undertake special duties in relation to the council's election functions, any fees in respect of these duties are paid in addition to their normal remuneration. The rate for these duties is in line with the London Council's Leaders Committee's published Scale of Returning Officers' Fees and Expenses.

Council officers designated as Local Area Liaison Officers to undertake responsibilities under the council's emergency planning Crisis Response Plan in the event of an incident occurring in the borough, may be paid a fixed allowance in respect of this responsibility. See the [council's website](#) for further details.

### **6 Hours of Work**

The basic full time hours of work for council employees are 35 per week. Employees on grades below that of senior officers, who work more than 35 hours per week may claim overtime for additional hours worked, if authorised.

The minimum basic working week for senior officers is 35 a week and additional hours worked above 35 per week per week attract neither payment in respect of overtime nor time off in lieu. Senior officers are contractually required to work flexibly and to undertake reasonable hours of work as necessary to perform the duties of their post. This may involve evening and weekend working.

### **7 Annual and other Leave Arrangements**

Annual leave plays an important part of the council's commitment to work-life balance. The Chief Executive and senior officers of the council on chief officer pay and conditions are entitled to 27 days annual leave and after five years continuous local government service a further 5 days. Other employees receive 25 days annual leave with an additional five days after five year's service. All employees in addition to annual leave receive five privilege days and eight bank holidays per year.

### 8 Benefits

To maintain employee engagement the council recognises, particularly in the current financial climate that it is important to reward and motivate staff through other non-salaried means. The council promotes a range of benefits which all staff, irrespective of grade, can access. These include salary sacrifice schemes such as child care vouchers and a tax free bike scheme. There are also a number of discounted benefits which are open to all employees such as discounted gym membership which is provided at no cost to the council.

### 9 Leaving the Council

Employees who voluntarily leave the council are not entitled to a termination payment. Those who volunteer for redundancy under the council's voluntary redundancy scheme receive a payment of £500 in addition to any other entitlements they may have

Employees who are made redundant are entitled to a redundancy payment based on the statutory redundancy scheme with regards the calculation of the number of week's redundancy pay but, as sanctioned in the Local Government (Early Termination of Employment) Discretionary Compensation Regulations, actual salary is used rather than the statutory maximum of £464 per week.

In exceptional circumstances the Council may exercise its powers under the above mentioned Regulations and award a discretionary payment to senior staff in line with the council's discretionary termination compensation policy, for those whose employment is terminated by reason of redundancy or in the interests of the efficiency of the service, including early retirement.

The following factors will be taken into account when deciding whether to award a compensatory payment under these Regulations and, if a compensatory payment is made, the amount of that payment:

- Individual financial and other personal circumstances
- The council's interests, including corporate and service imperatives
- The council's fiduciary duty, including its duty to protect the interests of council tax payers and to exercise prudence and propriety
- Overall work record of the employee, including performance, attendance, length of service, level of responsibility and disciplinary record
- Any other factor relevant to the individual case.

Where a Chief Officer's contract is terminated in the interests of the efficient exercise of the Authority's functions they are contractually entitled to six months notice or may be paid in lieu of notice where their contract provides for this.

The Audit Committee (or its Personnel Sub-Committee) may hear representations in respect of the termination of a Corporate Director's employment in accordance with the JNC terms and conditions of employment for Chief Officers...

In the case of the Chief Executive, the Audit Committee (or its Personnel Sub-Committee) will approve the early retirement of the postholder and agree the award of any discretionary payments in connection with such retirement or redundancy in line with the policy outlined above. No such payments were made in the financial year 2014 - 15.

The Audit Committee (or its Personnel Sub-Committee) will also approve any payment funded by the council in line with the policy outlined above to any other officer which exceeds £100,000. No such payments were made in the financial year 2014 -15. This ensures that elected councillors are accountable for payments made in these circumstances without delay to finalising arrangements.

### **10 Returning to Work for the Council after Leaving**

Employees who leave the council voluntarily without a severance payment are free to apply for jobs that are advertised at their discretion.

Employees who leave the council with a redundancy payment and no enhancement and subsequently apply and are successful for a position within the council must repay any redundancy payment, if the appointment is within a month of their termination date. If the appointment start date is longer than a month the employee can return to work in the position offered but in accordance with the Redundancy Modification Orders, will lose their contractual rights to have their continuous service recognised for all purposes.

Employees who leave the council with an enhanced severance package will not normally be re-employed or engaged under a contract for services for a period of two years.

Employees who leave the council on ill-health retirement with the possibility of a return to work under the Local Government Pension Scheme Regulations or who are granted early retirement will be considered on a case by case basis depending upon the circumstances and having due regard to their termination package.



Report of: **Chair of Policy and Performance Scrutiny Committee**

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		

Delete as appropriate	Exempt	Non-exempt

## SUBJECT: Council Budget 2015/16

### 1. Synopsis

- 1.1 The Committee considered the Budget proposals. The Executive Member Finance and Performance, Councillor Andy Hull was present to respond to questions from the Committee, together with the Leader of the Council, Councillor Richard Watts and the Director of Finance and Property Services, Mike Curtis.

### 2. Recommendation

- 2.1 That the comments of the Policy and Performance Scrutiny Committee, set out below, be forwarded to the Executive

### 3. Comments of Policy and Performance Scrutiny Committee

Noted that Council funding from the Government had reduced by £100m since 2010, which equated to £1000 per household in the borough

The Council had to make savings of £37m in 2015/16 and Islington had suffered the ninth largest reduction in Government funding in the country

.Despite this the Committee noted that GCSE results had improved significantly, 1800 new affordable homes had been built in the borough, services for those with moderate needs had been maintained, and there had been a large fall in youth unemployment

Noted that it was proposed to raise the Council Tax by 1.99%, which equated to a 40p per week increase in Band D Council Tax bands. Islington Council Tax, despite this moderate increase, would still be lower than the London average and those of neighbouring inner London Boroughs

Congratulated the Executive Member on the income generation proposals being considered and were pleased that the Committee had been able to contribute to these by the proposals that it had put forward in relation to photovoltaic solar panels and it was noted that medium/longer term proposals for income generation would be submitted to the Executive at a later date

Welcomed that the LLW was paid to 98% of Council and its contractors staff

Whilst it was noted that regrettably because of the Budget reductions 211 posts were being deleted, 50% of these were either vacant posts or staff wishing to take voluntary redundancy. £1m had also been

saved in reductions to senior management

Welcomed that front line services such as Libraries, Children's Centres etc. had been retained

The Committee noted that there was likely to be further reductions in Local Government spending in future years that would result in funding reducing to levels not seen since the introduction of the NHS

The Committee congratulated the Executive and in particular, the Executive Member Finance and Performance, on the Budget proposals that retained services for the most vulnerable at a time of severe Government funding reductions

Noted that 'roadshows' to discuss the Budget had taken place with residents and that they had not previously understood the extent of the Budget reductions that the Council faced and were likely to face in the future. Residents spoke highly of services that they were in receipt of

There was a need to develop a strategy to lobby the Government about the effects of future funding reductions in Local Government

It was noted that there had been concern expressed over the proposal to impose a diesel charge however the Council felt that this was an appropriate measure environmentally given the evidence of the dangers of diesel pollution on health

The Committee welcomed the provision in the budget for the continuation of the Resident Support scheme given that the Government had made no provision for Local Welfare provision from 2015/16 The Committee noted that this had been part funded by reducing the number of refuse collection vehicles required by moving towards a communal kitchen waste and green waste collection service

## 4. Implications

### 4.1 Financial implications:

These are contained in the main report

### 4.2 Legal Implications:

These are contained in the main report

### 4.3 Environmental Implications

These are contained in the main report

### 4.4 Equality Impact Assessment:

These are contained in the main report

## 5. Conclusion and reasons for recommendations

- 5.1 The comments of the Policy and Performance Scrutiny Review Committee are forwarded to the Executive for consideration

**Background papers:** (available online or on request)

- None

Final report clearance:

**Signed by:**

Chair Policy and Performance Scrutiny  
Committee

Date

**Received by:**

Head of Democratic Services

Date

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### Report of: Executive Member for Finance and Performance

Meeting of:	Date	Agenda Item	Ward(s)
Executive	12 <sup>th</sup> February 2015		

## FINANCIAL POSITION AT 31<sup>st</sup> DECEMBER 2014

### 1. SYNOPSIS

- 1.1 This report presents the forecast outturn position for 2014-15 as at 31<sup>st</sup> December 2014. Overall, the forecast is a £0.5m General Fund underspend including corporate items. The Housing Revenue Account (HRA) is forecast to break-even over the year. It is forecast that £93.8m of capital expenditure will be delivered in 2014-15.

### 2. RECOMMENDATIONS

- 2.1. To note the overall forecast revenue outturn for the General Fund of a £0.5m underspend. **(Paragraph 3.1, Table 1 and Appendix 1)**
- 2.2. To note that the HRA is forecast to break-even over the financial year. **(Paragraph 3.1, Table 1 and Appendix 1)**
- 2.3. To note the latest capital position and agree the planned drawdown of £1m from the Invest to Save reserve towards the Working Without Walls technology enabling programme. **(Section 6, Paragraph 6.2, Table 2 and Appendix 2)**

### 3. CURRENT REVENUE POSITION: SUMMARY

- 3.1. A summary position of the General Fund and Housing Revenue Account is shown in **Table 1** with further detail contained in **Appendix 1**.

**Table 1: General Fund and HRA Estimated Outturn at 31<sup>st</sup> December 2014**

	<b>VARIANCE Month 9 (£000)</b>
<b><u>GENERAL FUND</u></b>	
Finance and Resources	0
Chief Executive's	(87)
Core Children's Services (Excluding Schools)	(610)
Environment and Regeneration	(15)
Housing and Adult Social Services	1,925
Public Health	0
Net Departments	<b>1,213</b>
Corporate Items	(1,690)
<b>Total excluding contingencies</b>	
Unallocated contingency budgets	0
<b>TOTAL PROJECTED (UNDER)/OVERSPEND</b>	<b>(477)</b>
<b><u>HOUSING REVENUE ACCOUNT</u></b>	
<b>NET (SURPLUS) / DEFICIT</b>	<b>0</b>

#### **4. GENERAL FUND**

##### **Finance and Resources Department (zero variance)**

- 4.1. The Finance and Resources Department is currently forecasting a break-even position.

##### **Chief Executive's Department (-£0.1m)**

- 4.2. An underspend of (-£0.1m) is forecast in the Chief Executive's Department, due to staffing variances and some additional income.

##### **Children's Services (General Fund: -£0.6m, Schools: -£4.1m)**

- 4.3. An underspend of (-£0.6m) is forecast for the General Fund (non-schools) Children's Services budget. This is due to an underspend against the Council's Universal Free School Meals budget following the introduction of statutory free school meals for all pupils in Reception to Year 2 (-£0.35m); a staffing underspend due to vacancies in the Play and Youth Service and Youth Careers (-£0.25m); the early delivery of 2015-16 administrative savings within the Partnerships and Support Services division (-£0.15m); an underspend due to staffing vacancies in Children's Centres and lower than expected spend against the Grant Aid budget in Early Years (-£0.1m); a staffing underspend due to vacancies in School Improvement (-£0.1m); an underspend relating to ICT and Data staffing vacancies (-£0.1m); and an overspend of (+£0.45m) due to underlying demographic pressures on Special Educational Needs transport.

##### **Schools (-£4.1m)**

- 4.4. A Dedicated Schools Grant (DSG) underspend of (-£4.1m, 2.7% of DSG) is forecast. This is due to the carry forward of Early Years DSG funding from 2013-14 that will be used to smooth in expected DfE funding reductions for the statutory entitlement for free childcare for deprived 2-year olds from 2015, when funding will be allocated to local authorities based on take-up (-£3.6m); Schools Forum have agreed to hold off allocating £0.4m from the 2013-14 DSG carried-forward underspend pending confirmation of sufficient headroom from the growth in DSG in 2015-16 and 2016-17 to enable re-

designed pupil, school and early years services to be funded (-£0.4m); and a forecast underspend in Early Years in relation to the provision of nursery places for 3 and 4 year old places reflecting demand following the October Census (-£0.1m). DSG variances are managed through the Schools Forum.

#### **Environment and Regeneration (zero variance)**

- 4.5. The Environment and Regeneration Department is currently forecasting a break-even position. This is after the £0.9m in-year corporate savings previously applied to structural overspends in the department. There is a remaining pressure in relation to the Houses in Multiple Occupation (HMO) Licence income shortfall (+£0.2m). However, this and other volatile income streams are being managed allowing the department to forecast a balanced position.

#### **Housing and Adult Social Services (+£1.9m)**

- **Adult Social Care (-£0.2m)**

- 4.6. There is a small, net forecast underspend of (-£0.2m) for Adult Social Services, spread across a number of budget areas. This forecast includes the agreed allocation of demographic contingency for the full-year effect of 2013-14 placements of (+£0.5m) and the part-year effect of 2014-15 placements (+£1.0m), and the agreed allocation of general contingency (+£1.4m) to enable the contractors of the Provision of Comprehensive Domiciliary Care Services in Islington to pay the London Living Wage.

- **Housing General Fund (+£2.1m)**

- 4.7. The Housing General Fund continues to be impacted by increased demand for temporary accommodation (TA) and the increased cost of supplying it, exacerbated by ongoing changes to the housing benefit regulations (implementation of Local Housing Allowance caps) and the changes to the welfare support system. This has resulted in a net financial pressure of £2.1m in 2014-15 (after the previous application of £0.4m in-year corporate savings to structural overspends within the temporary accommodation procurement and rental income budgets).
- 4.8. There has been some mitigation of the impact of the £500 per week benefit cap in that TA households affected are currently in receipt of transitional Discretionary Housing Payment protection.
- 4.9. The main actions being taken to control the pressure are:
- 4.9.1. Options and service delivery strategies have been considered and are currently in the process of being implemented that aim to reduce: the numbers of admissions and consequently the number of families being placed in TA; the length of stay; and the cost of procuring TA.
  - 4.9.2. The extent to which the different approaches/strategies are successful is under constant review and the financial impact will be closely monitored as the financial year progresses.

#### **Public Health (zero variance)**

- 4.10. Public Health is funded via a ring-fenced grant of £25.4m for 2014-15. The public health grant is committed against existing public health services and programmes, continuing from the previous year and transferred to the Council via a transfer scheme in April 2013, and public health services and programmes included in larger NHS contracts. The grant is forecast to be spent in line with the overall allocation, with any underspend at year-end ringfenced and carried forward to the following year earmarked for Public Health.

### **Corporate Items (-£1.7m)**

- 4.11. The Council continues to follow a successful Treasury Management Strategy of shorter-term borrowing at low interest rates. The current forecast is that this will save the General Fund (-£1.9m) in interest charges over the financial year. The Treasury Management Strategy is kept under constant review to ensure that available resources are optimised and the longer-term interest rate position reviewed.
- 4.12. Joint work between Council departments has resulted in the streamlining and consolidation of funding for a wide range of service contracts which has resulted in savings of (-£1.0m) across the Council.
- 4.13. In addition, there is an upfront income saving of (-£0.5m) from leasing street furniture to network operators and a (-£0.6m) saving in respect of the 2.2% pay award with effect from 1<sup>st</sup> January 2015 (3 months) compared to the full year 1% provided in the 2014-15 budget.
- 4.14. These savings are offset by:
  - 4.14.1. Corporate savings of (+£1.3m) being applied to the structural overspends in Environment and Regeneration and Housing General Funding. This is a net-nil impact overall as the Environment and Regeneration Department and Housing General Fund overspends are reduced, in respect of this applied funding, by the same amount.
  - 4.14.2. There is a pressure of (+£1.0m) created by uncontrollable expenditure due to the Council's statutory duty to provide assistance to all destitute clients who are Non-European Union nationals and can demonstrate need under Section 21 of the National Assistance Act, 1948. This is commonly referred to as No Recourse to Public Funds (NRPF).

### **Contingencies (zero variance)**

- 4.15. Following the allocation of demographic contingency to Adult Social Services relating to the full-year effect of 2013-14 placements (+£0.5m) and the part-year effect of 2014-15 placements (+£1.0m), and the allocation of general contingency (+£1.4m) to Adult Social Services to enable the contractors of the Provision of Comprehensive Domiciliary Care Services in Islington to pay the London Living Wage, the 2014-15 contingency budget has been fully allocated.

## **5. HOUSING REVENUE ACCOUNT**

- 5.1. The HRA is forecast to be balanced in 2014-15, after the application of contingency and a drawdown from working balances. The variances are as follows:
  - 5.1.1. Non-recurring impact of repairs re-integration (+£4.6m).
  - 5.1.2. Recurring impact of repairs re-integration (+£3.9m).
  - 5.1.3. Other HRA non-recurring pressures including welfare reforms, improvements to open spaces and CCTV (+£2.1m).
  - 5.1.4. Other HRA recurring pressures including changes to pension contributions and reduction in rent, service charges and other income (+£0.8m).
  - 5.1.5. *The above pressures of (+£11.4m) are offset by:*
  - 5.1.6. A (-£2.9m) saving from reduced interest on borrowing and capital charges.
  - 5.1.7. Additional income from commercial properties (-£0.5m).

- 5.1.8. Reduced energy costs of (-£0.7m).
- 5.1.9. Reduced demand for aids and adaptations work in HRA properties (-£0.8m).
- 5.1.10. Annual leaseholder service charges saving (-£0.2m).
- 5.1.11. Number of void repairs less than budgeted (-£1m).
- 5.1.12. In-year drawdowns from HRA annual contingency budget of (-£3.5m) and HRA working balances of (-£1.8m).

## **6. CAPITAL PROGRAMME**

- 6.1. It is forecast that £93.8m of capital expenditure will be delivered by the end of the financial year. This is set out by department in **Table 2** below with the latest 2014-15 capital programme detailed at **Appendix 2**.

**Table 2: 2014-15 Capital Programme by Department at 31<sup>st</sup> December 2014**

<b>Department</b>	<b>2014-15 Capital Budget</b>	<b>2014-15 Forecast Expenditure</b>	<b>Forecast Slippage to 2015-16</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
Adult Social Services	3.1	3.1	0.0
Housing	56.0	56.0	0.0
Children's Services	8.9	8.9	0.0
Environment and Regeneration	21.3	21.1	0.2
Finance and Resources	4.2	4.2	0.0
Corporate Projects	0.5	0.5	0.0
<b>Total</b>	<b>94.0</b>	<b>93.8</b>	<b>0.2</b>

- 6.2. The Finance and Resources capital budget includes a recommended drawdown of £1m Invest to Save reserve funding towards the Working Without Walls technology enabling programme to transform the way Islington works with and for local residents.

## **7. IMPLICATIONS**

### **Financial Implications**

- 7.1. These are included in the main body of the report.

### **Legal Implications**

- 7.2. In practical terms the law requires that the Council must always plan to balance its spending plans against resources so as to avoid a deficit occurring in any year. Accordingly, Members need to be reasonably satisfied that expenditure is being contained within budget and that the net savings targets for the current financial year will be achieved so as to ensure that income and expenditure balance.

### **Environmental Implications**

- 7.3. This report does not have any direct environmental implications.

### **Resident Impact Assessment**

- 7.4. A resident impact assessment (RIA) was carried out for the 2014-15 Budget Report approved by Full Council. This report notes the financial performance of the Council for the year to date but does not have any direct policy implications; therefore, it is not considered necessary to carry out a separate RIA for this report.

**Background papers:** None

**Responsible Officer:**

Mike Curtis  
Corporate Director of Finance & Resources

**Report Author:**

Tony Watts  
Head of Financial Planning

**Signed by**



Executive Member for Finance and  
Performance

Date

**Received by** .....

Head of Democratic Services

Date

## Appendix 1 - Revenue Budget Monitoring Month 9 2014-15

<b>GENERAL FUND</b>					
Department / Service Area	Original Budget	Current Budget	Forecast Outturn	Variance Month 9	Variance Month 8
	£'000	£'000	£'000	£'000	£'000
<b>FINANCE AND RESOURCES</b>					
Property	1,527	(571)	(361)	210	210
Financial Management	(2,564)	(2,649)	(2,895)	(246)	(246)
Corporate Director of Finance and Resources	25	0	(43)	(43)	(43)
Financial Operations and Customer Services	8,047	6,741	6,734	(7)	(7)
Digital Services and Transformation	(31)	17	103	86	86
Internal Audit	643	729	729	0	0
<b>Total</b>	<b>7,647</b>	<b>4,267</b>	<b>4,267</b>	<b>0</b>	<b>0</b>
<b>CHIEF EXECUTIVE'S DEPARTMENT</b>					
Chief Executive	(140)	(18)	(78)	(60)	(60)
Governance and Human Resources	462	1,598	1,571	(27)	(35)
Strategy and Community Partnerships	6,678	8,466	8,466	0	0
<b>Total</b>	<b>7,000</b>	<b>10,046</b>	<b>9,959</b>	<b>(87)</b>	<b>(95)</b>
<b>CHILDREN'S SERVICES</b>					
Learning and Schools	29,408	29,967	25,387	(4,580)	(4,925)
Partnerships and Support Services	9,984	11,866	11,666	(200)	(100)
Targeted and Specialist Children and Families	37,602	40,762	40,762	0	0
<b>Total</b>	<b>76,994</b>	<b>82,595</b>	<b>77,815</b>	<b>(4,780)</b>	<b>(5,025)</b>
<b>ENVIRONMENT AND REGENERATION</b>					
Directorate	0	(92)	(92)	0	0
Planning and Development	2,311	2,902	3,025	123	154
Public Protection	10,761	10,883	11,174	291	325
Public Realm	23,143	26,202	25,773	(429)	(428)
<b>Total</b>	<b>36,215</b>	<b>39,895</b>	<b>39,880</b>	<b>(15)</b>	<b>51</b>
<b>HOUSING &amp; ADULT SOCIAL SERVICES</b>					
Temporary Accommodation (Homelessness Direct)	612	1,073	3,223	2,150	2,150
Housing Benefit	880	880	880	0	0
Housing Needs (Homelessness Indirect)	1,908	1,908	1,908	0	0
Housing Development and Strategy	248	248	248	0	0
Housing Administration	1,993	2,340	2,340	0	0
<b>Housing General Fund Total</b>	<b>5,641</b>	<b>6,449</b>	<b>8,599</b>	<b>2,150</b>	<b>2,150</b>
Adult Social Care	31,314	31,447	31,669	222	222
Community Services	15,219	16,988	16,791	(197)	(197)
Strategy and Commissioning	31,563	33,471	33,221	(250)	(250)
<b>Adult Social Services Total</b>	<b>78,096</b>	<b>81,906</b>	<b>81,681</b>	<b>(225)</b>	<b>(225)</b>
<b>HASS Total</b>	<b>83,737</b>	<b>88,355</b>	<b>90,280</b>	<b>1,925</b>	<b>1,925</b>
<b>PUBLIC HEALTH</b>					
NHS Health Checks	358	391	362	(29)	(29)
Obesity and Physical Activity	863	863	874	11	11
Other Public Health	(21,069)	(21,260)	(21,242)	18	18
Sexual Health	8,546	8,231	8,310	79	79
Smoking & Tobacco	665	820	634	(186)	(186)
Substance Misuse	8,858	9,176	9,223	47	47
Children and Young People	1,779	1,779	1,656	(123)	(123)
	<b>0</b>	<b>0</b>	<b>(183)</b>	<b>(183)</b>	<b>(183)</b>
Less Projected Ring-Fenced Schools Related Underspend	0	0	4,170	4,170	4,170
Less Projected Ring-Fenced Public Health Underspend		0	183	183	183
<b>GROSS DEPARTMENT TOTAL</b>	<b>211,593</b>	<b>225,158</b>	<b>226,371</b>	<b>1,213</b>	<b>1,026</b>

## Appendix 1 - Revenue Budget Monitoring Month 9 2014-15

Department / Service Area	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Variance Month 9 £'000	Variance Month 8 £'000
<b>CORPORATE ITEMS</b>					
Corporate and Democratic Core / Non Distributed Costs	16,626	16,675	16,675	0	0
Insurance Fund	(300)	(300)	(300)	0	0
Transfer to/(from) Reserves	6,727	831	831	0	0
Levies	22,273	22,273	22,473	200	200
Appropriations / Technical Accounting Entries	0	0	0	0	0
Provisions	0	0	0	0	0
Corporate Financing Account	(13,276)	(13,276)	(15,176)	(1,900)	(1,900)
Unringfenced Grants	(15,996)	(16,157)	(16,157)	0	0
Other Corporate Items	2,524	(1,401)	(2,424)	(1,023)	(1,023)
Core Government Funding / Council Tax	(234,117)	(234,117)	(234,117)	0	0
No Recourse to Public Funds	268	268	1,301	1,033	1,032
<b>Corporate Items Total</b>	<b>(215,271)</b>	<b>(225,204)</b>	<b>(226,894)</b>	<b>(1,690)</b>	<b>(1,691)</b>
<b>TOTAL NET OF CORPORATE ITEMS</b>	<b>(3,678)</b>	<b>(46)</b>	<b>(523)</b>	<b>(477)</b>	<b>(665)</b>
Demographic Contingencies	2,377	0	0	0	0
General Contingencies	1,300	0	0	0	0
<b>GENERAL FUND TOTAL</b>	<b>0</b>	<b>(46)</b>	<b>(523)</b>	<b>(477)</b>	<b>(665)</b>



## Appendix 1 - Revenue Budget Monitoring Month 9 2014-15

<b>HOUSING REVENUE ACCOUNT(HRA)</b>						
Department / Service Area	Original Budget	Current Budget	Latest Actual	Forecast Outturn	Variance Month 9	Variance Month 8
	£'000	£'000	£'000	£'000	£'000	£'000
Dwelling Rents	(147,657)	(147,657)	(87,440)	(147,257)	400	400
Non Dwelling Rents	(1,708)	(1,708)	(1,447)	(1,908)	(200)	(200)
Heating Charges	(2,268)	(2,268)	(1,729)	(2,368)	(100)	(100)
Leaseholders Charges	(9,495)	(9,495)	(7,535)	(9,695)	(200)	(200)
Other Charges for Services and Facilities	(14,251)	(14,063)	(7,758)	(13,963)	100	100
HRA Subsidy Receivable	0	0	0	0	0	0
PFI 1 Credit	(6,140)	(6,140)	(4,605)	(6,140)	0	0
PFI 2 Credit	(16,715)	(16,714)	(12,536)	(16,714)	0	0
Interest Receivable	(390)	(390)		(390)	0	0
Reduced Provision For Bad Debt	0	0		0	0	0
Contribution from General Fund	(833)	(833)		(833)	0	0
<b>Gross Income</b>	<b>(199,457)</b>	<b>(199,268)</b>	<b>(123,050)</b>	<b>(199,268)</b>	<b>0</b>	<b>0</b>
Repairs & Maintenance	23,100	23,102	15,465	27,002	3,900	5,600
Revenue Contribution to Capital	10,594	10,594	0	14,844	4,250	4,250
General Management	44,657	44,996	33,969	45,664	668	668
PFI 1 Payments	10,921	10,921	33,988	10,921	0	0
PFI 2 Payments	28,355	28,355	0	28,355	0	0
Contribution to PFI Smoothing Fund	61	60	0	0	(60)	(60)
Special Services	16,184	15,655	9,791	15,032	(623)	(623)
Rents, Rates, Taxes and Other Charges	740	740	228	740	0	0
Capital Financing Costs	60,610	60,610	0	57,710	(2,900)	(2,900)
Bad Debt Provisions	750	750	0	750	0	0
HRA Contingency and Growth	3,485	3,485	0	0	(3,485)	(3,485)
<b>Gross Expenditure</b>	<b>199,457</b>	<b>199,268</b>	<b>93,441</b>	<b>201,018</b>	<b>1,750</b>	<b>3,450</b>
<b>Drawdown from HRA Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,750)</b>	<b>(1,750)</b>	<b>(3,450)</b>
<b>Net (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>(29,609)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Appendix 2 - Capital Programme Monitoring Month 9 2014-15**

	Capital Budget 2014-15						Year To Date	
	Original Budget £	Slippage In £	Capital Virements £	Changes In Resources £	Slippage Out £	Current Budget £	Expenditure £	% Spend Against Budget
<b>ADULT SOCIAL SERVICES</b>								
AIDS AND ADAPTATIONS	2,770,000	308,327	75,000	(500,000)	-	2,653,327	234,309	8.8%
OTHER ADSS CAPITAL	705,000	160,738	(75,000)	-	(322,738)	468,000	1,229,387	262.7%
<b>TOTAL ADULT SOCIAL SERVICES</b>	<b>3,475,000</b>	<b>469,065</b>	<b>-</b>	<b>(500,000)</b>	<b>(322,738)</b>	<b>3,121,327</b>	<b>1,463,696</b>	<b>46.9%</b>
<b>HOUSING</b>								
<b>MAJOR WORKS &amp; IMPROVEMENTS</b>	<b>39,110,000</b>	<b>(1,480,820)</b>	<b>-</b>	<b>384,836</b>	<b>-</b>	<b>38,014,016</b>	<b>21,534,873</b>	<b>56.6%</b>
<b>NEW HOMES</b>	<b>23,979,000</b>	<b>2,460,280</b>	<b>-</b>	<b>(1,955,081)</b>	<b>(6,484,199)</b>	<b>18,000,000</b>	<b>8,908,802</b>	<b>49.5%</b>
<b>TOTAL HOUSING</b>	<b>63,089,000</b>	<b>979,460</b>	<b>-</b>	<b>(1,570,245)</b>	<b>(6,484,199)</b>	<b>56,014,016</b>	<b>30,443,675</b>	<b>54.4%</b>
<b>TOTAL HOUSING &amp; ADULT SOCIAL SERVICES</b>	<b>66,564,000</b>	<b>1,448,525</b>	<b>-</b>	<b>(2,070,245)</b>	<b>(6,806,937)</b>	<b>59,135,343</b>	<b>31,907,371</b>	<b>54.0%</b>
<b>CHILDREN'S SERVICES</b>								
<b>SCHOOLS</b>	<b>5,655,913</b>	<b>1,632,558</b>	<b>63,888</b>	<b>4,448,358</b>	<b>(3,988,000)</b>	<b>7,812,717</b>	<b>4,846,842</b>	<b>62.0%</b>
<b>EARLY YEARS</b>	<b>1,120,900</b>	<b>188,284</b>	<b>-</b>	<b>600,000</b>	<b>(1,010,000)</b>	<b>899,184</b>	<b>554,308</b>	<b>61.6%</b>
<b>YOUTH CENTRES</b>	<b>-</b>	<b>143,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,666</b>	<b>180,643</b>	<b>125.7%</b>
<b>CHILDREN'S OTHER</b>	<b>-</b>	<b>80,441</b>	<b>(63,888)</b>	<b>-</b>	<b>-</b>	<b>16,553</b>	<b>11,457</b>	
<b>TOTAL CHILDREN'S SERVICES</b>	<b>6,776,813</b>	<b>2,044,949</b>	<b>-</b>	<b>5,048,358</b>	<b>(4,998,000)</b>	<b>8,872,120</b>	<b>5,593,250</b>	<b>63.0%</b>
<b>ENVIRONMENT &amp; REGENERATION</b>								
<b>PLANNING &amp; DEVELOPMENT</b>								
ARCHWAY DEVELOPMENT	255,000	23,556	-	-	(120,000)	158,556	59,255	37.4%
SECTION 106	2,000,000	-	(2,000,000)	-	-	-	2,135	
TRANSPORT PLANNING	40,000	10,000	-	21,400	-	71,400	24,049	33.7%
<b>TOTAL PLANNING AND DEVELOPMENT</b>	<b>2,295,000</b>	<b>33,556</b>	<b>(2,000,000)</b>	<b>21,400</b>	<b>(120,000)</b>	<b>229,956</b>	<b>85,439</b>	<b>37.2%</b>
<b>PUBLIC PROTECTION</b>								
CEMETERIES	-	-	-	19,545	-	19,545	19,545	100.0%
DISABLED FACILITIES	601,000	20,348	378,652	15,601	-	1,015,601	591,173	58.2%
EMPTY PROPERTIES	-	-	258,130	-	(100,000)	158,130	12,615	8.0%
LIBRARIES	100,000	2,623	-	(70,201)	-	32,422	7,505	23.1%
PRIVATE SECTOR HOUSING	1,300,000	52,986	(636,782)	-	(100,000)	616,204	231,768	37.6%
<b>TOTAL PUBLIC PROTECTION</b>	<b>2,001,000</b>	<b>75,957</b>	<b>-</b>	<b>(35,055)</b>	<b>(200,000)</b>	<b>1,841,902</b>	<b>862,606</b>	<b>46.8%</b>
<b>PUBLIC REALM</b>								
BOILER REPLACEMENT PROGRAMME	867,050	163,697	150,000	-	-	1,180,747	844,573	71.5%
COMBINED HEAT AND POWER	900,000	341,989	-	(205,764)	(600,000)	436,225	147,800	33.9%
FLEET MANAGEMENT	8,000,000	(967,318)	-	-	(2,500,000)	4,532,682	2,646,817	58.4%
GREENSPACE	883,000	274,412	574,038	98,914	(806,731)	1,023,633	435,597	42.6%
HIGHWAYS	1,400,000	362,706	769,264	(9,669)	-	2,522,301	687,437	27.3%
HOME ENERGY EFFICIENCY	-	115,583	-	-	-	115,583	53,389	46.2%
IRONMONGER ROW BATHS	-	434,003	-	-	-	434,003	155,094	35.7%
LEISURE	5,250,000	17,882	1,270,313	1,854,878	(4,477,882)	3,915,191	2,249,850	57.5%
OTHER ENERGY EFFICIENCY	2,500,000	-	(150,000)	-	(2,202,736)	147,264	-	0.0%
TRAFFIC AND ENGINEERING	3,180,000	393,123	(613,615)	2,031,132	(105,593)	4,885,047	1,432,061	29.3%
<b>TOTAL PUBLIC REALM</b>	<b>22,980,050</b>	<b>1,136,077</b>	<b>2,000,000</b>	<b>3,769,491</b>	<b>(10,692,942)</b>	<b>19,192,676</b>	<b>8,652,618</b>	<b>45.1%</b>
<b>TOTAL ENVIRONMENT &amp; REGENERATION</b>	<b>27,276,050</b>	<b>1,245,590</b>	<b>-</b>	<b>3,755,836</b>	<b>(11,012,942)</b>	<b>21,264,534</b>	<b>9,600,663</b>	<b>45.1%</b>
<b>FINANCE &amp; PROPERTY</b>								
FINANCE	-	96,128	-	-	-	96,128	-	0.0%
ICT	1,500,000	1,578,154	-	1,000,000	-	4,078,154	3,411,474	83.7%
<b>TOTAL FINANCE</b>	<b>1,500,000</b>	<b>1,674,282</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>4,174,282</b>	<b>3,411,474</b>	<b>81.7%</b>
<b>TOTAL FINANCE AND PROPERTY</b>	<b>1,500,000</b>	<b>1,674,282</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>4,174,282</b>	<b>3,411,474</b>	<b>81.7%</b>
<b>CORPORATE</b>								
CORPORATE PROJECTS	-	540,330	-	-	-	540,330	271,667	50.3%
<b>TOTAL CORPORATE</b>	<b>-</b>	<b>540,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,330</b>	<b>271,667</b>	<b>50.3%</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>102,116,863</b>	<b>6,953,676</b>	<b>-</b>	<b>7,733,949</b>	<b>(22,817,879)</b>	<b>93,986,609</b>	<b>50,784,425</b>	<b>54.0%</b>



**Report of:** Executive Member for Housing and Development

Meeting of:	Date	Agenda item	Wards
Executive	12 February 2015		Bunhill and Holloway

Delete as appropriate	Exempt	Non-exempt

**SUBJECT: Building more council homes: proposed application for a compulsory purchase order (CPO) in respect of 3 and 5 Rowstock Gardens, Camden Estate, N7 0BG and 8 ,9 and 10 Turnpike House, King Square Estate, EC1V 7PB**

## 1. Synopsis

- 1.1 The council is committed to building more new, good quality council homes to help Islington families tackle the cost of living crisis, create more jobs and training opportunities and make the borough a fairer place to live and work
- 1.2 The proposed redevelopment of two small council owned residential blocks at Rowstock Gardens, Camden Estate, N7 0BG and Turnpike House, King Square Estate, EC1V 7PB will help deliver 160 new high quality homes, including larger family sized homes for social rent. The proposals will also bring wider benefits to local residents by way of new and improved community facilities and/or estate improvements.
- 1.3 This report sets out the background to, and seeks the approvals required, to make a Compulsory Purchase Order (CPO) for the acquisition of the leasehold interest in up to five residential premises affected by the proposals for the two estates which are located within the Bunhill and Holloway wards. The details of the properties that need to be acquired to enable the proposed development of new homes to go ahead are set out in the table at 2.1, with site location plans attached at Appendix A for illustrative purposes only.

## 2. Recommendations

- 2.1 To authorise the Corporate Director for Finance and Resources, in consultation with the Executive member for Housing and Corporate Director for HASS, to take all necessary steps, including the making of Compulsory Purchase Orders (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990, General Vesting Declarations or Notices to Treat to ensure that the leasehold and any other interests in the properties described in the table below where attempts to negotiate a voluntary acquisition of the leasehold interest in accordance with the development timetable have

failed.

Address of premises				Interest to be acquired
Number	Block	Estate	Postcode	
3	Rowstock Gardens	Camden Estate	N7 0BG	Residential long leasehold
5	Rowstock Gardens	Camden Estate	N7 0BG	Residential long leasehold
8	Turnpike House	King Square	EC1V 7PB	Residential long leasehold
9	Turnpike House	King Square	EC1V 7PB	Residential long leasehold
10	Turnpike House	King Square	EC1V 7PB	Residential long leasehold

2.2 That, where the Corporate Director of Finance and Resources approves the making of a CPO, the Assistant Chief Executive (Governance and HR) is authorised to take all necessary steps to secure the making, confirmation and implementation of the CPO, including the approval of agreements with the owners and any objectors for the withdrawal of objections to the CPO, the settling of compensation and the acquisition of all interests in the properties on terms recommended by the Corporate Director of Finance and Resources.

2.3 To agree that the use of CPO powers in respect of the properties identified in this report is being exercised after balancing the rights of the individual property owners with the requirement to obtain possession of the properties in the public interest.

2.4 To agree that the interference with the human rights of the property owners affected by the proposals in this report, and in particular their rights to a home and to the ownership of property, is proportionate, given their rights to object and to compensation, and the benefit to the economic, social and environmental wellbeing of the areas of Islington affected by these proposals.

### **3. Background**

3.1 The council is committed to building more new, good quality council homes to help Islington families tackle the cost of living crisis, create more jobs and training opportunities and make the borough a fairer place to live and work.

3.2 In identifying opportunities to build new homes we explore the potential for demolition of existing homes which do not meet the needs of our residents to provide more and better quality homes. In all cases we are clear about how existing residents would benefit from the provision of the new homes as enshrined in our New Homes Residents Charter (the Charter).

3.4 In many cases the Council needs to acquire ex-Right to Buy (RTB) homes from the current leaseholders on terms acceptable to both parties and this represents one of the key delivery risks.

3.5 In every case a voluntary acquisition of a leasehold property is the preferred option but, where all reasonable efforts to reach a satisfactory and timely outcome through negotiation with individual leaseholders have been exhausted, and by way of last resort, the council can make an application for a Compulsory Purchase Order (CPO).

### **4. Delivering new homes on approved redevelopment schemes**

4.1 In November 2013 the Executive approved recommendations for the necessary delegated approvals to enable the voluntary acquisition of leasehold properties in blocks or estates where a redevelopment scheme has been approved.

4.2 In November 2014 the Executive delegated authority to the Corporate Director for Finance and Resources, in consultation with the Executive member for Housing and Corporate Director for HASS, to take all necessary steps, including the making of Compulsory Purchase Orders (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990, General Vesting Declarations or Notices to Treat to ensure that the leasehold and any other interests in properties located on three proposed redevelopment schemes at Telfer House, Charles Simmons House and Redbrick Estate in the Bunhill and Clerkenwell wards.

4.3 There are two further new build schemes which have reached a key stage in the development process and approvals are being sought to make an application for a CPO in the event that we cannot reach agreement with some or all of the remaining leaseholders to enable the schemes to be progressed in a timely manner. A summary of each of these two schemes is set out below.

#### 4.4 **Rowstock Gardens, Camden Estate**

The proposal is to demolish an existing block of 6 rented and 2 leasehold properties comprising of bedsits as well as 22 garages. A new building is to be constructed on the site of the existing block with 16 new 1 and 2 bedroom homes, of which 8 will be social rent and 8 will be open market sale. The 22 garages will be replaced with 4 new 3 bedroom homes all for social rent. A planning application is due to be submitted in early 2015.

The negotiations with the home owners, one of which is a buy to let investor and the other has recently returned to live at the property having formerly let the property, are progressing well and it is anticipated that an agreement can be reached to enable a purchase to be completed on mutually acceptable terms. However, in the event that negotiations are not satisfactorily concluded a CPO application may yet be required as an option of last resort.

#### 4.5 **Turnpike House, King Square Estate**

The proposals for the estate include building 140 new homes, including 93 for social rent, a new community centre, improved nursery facilities and estate improvements alongside the provision of a new Moreland School. The plans include the demolition of an existing single storey block of 6 rented and 3 leasehold properties which comprise bedsit type accommodation. A new 3/4 storey building is to be constructed on the site of the existing block with 23 new one and two bedroom homes including 4 ground floor wheelchair accessible units. A planning application was submitted in December 2014 which is due to be determined by Planning Committee in March/April 2015.

The negotiations with the current home owners, all of whom reside in the affected premises as their only or principal home, are ongoing. At this stage we have reached agreement in principle with one of the three homeowners to purchase their home on mutually acceptable terms. We may, therefore, need to make an application for a CPO in respect of some or all of these properties, subject to the outcome of the negotiations and as an option of last resort.

## 5. **Acquiring leasehold properties: issues**

5.1 With regards to the schemes outlined above negotiations have been ongoing with the leaseholders, having full regard to their legal rights as set out in the **Compulsory Purchase and Compensation Booklets: Business Owners and Occupiers (No 2) and Residential Owners and Occupiers (No 4)** published by the Department and Communities and Local Government on their website at [www.communities.gov.uk/publications](http://www.communities.gov.uk/publications).

5.2 A residential occupier is entitled to compensation based on the market value of their property, a statutory home-loss and a disturbance payment which reflects the reasonable expenses incurred in moving from and/or selling their home.

5.3 For the most part the right to compensation is restricted to occupiers. There is, however, a limited right for investment owners to recover costs of reinvestment in a replacement property of a similar

value in certain circumstances.

- 5.4 The District Valuation Service (DVS) would typically be instructed by the Council to provide an independent market valuation and the appropriate level of home loss and/or disturbance payment would be negotiated in accordance with relevant CLG guidance and the Charter a summary of which can be found on the council's website at [http://www.islington.gov.uk/services/housing/newbuildimprovinghomes/housing\\_development/new-build/Pages/default.aspx](http://www.islington.gov.uk/services/housing/newbuildimprovinghomes/housing_development/new-build/Pages/default.aspx)
- 5.5 Where no suitable alternative accommodation is available on reasonable terms then there would be duty to rehouse a resident whose home has been compulsorily acquired provided they were in occupation on the date the notice of making the CPO was published. This rehousing duty could apply to tenants of buy to let investors. They would also be entitled to compensation for disturbance which would typically include removal and other reasonable costs of moving home.
- 5.6 To date we have not been able to reach agreement for a voluntary acquisition and, if we cannot satisfactorily conclude all the individual negotiations, the development plans will be stalled to the detriment of other residents of the blocks/estate and the wider local community who will derive benefits, including jobs, from the proposals to build new homes.
- 5.7 In those circumstances it is considered reasonable to apply for a CPO in respect of properties still to be acquired at Rowstock Gardens and Turnpike House. Whilst the CPO process can be both lengthy and costly these risks are outweighed by the financial and other implications of not being able to proceed with proposals to build new homes. We would, however, continue the negotiation process alongside the CPO process with a view to concluding a voluntary acquisition on a mutually acceptable basis without having to complete the full CPO process wherever possible.
- 5.8 Once homes are acquired on a voluntary or compulsory basis, they can be used to provide much needed and good quality temporary accommodation for homeless families within the borough to ensure that they would not remain empty pending the commencement of the development.

## **6. Implications**

### **6.1 Financial implications**

- 6.1.1 If a CPO is confirmed and implemented, the Council will be liable to compensate the owners for the compulsory acquisition of their leasehold interest.
- 6.1.2 The Council's approved 3 year (2014-15 to 2016-17) new build programme totals £95.2m. The latest indicative 7 year (2014-15 to 2020-21) new build programme totals £173.5m.
- 6.1.3 The purchase price and associated disturbance and compensation payments incurred in acquiring leasehold interests in former council-owned homes sold under the RTB or commercial leases to facilitate a redevelopment of an existing block/estate are taken into account in the overall financial appraisal to ensure the overall development is affordable and value for money.
- 6.1.4 The cost of the voluntary buy back of the leasehold interests in respect of the 5 properties listed at table 2.1 have been incorporated into the current new homes budget and forecast expenditure but any material increase on buyback costs due to a CPO process would be an additional call on HRA resources.
- 6.1.5 In terms of meeting the total costs associated with buybacks whether voluntary or CPO, the RTB pooling scheme allows 50% of the buyback costs to be off-set against net RTB receipts (i.e. the value of receipts after deducting the Government's share) as long as the 50% buyback cost is no more than or equal to 6.5% of the net RTB receipts in the relevant quarter. In addition there is provision to carry forward any unused buyback allowance to accommodate peaks and troughs in the processing of buy backs.

6.1.6 The redevelopment schemes which form part of the 7 year new homes programme spend profile includes Camden Estate and King Square Estate where schemes could achieve a start on site in 2015/16 subject to acquisition of the remaining leasehold interests.

## 6.2 Legal Implications

### 6.2.1 Compulsory Purchase Order (CPO)

This report proposes the making of a CPO for the acquisition of up to 5 residential leasehold interests as described in the table at 2.1 above and shown for illustrative purposes only on the site location plans at Appendix A.

The council has the power under section 226(1)(a) of the Town and Country Planning Act 1990 to acquire compulsorily any land in its area if it thinks that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement on, or in relation to, the land being acquired, and if the council thinks that the development, re-development or improvement is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of its area.

The acquisition of the properties in the table is reasonably required so as to enable the proposed redevelopment schemes. Further, the redevelopments will contribute to the promotion and improvement of the economic, social and environmental well-being of the area and the area and local residents by providing better quality and additional social housing and other benefits for local residents and the wider community, for example environmental improvements and/or new or improved community facilities.

A CPO should only be employed as an option of last resort, and only when all other opportunities to secure the redevelopment of the site have been fully explored and exhausted. However, the Secretary of State has recognised that it is appropriate in some situations to make a CPO at the same time as seeking to purchase by agreement given the amount of time needed to complete a compulsory purchase. Council officers have made strenuous efforts to acquire the properties by agreement and time is now running short in relation to the re-development timescales.

### 6.2.2 Human Rights

A CPO should only be made where there is a compelling case in the public interest which justifies the overriding of private rights in the land sought to be acquired.

In respect of human rights, regard should be had in each case in particular to the provisions of Articles 1, the right to peaceful enjoyment of your possessions, Article 6, the right to a fair and public hearing and Article 8, the right to respect for private and family life, of the First Protocol to the European Convention on Human Rights

In relation to Article 1 whilst owners will be deprived of their property if the CPO is confirmed and implemented, this will be done in accordance with the law and they will receive appropriate compensation for their interests. Further, the right under Article 1 is qualified rather than absolute as it permits the deprivation of an individual's possessions where it is in the public interest.

Interference with the right to respect for private and family life under Article 8 is justified under the Protocol if this is in accordance with the law and "necessary in a democratic society" for, amongst other things, economic wellbeing. The interference here will be in accordance with UK law (the Town and Country Planning Act 1990). In considering whether the interference with the right is "necessary in a democratic society" it is necessary to consider whether the interference is proportionate. In this context proportionate means that the interference must be no more than necessary to achieve the identified legitimate aim. Here the legitimate aim is the re-development of existing blocks at Rowstock Gardens and Turnpike Houses to provide more and better quality homes.

In relation to Article 6 those affected by the CPO will have the right to make representations to the Secretary of State and to be heard at any public inquiry.

Therefore there must be a balancing exercise between the public interest and the individual's rights whereby the Council must be able to show that the interference with an individuals' rights by the making of a CPO must be necessary and proportionate. The availability of compensation to those deprived of their property rights is of relevance to the issue of proportionality.

The CPO should therefore only be made where there is a compelling case in the public interest which justifies the overriding of private rights in the land sought to be acquired. While each case will need to be considered on its merits it is likely that redevelopment to provide better quality and additional social housing and other benefits for local residents and the wider community, for example environmental improvements and/or new or improved community facilities would demonstrate sufficient public interest to justify interfering with the private rights of those with an interest in the leasehold land.

### 6.3 **Environmental Implications**

6.3.1 An environmental impact scoping exercise has been carried out and it was identified that the specific proposals in this report would have no direct impacts on the following:

- Biodiversity
- Climate change adaptation
- Energy use and carbon emissions
- Pollution
- Travel and transportation
- Use of natural resources
- Waste and recycling.

6.3.2 However, individual council new build schemes, including those proposed for Camden and King Square estates, have potential impacts on all of the above before, during and post-construction. An environmental impact assessment is, therefore, carried out as part of the development of all proposals to build new homes and submitted with the planning application to ensure that the impacts and mitigation measures are adequate and/or appropriate.

### 6.4 **Resident Impact Assessment (RIA)**

6.4.1 The Council must, in carrying out its functions, have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity in relation to disability, race and gender and the need to take steps to take account of disabilities, even where that involves treating the disabled more favourably than others (section 49A Disability Discrimination Act 1995; section 71 Race Relations Act 1976; section 76A Sex Discrimination Act 1975)

6.4.2 A potential negative impact on individual residential leaseholders has been identified but this is mitigated through the CPO process which ensures that the rights of affected owners and occupiers are protected and that they receive compensation in line with the relevant legislation and statutory guidance. The key principle is that home owners should not be any better or worse off as a result of a making of a CPO.

6.4.3 All other impacts identified from proposals to build new homes are positive as they are aimed at improving the lives and opportunities afforded to residents to access decent and genuinely affordable homes and increase jobs and training opportunities, helping make Islington a fairer place to live and work.

6.4.4 A copy of the RIA completed for each of the new build schemes for which approval is being sought to make an application for a CPO can be obtained from the author of this report.



## 7. Conclusions and reasons for recommendations

- 7.1 The ability to acquire the leasehold interest in homes previously sold under the RTB on estates where proposals to build more high quality homes for local people have been approved is critical to their successful delivery. Given the significant project delivery risks it is preferable to satisfactorily conclude negotiations with leaseholders as early as possible in the development process with voluntary acquisition the preferred option in all cases.
- 7.2 Where it is not possible to voluntarily purchase leasehold interests in residential and commercial premises and, subject to the relevant grounds being established, the option to apply for a CPO should be authorised, subject to the necessary delegated internal approvals. The potential delays and costs associated with the CPO process are outweighed by the benefits to be derived by the wider community from building new homes and the significant investment already committed to bringing forward the proposals. It is therefore considered to be in the public interest for the Council to make an application for a CPO to secure the provision of more and better homes, promote economic, social and environmental wellbeing and contribute to sustainable development in Islington.

### Appendices:

Appendix A: Site location plans

### Final report clearance:



**Signed by:** Executive Member for Housing and Development

**Date:** 27 January 2015

**Received by:** Head of Democratic Services

**Date:**

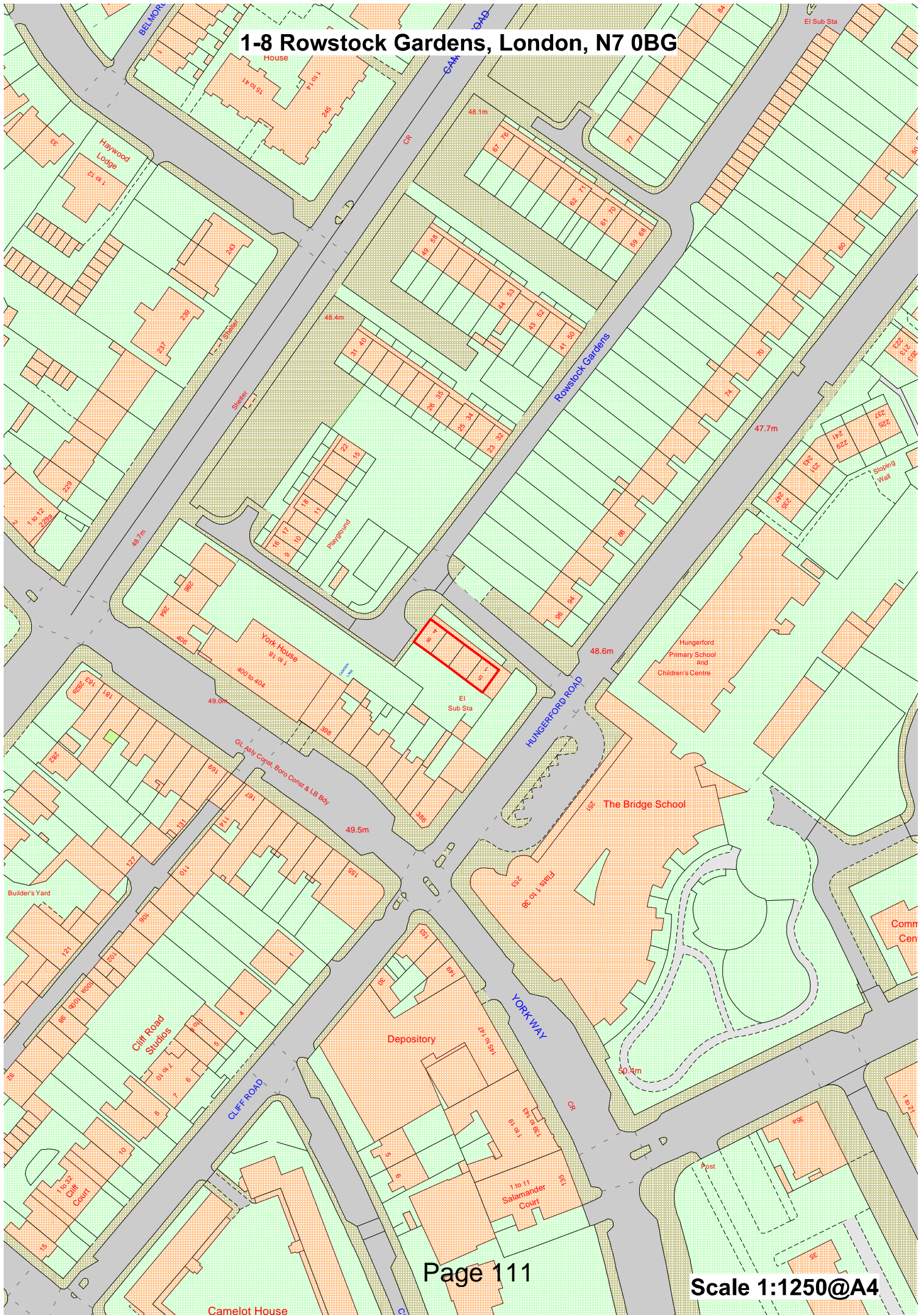
**Report Author:** Denise Lewis, Head of Housing Strategy and Regeneration

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# 1-8 Rowstock Gardens, London, N7 0BG



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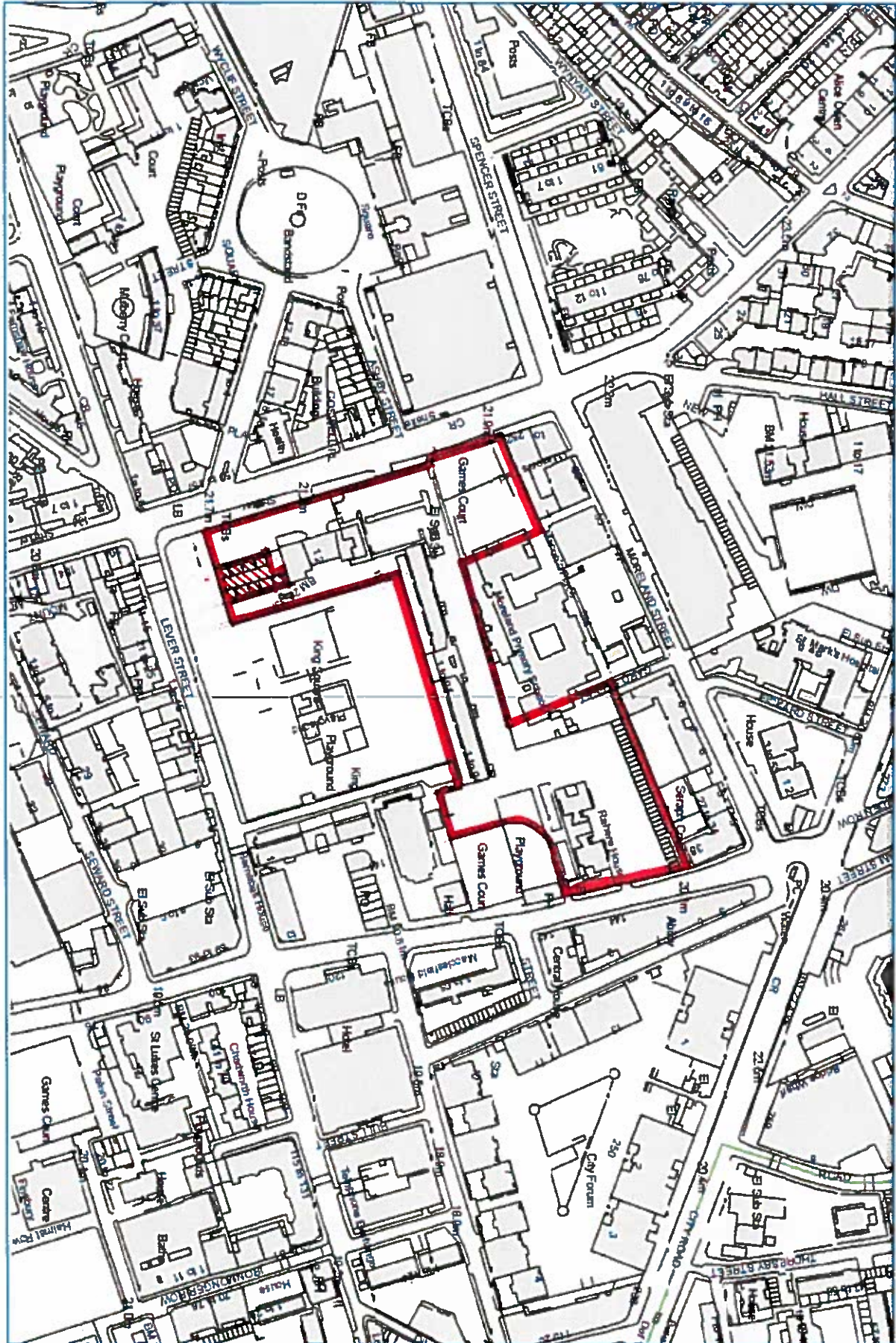


Figure 1: Extract from OS Map including Moreland School and King Square Estate, Clerkenwell, London EC1

**RED LINE:** KSE project site boundary . **SHADED AREA :** outline of demolition site Turnpike South

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## Report of: Executive Member for Community Safety

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		All

Non-exempt
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## **SUBJECT: Approval of the Procurement Strategy for Public Protection Anti-Social Behaviour Patrol Services**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of a Public Protection Anti-Social Behaviour Patrol Services contract in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 This contract will be a framework agreement and seek to appoint a supplier to provide Public Protection Anti-Social Behaviour Patrol Services.

### **2. Recommendations**

- 2.1 To approve the proposed procurement strategy for Public Protection Anti-Social Behaviour Patrol Services as outlined at paragraph 3.9.
- 2.2 To agree to delegate the key decision of the award of the contract to the Corporate Director of Environment and Regeneration in consultation with the Executive Member for Community Safety.

### **3. Background**

- 3.1 Anti-social behaviour (ASB) exists across the Borough including at the Cemeteries that are operated through Islington and Camden Cemetery services (ICCS). There is currently an in-house service within the Public Protection Division that has additional support by a Metropolitan Police accredited contractor that undertakes dedicated ASB patrols. This additional support is necessary to effectively

respond to ASB issues on housing estates, on streets and at our cemeteries. This contracted service provides support to partners including police officers, estate services officers and youth workers, when tasked to hotspot areas. The service also provides reassurance to residents and users of a uniformed presence, a more comprehensive source of information and intelligence, as well as the deterrent of these additional patrols.

Additionally, in February 2014 the Council adopted the Late Night Levy (LNL) powers for Islington. The LNL enables the Council to raise funds from licensed premises that are open between midnight and 6am. Funds raised from the levy must be used to address issues related to the late night economy. The intention is that a substantial proportion of these funds will be used for additional ASB patrols.

A waiver is currently in place that allows the existing contractor to patrol Islington and Camden Cemeteries, support the out-of-hours ASB service and to provide the LNL funded patrol service for the night time environment until August 2015. The current procurement is to allow for the continuation of these services after the period of the approved waiver expires on 31st August 2015 and until a wider contract covering ASB patrolling for Greenspace as well, can subsequently be procured in 2017.

### 3.2 **Estimated Value.**

The value of the Procurement is estimated to be in the region of £633k for a period of 16 months from September 2015.

The ASB services relating to out-of-hours and the cemetery service are already being funded from existing revenue budgets within these service areas. The Late Night Levy is a new income stream that is shared 70/30 between the Police and Council respectively. This pooled levy income will be used to finance the £250k cost of patrolling the late night economy.

LNL patrols are a new service and no other Local Authority is known to have adopted this model. The work undertaken in relation to the LNL and cemeteries is funded from non-mainstream sources, but any reductions in service budget would result in a lessening of other patrols leading to a potential increase in ASB incidents across the borough. Outside of the LNL and the Cemetery service, efficiencies have been achieved by grouping ASB and noise services where there is overlap, and bringing all ASB patrolling together does achieve economies of scale through eliminating duplication and cover.

### 3.3 **Timetable:**

The current contract waiver expires 31 August 2015. It is essential that a new contract is in place before the waiver expires to allow continuation of the service. The contract is for 16 months to tie in with the expiry of the Greenspace contract for ASB services so that a wider contract covering ASB patrolling can be procured. This will give the Council the opportunity to merge both services with a view to achieving greater efficiencies going forward. We anticipate a new procurement for both elements will commence in January 2016.

It is recommended that due to the timescales involved, the Executive delegate the contract award decision to the Corporate Director of Environment and Regeneration in consultation with the Executive Member for Community Safety. The contract commencement date will be 1 September 2015.

### 3.4 **Options appraisal:**

The option of providing the service in-house has been considered but rejected on several grounds:



- lack of necessary powers alongside the relevant accreditations being difficult to obtain
- lack of flexibility in response to changing demands, resourcing and capacity issues
- lack of appropriately qualified/competent staff ( ACPO CSAS standard, Association of Chief Police Officers, Community Safety Accreditation Schemes)
- Inability to draw in other services on an ad-hoc basis e.g. dog patrol, street drinking outreach
- Capital costs to set up to purchase equipment and IT

External collaboration is also not a current option because of the timescales and the specificity of what the Council requires. Competitive tender for a framework contract is the preferred option to ensure value for money is achieved for the Council through a robust process.

The strength of this procurement will be in combining three distinct patrolling functions into one contract. A third of the function will be the late night patrols funded by LNL and only five other Local Authorities have adopted the LNL to date with a further four at the proposal/consultation stage. No other Local Authorities are currently planning on using the LNL to fund a night-time patrol service and therefore there are no obvious collaboration partners in this respect

This procurement is classified as a Part B service under the current Public Contract Regulations 2006, and therefore there will be no requirement to advertise this Procurement in the Official Journal of the European Union (OJEU). Do to the nature of the procurement and our specific requirements in regard to Police accreditation and powers to enforce, it is apparent through market appraisal that only a small number of suppliers can provide the required services. The preferred procurement route is therefore to use the Open Procedure instead of the Restricted Procedure.

### 3.5 **Key Considerations:**

The Patrol Service will be required to be responsive to the needs of all communities and ensure that all who come into contact with the service receive a fair and anti-discriminatory service. LNL patrols will assist people who are vulnerable due to excessive alcohol consumption, and a 'first on the scene' first aid capacity will be incorporated into LNL Patrol Specification. The service will also contribute to improving environmental wellbeing by preventing crime and reducing ASB. It will contribute to providing safer and stronger communities through provision of intelligence led patrols and a response service for residents and businesses

A LLW report has been completed, and all staff employed under this contract will be paid above the current rate of £9.15 per hour.

Best Value considerations include:

- Limited duration of framework
- Performance indicators in specification
- Regular review of performance
- Flexible tasking process
- Flexible contract to respond to changing demands
- Ability to require provision of additional specialist services from contractor for example drug dog patrols, street drinking outreach team at no additional cost
- Requirement for Police accredited contractor to enhance effectiveness

The contract specification requires the contractor to build relationships with key stakeholders e.g.

police, Council, RSLs and licenced trade, and to provide a partnership approach to problem solving. The contractor will deploy specialist patrol officers whose skills and competencies will complement those of existing staff.

The teams will operate street based foot patrols specified for LNL, with a vehicle to facilitate rapid response and mobile control centre. Tasking, deployment and reporting will be via electronic systems and accommodation will be shared

The supplier will be required to be accredited by under the Association of Chief Police Officers Community Safety Accreditation Scheme (CSAS) and be able to provide patrol officers accredited by the police with specific delegated enforcement powers. The benefit of using a supplier with Metropolitan Police accreditation enables patrol officers to exercise powers normally reserved for the Police, such as issuing fixed penalty notices, lawfully obtaining names and addresses and detaining individuals. An accredited patrol service is a valuable resource and forms part of the Council's partnership problem-solving approach for tackling crime and anti-social behaviour. An accredited Anti-Social Behaviour patrol contractor will increase resident satisfaction, offer protection to our staff and reduce many forms of anti-social behaviour across the Borough.

### 3.6 **Evaluation:**

The tender will be conducted in one stage, known as the Open Procedure as the tender is 'open' to all organisations who expression their interest in the tender. The Open Procedure includes minimum requirements which the organisation must achieve before their evaluation Award Criteria is considered. The evaluation criteria will be 30% on price and 70% on quality as the nature of ASB requires quality to be the priority consideration.

The award criteria and weightings will be:

Tender award criteria	Total
Cost	30%
Quality for the delivery of the contract includes:	
Proposed approach to dealing with the issues of anti-social behaviour on the streets and estates within an inner city environment including equalities issues in a multi-cultural community.	15%
Proposed approach to work effectively in partnership with the Council, Police and partner agencies and any current partnership working	25%
Proposed approach to innovatively responding to emerging local and national priorities	15%
Proposed approach to Management and Supervision	15%
Total	100%

### 3.7 **Business Risks**

There is a risk that the Council will not be able to secure an appropriate service provider but this is seen as a low risk. There is a financial risk given that the contract relies on income from the Late Night Levy but this is also considered low as 50% of the levy raised will pay for the LNL Patrol Service with 40% being allocated to the police and 10% for projects and contingencies.

The procurement gives the opportunity to improve services and reduce crime and ASB. It also gives the opportunity for partnering with the successful provider to provide services to social landlords.

The introduction of LNL has enabled the police to obtain additional funding from MOPAC to fund two additional officers to work on alcohol related domestic violence. LNL patrols will reduce late night alcohol related crime and disorder and create a safer night time economy and which will benefit both residents and businesses. At the cemeteries, the patrols will improve the feeling of safety and promote their use.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	Provision of Public Protection Anti-Social Behaviour Patrol Services
2 Estimated value	The estimated value per year is £475k.  The agreement is proposed to run for a period of 16 months.
3 Timetable	Award decision likely in May 2015, with a contract commencement date of 1 September 2015.  See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	This will be an Islington framework contract by competitive tender  See paragraph 3.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	See paragraph 3.5 - LLW will apply.
6 Evaluation criteria	30% on price and 70% on quality. The award criteria price/quality breakdown is given in paragraph 3.6
7 Any business risks associated with entering the contract	Funding relies on income from Late Night Levy.

8 Any other relevant financial, legal or other considerations.	None
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## 4. Implications

### 4.1 Financial implications:

The Anti-Social Behaviour (ASB) services relating to out of hours and the Cemetery Service are currently funded by existing revenue budgets.

The additional cost of ASB Patrol support required for the late night economy may be funded by use of the Late Night Levy (LNL), a new income stream adopted by the Council in February 2014 and is shared 70/30 between the Police and the Council respectively.

Based upon the current levels of licensed businesses the pooled levy could generate up to £511k of income. Depending upon the hours of operation, level of exemptions and number of businesses reducing their hours, this income could be as low as £212k.

### 4.2 Legal implications:

The Council has various powers and duties under the Anti-social Behaviour Act 2003, Anti-social Behaviour, Crime and Policy Act 2014 and related regulations. The Council has power to procure public protection anti-social behaviour patrol services under section 111 of the Local Government Act 1972 which enables the Council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997.

The Executive may provide Corporate Directors with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to be procured in compliance with the principles of equal treatment, non-discrimination and fair competition. The Council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. The proposed procurement strategy is in compliance with the principles underpinning the Regulations and the Council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council

### 4.3 Environmental implications:

ASB including environmental crimes poses a serious threat on the environment and to community life, undermining people's sense of safety, their well-being and ultimately their health. Evidence suggests that if swift action is taken to deal with it, it is less likely to recur. Conversely, incidents that may be relatively minor in themselves can have a serious cumulative impact if left unchecked. Procuring an accredited ASB patrolling service will help to protect communities from ASB impacts.

4.4 **Resident Impact Assessment:**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

An RIA has been undertaken for the procurement of ASB public protection services and concluded that outcomes will be positive for all residents, and especially so for more vulnerable groups. There are also no additional equalities or safeguarding implications that are not in place already given the in-house ASB service. Current key priorities and actions are confidentiality, referral to support agencies, prioritisation for hate crime issues, interviews with parents where young are involved, reassurance visits for the elderly and awareness training on mental health issues.

**5. Conclusion and reasons for recommendations**

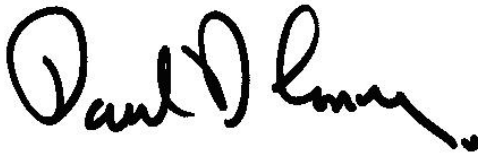
5.1 This procurement is essential to address antisocial behaviour issues in Islington. It allows for continuation of the service, possible future expansion and service flexibility.

**Appendices - none**

**Background papers - none**

Final report clearance:

**Signed by:**



29.2.15

Executive Member for Community Safety

Date

**Received by:**

Head of Democratic Services

Date

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## Report of: Executive Member for Environment and Transport

Meeting of:	Date	Ward(s)
Executive	12 February 2015	All Wards

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## **SUBJECT: Approval of the Procurement Strategy for Taxi and Passenger Attendant Contract**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the Taxi and Passenger Attendant Contract in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The contract will provide taxis, attendants and accessible vehicles for children requiring home to school taxi provision, transport for vulnerable adult clients attending medical appointments, respite centres and day centres. It will also provide taxi services for the Council's on-line booking system.

All local authorities have a statutory duty to enable children with special educational needs (SEN) and adults with disabilities to access various locations in and outside the borough to access learning and to deliver their support plans. In order to meet this duty, the Council employs direct transport provision using its in-house fleet of vehicles and staff as well as by commissioning private hire vehicles to deliver services.

### **2. Recommendations**

- 2.1 To approve the procurement strategy for the Council's Taxi and Attendant Contract as outlined at paragraph 3.9.

- 2.2 To agree to delegate the key decision of the award of the contract to the Corporate Director of Environment and Regeneration in consultation with the Executive Member for Environment and Transport.
- 2.3 The note that the contract will be administered by the Accessible Community Transport Service in partnership with the London Borough of Camden and possibly other local authorities.

### **3. Background**

#### **3.1 Nature of the service**

This procurement is for the provision of taxis and passenger attendants for children requiring home to school taxi provision, transport for adult clients attending medical appointments, respite centres and day centres, and for emergency rehousing. It will also provide taxi services for the Council's on-line booking system.

The present contracts for this provision expire on 31<sup>st</sup> August 2015. Provisional meetings have been conducted with the London Borough of Camden and other local authorities looking at possible joint procurement and frameworks for the next contract.

#### **3.2 Estimated Value**

The expenditure on taxi and attendant services for the financial year 2013/14 was £805k across the Council with approximately £700k of this being for the provision of home to school transport for children in special schools within Islington and out of borough. The remaining expenditure was for the transportation of Housing and Adult Social Services clients and all other Council services through the Council's on-line taxi booking system. These costs may increase over the four year (three plus one) lifespan of the contract due to the increasing local population and increasing numbers of school age children with statements requiring transport.

The total value of the contract will not exceed £4 million over the lifetime of the contract including the one year extension period. Negotiations are presently underway with the London Borough of Camden for joint procurement. The London Borough of Camden currently spends in the region of £2 million per annum.

A fixed percentage reduction in this area of expenditure cannot be implemented. Prior to the allocation of taxi services being agreed for clients, alternative options are investigated, either through the Accessible Community Transport Service in-house provision, use of passenger attendants to support children on public transport and travel training or the allocation of Personal Travel Budgets for client families. Savings have already been made in using the online taxi booking system which ensures that only approved contractors at fixed rates are used.

#### **3.3 Timetable**

The new Framework will be advertised in April 2015, with new contract arrangements commencing on 1 September 2015. The current contract arrangements have operated since 2011 and will expire on 31 August 2015.

Parents and service users have been consulted through recent user surveys. The main concerns have been that service standards are maintained, that any changes are notified in sufficient time to allow parents to speak to their children, and in ensuring that any change in contractors is managed smoothly. To this end, all parents will be kept fully informed and written to at least twice before any changes are



implemented. Introductory meetings will also be offered with any new drivers and/or attendants before the commencement of a regular journey. It is hoped that this will provide reassurance and facilitate a smooth transition for service users. Any issues or complaints will be dealt with sensitively and professionally by the Accessible Community Transport Manager.

Meetings are also being arranged with the Centre 404 Parents Forum and the Elfrida Society for adult users. The Council will involve both organisation fully in the pre-tendering and tendering process and ensure that service users needs are fully considered in the final specifications prior to the award of the contracts.

#### **3.4 Options appraisal.**

The Council are currently negotiating arrangements for a joint contract with Camden Council and other neighbouring boroughs for the four year period commencing in September 2015.

The outsourced work will mainly consist of home to school routes that cannot be provided on a cost effective basis by the Council's in-house Accessible Community Transport Service. These routes will need to be serviced by mini buses and accessible vehicles and saloon cars with drivers and passenger attendants.

It is envisaged that by including other boroughs for fixed routes over an agreed period of time, the most competitive prices can be achieved from the largest number of contractors that are able to meet the requirements of the specification.

This tender will be conducted in two stages and as a Restricted Procedure, meaning that the tender is restricted to a limited number of organisations. The first stage involves selection criteria through a Pre-Qualification Questionnaire (PQQ) which will establish whether an organisation meets the financial requirements, is competent and capable, and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how organisations have performed to date, their financial standing, and information about their history and experience.

A limited number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage ITT will be forwards looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria in order to determine the most economically advantageous offer.

#### **3.5 Key Considerations**

The contractors currently being used are London based companies that employ local staff. Assuming agreement with partners and legally permitting, provision will be included in the final contract to ensure approved contactors will be pay the London Living Wage to their directly employed staff. As many of the contracted drivers are self-employed, it is not anticipated that the use of the London Living Wage will have a significant effect on the overall cost of the contract.

The existing contracts were allotted on a price/quality basis of 70/30. There are ongoing discussions with partners to ensure that best value can be achieved through a framework agreement with minimum risk to the Council.

#### **3.6 Evaluation and Safeguarding**

The contract is likely to be allocated on a price/quality basis of 70/30 but this is yet to be formally agreed with partners. Quality criteria will include the contractor's financial viability, indemnity levels, safeguarding procedures and quality of fleet.

Individual Contractors safeguarding procedures and systems will be fully reviewed at the Invitation To Tender stage and it is proposed that bespoke safeguarding training will be offered to all Council staff administering the contract, as well as to the successful contractors and their staff to ensure the safety of all users, children and vulnerable adults.

Full checks will be made that drivers directly employed by the contractor have Disclosure and Barring Service (DBS) enhanced clearance and that all self-employed drivers have a Public Carriage Office license (that includes DBS clearance). Additionally, all passenger attendants will be required to have enhanced DBS clearance.

### 3.7 Business Risks

The following risks have been identified:

- The lowest tendered rates being significantly higher than those currently being used.
- Bidders bid too low to enable them to win the contract and then fail to operate viably.
- Contractors withdrawing from the process after tendering.
- Tenderers not selected for award challenging the process and causing delays to contract start.
- Post award implementation actions fail to achieve a 1<sup>st</sup> September contract start.

These risks can be mitigated through the content of the specification, legal requirements and the implementation of quality assurance and auditing processes.

Business opportunities associated with this contract will be achieved through a larger number of contractors tendering for this work ensuring stronger competition and better value. Continuing low fuel prices should ensure lower costs. Partnership working with neighbouring boroughs would allow for shared routes and lower overall costs.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Provision of taxi and attendant services for stated children and adults requiring transport to respite centres, and health appointments  See paragraph 1.2
2 Estimated value	The estimated value per year will be in the region of £900,000.

	The agreement is proposed to run for a period of 3 years with an optional extension of 1 year.
3 Timetable	Advert - April 2015 Consultation with service users, Centre 404 and Elfrida Society – April/May 2015 Shortlisting (and further consultation) - May/June 2015 Award - August 2015 Commencement of new arrangements 1 September 2015.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Framework agreement in collaboration with the London Borough of Camden and potentially other neighbouring authorities.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Subject to agreement with partners and legally permitting, the specification will stipulate payment of the London Living Wage to staff.
6 Evaluation criteria	Subject to agreement with partners, 70/30 between price and quality of service.
7 Any business risks associated with entering the contract	See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraph 4.1 and 4.2

## 4. Implications

### 4.1 Financial implications:

The Accessible Transport Service is delivered within the Environment & Regeneration department with the costs of the service recharged to the relevant areas within Children's Services and Housing & Adult Social Services. Existing budgets within these areas are sufficient to cover the current level of spend detailed in paragraph 3.2.

### 4.2 Legal Implications:

In relation to legal powers:

- a) The Council has a duty in relation to children and young people with special educational needs (SEN) or disabilities to make arrangements for travel to and from schools and post-16 institutions and places at which relevant early years education is provided under the Children and Families Act 2014, section 30. Therefore the Council may provide taxi services for children with SEN as proposed in the report;
- b) The Council has a general duty in exercising its functions under part 1 of the Care Act 2014 to promote the 'well-being' of individuals. Well-being includes (a) physical and mental health emotional well-being and personal dignity (b) control by the individual over day to day life (c)

participation in work education, training or recreation (section 1). Section 45 of the Health Services and Public Health Act 1968 places a duty on local authorities to promote the welfare of older people "in order to prevent or postpone personal or social deterioration or breakdown". Therefore the Council may provide transport services for vulnerable adults attending medical appointments, respite centres and day centres as proposed in the report.

- c) The Council has power under section 111 of the Local Government Act 1972 to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Therefore the Council may procure taxi services that are used through the Council's on line taxi booking system for purposes associated with the carrying out of the Council's functions as proposed in the report.

The Council may enter into contracts for the provision of the above services under section 1 of the Local Government (Contracts) Act 1997.

The Council may undertake a joint procurement exercise with another local authority under section 111 of the Local Government Act 1972.

The Executive may provide Corporate Directors with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The Council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the Council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the Council.

#### **4.3 Environmental Implications:**

An environmental impact assessment has been carried out as part of the tendering process and it is anticipated that the proposals in this report will have no additional adverse impacts on energy use and carbon emissions, use of natural resources, travel and transportation, waste and recycling, climate change adaptation, biodiversity or pollution

It is also envisaged that by providing fixed routes to successful tenderers for a three year period, it will allow them to invest in new and lower emission vehicles.

#### **4.4 Resident Impact Assessment:**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due

regard to the need to tackle prejudice and promote understanding.

An RIA was completed in December 2014. In providing the taxi and attendant contract for children with Special Educational Needs statements and with physical and learning difficulties, and providing this service for elderly and vulnerable adults, it is crucial that the Council fulfills its statutory and safeguarding responsibilities properly. In line with the Equality Act 2010, this contract will ensure that residents with disabilities are able to participate in education they have a statutory right to receive in accordance with the 1996 Education Act. On a daily basis the present contract serves seventy children with some of the highest physical needs and severe learning difficulties.

In regard to safeguarding, all self-employed drivers used by the successful contractors will possess a valid and up to date Public Carriage Office licence which will include enhanced DBS (Disclosure and barring service) clearance. All staff, including drivers and passenger assistants, directly employed by the successful contractors will be required to have an enhanced DBS clearance, and this will be checked by the Council.

Regular monitoring of the successful contractors will be carried out by the Accessible Community Transport manager through regular quality assurance monitoring of individual routes, vehicles and staff and annual audits, which will be completed at the contractors offices either solely by Islington Council Officers or jointly with Camden Accessible Transport Officers and other partners.

Any complaints concerning taxi and attendant services involving Islington residents that include any safeguarding issues will be sensitively dealt with in accordance with Council procedures and will be referred to the Local Authority Designated Officer (LADO).

## 5. Conclusion and reasons for recommendations

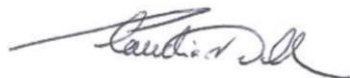
- 5.1 This procurement is essential to continue to provide continuous and high quality taxi and attendant services for adults and statemented children requiring transport to respite centres, and health appointments.

**Appendices:** None

**Background papers:** None

Final report clearance:

**Signed by:**



29.1.15

Executive Member for Environment and Transport.

Date

**Received by:**

Head of Democratic Services

Date

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**Report of:** Executive Member for Housing and Development

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		All

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**SUBJECT: Approval of the Procurement strategy for Housing Repairs - Scaffolding (north and south) contract**

## 1. Synopsis

- 1.1 This report sets out the proposed procurement strategy for the tender of the Housing Repairs Scaffolding (north and south) contract, which is being procured to support the Repairs Team to carry out the necessary roofing repairs to the council's housing stock in accordance with Rule 2.5 of the Council's Procurement Rules.

## 2. Recommendations

- 2.1 To carry out a two stage, closed tender for the procurement of the housing repairs scaffolding contracts (north and south), based on 70% awarded for price and 30% awarded for quality.
- 2.2 To award the scaffolding contract to the bidder that submits the most economically advantageous tender following completion of the tender process.
- 2.3 To delegate authority to the Corporate Director of Housing and Adult Social Services, in consultation with the Executive Member for Housing and Development, to award the Scaffolding contracts following the tender process outlined in 2.1.

## 3 Background

- 3.1 The Council currently provides responsive repairs services to approximately 24,000 properties, delivering around 4000 responsive repairs a month of various kinds. Roofing accounts for around 5000 of those repairs a year and approximately 55% of those jobs require scaffolding.
- 3.2 In July 2013 the council gave Kier notice that they did not intend to extend the repairs contract beyond October 2014, Kier exercised their right to terminate the contract by giving 12 months' notice. This gave the council just under a year to procure a supply chain to support the in-house team with specialist work and during peak times. Kier operated a small in-house roofing team and therefore the

size of the external contracts procured for roofing and scaffolding reflected the volume of work that could not be covered by the in-house team. Following the transfer of the team to the council it became clear that volumes of work were far higher than anticipated for a number of reasons, including the inherited backlog from Kier and the prolonged period of wet weather.

- 3.3 The in-house team does not have the capacity or current skills to store and erect their own scaffolding which requires a high level of specialism and training to ensure safe delivery for both employees and residents. It is crucial that contractors are fully compliant with the Working at Height Regulations 2005. All employees should be competent for the type of scaffolding work they are undertaking and should have received appropriate training relevant to the type and complexity of scaffolding they are working on. The newly in-sourced team are therefore reliant on the current roofing contractors to provide scaffolding in order to carry out their allocated jobs, but, due to the increased volume of work the current roofing contractors have not been able support this function. The council therefore needs to procure scaffolding contractors for the north and the south of the borough, to support the in-house team to carry out their workload. The estimated annual value of the new scaffolding contracts is £500k.
- 3.4 It is important that the new contracts are awarded as soon as possible in order to support the repairs service provided by the in house team. Accordingly, authority is sought to delegate the decision on the award of the new contracts to the Corporate Director of Housing and Adult Social Services, following the tender process. It is essential that the council procures and mobilises the scaffolding contracts as soon as possible so that the backlog of roofing jobs does not increase and the council meets its repairing obligations as a landlord. Furthermore, the longer it takes to complete a roof repair the costlier the repair becomes, often causing further damage to the building and within the home, causing tenants distress and increasing the cost of the repair for the council. Failure to deliver this service not only carries a reputational risk for the council, but there is a further financial risk in relation to potential legal disrepair claims. The Council has a statutory obligation to keep its residential properties in good repair.
- 3.5 Supporting the in-house team to carry out roofing jobs should reduce the reliance on external contractors, who are currently carrying out around 70% of the roofing work in the borough. Direct management of the scaffolding contractors will improve the council's ability to monitor the erection and removal of scaffolding to ensure that delays in removal are avoided where possible.
- 3.6 The contracts will be procured for 24 months, with the option for a 24 month extension at the council's sole discretion, (total contract duration 48 months). The contract can be reviewed as the service moves forward ensuring all key performance indicators are being met. It is recommended that there are two scaffolding contracts one for the north of the borough and the other for the south. There will be no guaranteed volumes of work under the contracts.
- 3.7 A competitive tender is proposed. Consideration has been given to the use of an existing framework but the council would like to attract smaller, local businesses to bid for the contract and existing frameworks exclude such businesses. The contract will include social benefit and sustainability clauses. London Living Wage will apply to all staff working on the contract.
- 3.8 The tender process will be conducted in two stages, known as the Restricted Procedure. The first stage is Selection Criteria through a Pre- Qualification Questionnaire (PQQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the PQQ requirements, as specified in the advertisement, will then be invited to tender (ITT). The second stage is the ITT this is forwards-looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works as set out in the evaluation criteria in order to determine the most economically advantageous offer. The proposed evaluation criteria are 70% Price and 30% Quality.



- 3.9 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board.

## **4 Implications**

### **4.1 Financial implications**

The cost of the new scaffolding contracts are estimated to be approximately £500k in a full year and will be contained within the Housing Responsive Repairs budget for sub-contracted services which for 2015/16 is estimated to be £5.2m. It is planned that this budget will be split via two contractors, appointed via this tendering process. It is therefore anticipated that each contractor will be allocated approximately £250k of works pa in a full year.

### **4.2 Legal Implications**

The council has an obligation to keep its housing properties in repair (Part 2 of the Housing Act 1985; section 11 of the Landlord and Tenant Act 1985; tenancy conditions and rtb lease) Accordingly, the council has power to procure and enter into the proposed scaffolding contracts to support the in-house repair service and ensure that the council meets its contractual and statutory repair and maintenance obligations (section 1 of the Local Government (Contracts) Act 1997).

The proposed contracts are works contracts for the purposes of the Public Contracts Regulations 2006. The estimated value of the proposed contracts are below the financial threshold for full application of the Public Contracts Regulations 2006 and therefore do not need to be advertised in OJEU. However, there is a requirement under EU rules for such contracts to comply with the principles of equal treatment, non-discrimination and fair competition and therefore some form of advertising is likely to be required. Further, the council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

The contracts are for periods in excess of 12 months and therefore will be qualifying long term agreements under section 20 of the Landlord and Tenant Act 1985. Accordingly the council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended.)

### **4.3 Environmental Implications**

The main environmental impacts from the scaffolding contract are likely to be the potential for disturbance to biodiversity, travel and resource usage. During the erection of scaffolding, disturbance may be caused to species living in the building fabric (e.g. nesting birds) or in the immediate vicinity (nearby trees or hedges), whilst birds may also nest on scaffolding after it has been erected. In order to mitigate the risk of disturbing protected species, staff working for the contractor should be trained to recognise and mitigate disturbance risk.

Erecting and taking down the scaffolding will require the contractor to travel to various sites, leading to exhaust emissions and contributing to congestion. The contractor should be required to minimise the number of journeys made and optimise their routes.

Resource usage will occur when scaffolding is purchased or repaired. Where possible, the contractor should be required to use recycled or sustainably produced material (e.g. FSC or PEFC certified

timber).

#### 4.4 Equality Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding

A Resident Engagement Assessment (RIA) has been completed for the in-sourcing of the Repairs Service. This is being reviewed and updated via the Repairs Integration Equalities workstream with a number of actions around both resident and workforce equalities. These include improving services to disabled tenants and tenants who do not have English as their first language and various actions to support increasing the diversity of the workforce.

### 5. Conclusion and reasons for recommendations

- 5.1 Scaffolding contracts (north and south) are key to the effective delivery of the newly in-sourced Housing Repairs Service, a two stage tender should be carried out to identify the two most economically advantageous contractors to deliver the service on behalf of the council.
- 5.2 It is recommended that the Corporate Director of Housing and Adult Social Services be authorised to award the scaffolding contracts on the completion of the two stage tender procurement, to ensure the contracts can be awarded and mobilised as soon as possible.

#### Final report clearance:



**Signed by:** Executive Member for Housing and Development

**Date:** 27 January 2015

**Received by:** Head of Democratic Services

**Date:**

**Report Author:** Jodi Pilling  
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**Report of:** Executive Member for Housing and Development

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		All

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**SUBJECT: Approval of the Procurement Strategy for Domestic boiler installations with back-up service for responsive repairs and servicing including for an out of hours emergency cover contract**

## 1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the domestic boiler installation programme with back-up service for responsive repairs and servicing (including for an out of hours emergency cover) in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The Gas service was brought in-house on 2 June 2014. A separate contract was procured for the domestic boiler installation programme with a back-up service to the in-house team for responsive repairs and servicing (including for an out of hour emergency cover) and covering peak times for the north of the borough.
- 1.3 A single contractor is unable to meet the demands of the service, especially out of hours. Therefore the decision has been made not to extend the contract beyond the initial contract period and procure a framework with three contractors to meet service needs.

## 2. Recommendations

- 2.1 To approve the procurement strategy for domestic boiler installation programme with back-up service for responsive repairs and servicing (including for out of hours emergency cover) as outlined at paragraph 1.3.
- 2.2 To authorise the Corporate Director of Housing and Adult Social Services, in consultation with the Executive member for Housing and Development, to appoint contractors to the boiler installation framework following the tender process.

## 3. Background

- 3.1 The gas service was brought in house from 2<sup>nd</sup> June 2014 to deliver a service to residents in the north of the borough. In July 2014 a contractor was appointed to provide a back up service to the inhouse team for peak periods and to also undertake planned boiler installation works (which had

previously been 100% subcontracted by Kier).

- 3.2 The contractors (within the framework) will provide back up for the in-house responsive repairs team during busier 'peak' times (for example, winter) to ensure that the council complies effectively with its repairing obligations as a landlord. It is, of course, crucial that tenants' homes are heated and that the council can respond quickly and efficiently to breakdowns and repairs.
- 3.3 Procuring a framework agreement with three contractors will ensure the council is able to do this through access to a larger pool of available resources at very short notice. This will mean we can meet installation demand and respond to emergencies, covering the in-house team, and each other, during peak times.
- 3.4 The gas service provides approximately 13,000 responsive repairs for tenants' gas heating systems a year, carries out a planned programme of boiler installations of approximately 390 properties a year and annual gas safety inspections for all 11,000 properties in the north of the borough as part of the statutory obligations under the Gas Safety (Installation and Use) Regulations 1998.
- 3.5 In addition the council has an energy and associated carbon reduction programme in line with the requirements of the mandatory Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and the Council's 40% carbon reduction target. The principal aims are to mitigate the harmful effects of climate change and alleviate fuel poverty in the borough. These are the main drivers associated with the renewal of existing gas boilers that are not considered high efficiency [90%+].
- 3.6 It is intended to procure the contract for 24 months with 12 + 12 months extensions (total contract duration 48 months), so that the contract can be reviewed as the service moves forward.
- 3.7 The annual value of the contract is estimated to be £1,060,000, with a total value of £4,240,000 for the life of the contract. As this is a framework agreement, there is no guaranteed volume or value of work.
- 3.8 The installations are estimated to be £900k per annum and the repairs backup approximately £160k.
- 3.9 The initial contract period for the current contract expires on 30 June 2015. The intention is not to extend this contract, therefore, the new contractors will need to be mobilised to deliver the service from 1 July 2015.
- 3.10 Service users, in this instance tenants, must continue to receive a safe and seamless service from the Council, this is why the procurement itself is so urgent.
- 3.11 Delegated authority is sought so that the HASS Corporate Director can award the contract in order to prevent any delays in the mobilisation of the new contract within the restricted timescales and ensure continuity of service.
- 3.12 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board.
- 3.13 There is no opportunity to procure this service using an existing framework as there are none available that will offer the council the flexibility required within the contract to deliver both planned installations and responsive repairs cover during peak periods. The contract will include social benefit and sustainability clauses. London Living Wage will apply to all staff working on the contract.
- 3.14 The tender process will be conducted in two stages, known as the Restricted Procedure. The first

stage is Selection Criteria through a Pre- Qualification Questionnaire (PQQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited or 'restricted' number of these organisations meeting the PQQ requirements, as specified in the advertisement, will then be invited to tender (ITT). The second stage is the ITT this is forwards-looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works as set out in the evaluation criteria in order to determine the most economically advantageous offer .The proposed evaluation criteria are 60% Price and 40% Quality.

## **4. Implications**

### **4.1 Financial implications**

The report indicates that the anticipated annual spend in respect of boiler installations in the north of the borough is £900k per annum, funding for this is available through the Council's Capital Programme.

The anticipated annual cost of the repairs back up service is £160k per annum and funding for this currently exists within the HRA's repairs budget.

Any variances that arise between current anticipated costs , which have been based on existing contract prices, and the new costs of these contracts will be met from within the HRA and will be reported through the Financial monitoring process throughout the year.

### **4.2 Legal Implications**

The council has an obligation to keep its housing properties in good repair and the installations therein for the supply of water, gas and electricity and for sanitation in good working order (Part 2 of the Housing Act 1985; section 11 of the Landlord and Tenant Act 1985; tenancy conditions and rtb lease) Accordingly the council has power to procure and establish a framework of contractors to install boilers and provide back up services to the in-house Repair Serviceto ensure that the council meets its contractual and statutory repair and maintenance obligations (section1 of the Local Government (Contracts) Act 1997 and s111 of the Local Government Act 1972).

The estimated value of the proposed framework is below the financial threshold for full application of the Public Contracts Regulations 2006 and therefore does not need to be advertised in OJEU. However, there is a requirement under EU rules for such frameworks to comply with the principles of equal treatment, non-discrimination and fair competition and therefore some form of advertising is likely to be required. .Further, the council's Procurement Rules requires frameworks over the value of £100k to be subject to competitive tender.

The framework is for a period in excess of 12 months and therefore will be qualifying long term agreements under section 20 of the Landlord and Tenant Act 1985. Accordingly the council will need to comply with the leaseholder consultation requirements applicable to long term qualifying agreements set out in the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended).

### **4.3 Environmental Implications**

The main potential environmental impacts of the contract for domestic boiler installation, repairs and servicing are:

- Disturbance of biodiversity; some protected species live in and around the fabric of domestic dwellings, including nesting birds and bats. Staff at the contractor should be trained to identify

and deal with potential biodiversity risks.

- Emissions; the installed boilers will produce emissions during combustion. The contractor will be required to install only A-rated boilers (rated using the 2009 calculation). NO<sub>x</sub> emissions should be minimised by ensuring that all newly-installed boilers are class 5 (European Standard EN 483:2000).
- Travel; carrying out works will involve travelling to different sites, which may result in tailpipe emissions and also contributes to congestion. The contractor should be required to ensure that zero or low emission vehicles are used, and to combine jobs to ensure effective route optimisation where possible.
- Use of materials; installation and repair works may require the use of new materials (e.g. piping). The contractor should seek to minimise the new of virgin products, and reuse existing materials where possible.
- Waste generation; installation and repair works are likely to generate waste products, some of which may be hazardous. The contractor has a duty of care to ensure that these are disposed of legally and that the waste hierarchy is followed to ensure the maximum rate of reuse and recycling.

#### 4.4 Resident Impact Assessment (incorporating the Equalities Impact Assessment)

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Engagement Assessment (RIA) was completed for the in-sourcing of the Repairs Service. This is being reviewed and updated via the Repairs Integration Equalities workstream with a number of actions around both resident and workforce equalities. These include improving services to disabled tenants and tenants who do not have English as their first language and various actions to support increasing the diversity of the workforce.

## 5. Conclusion and reasons for recommendations

- 5.1 This boiler installation contract (north) is key to the effective delivery of the newly in-sourced Gas Service and a two stage tender should be carried out to identify the most economically advantageous contractor to deliver the service on behalf of the council.
- 5.2 Delegated authority should be granted to the Corporate Director of Housing and Adult Social Services to award the boiler installation contract on the completion of the two stage tender, to ensure the contract can be mobilised without delay.

Background documents: None

**Final report clearance:**



**Signed by:** Executive Member for Housing and Development

**Date:** 27 January 2015

**Received by:** Head of Democratic Services

**Date:**

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**Report of:** Executive Member for Health and Wellbeing

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		Clerkenwell, Holloway, St Georges, Tollington

<b>Delete as appropriate</b>	Exempt	Non-exempt
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### **SUBJECT: Approval of Procurement Strategy for Housing Support Services for People with Substance Misuse Issues**

#### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of housing support services for homeless people with substance misuse issues in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The tender will be for a similar range of services. We are seeking to procure five (5) contracts for supported accommodation for current and former substance misusers including alcohol, drug and abstinent services under block contracts within the borough of Islington.

#### **2. Recommendations**

- 2.1 To agree the proposed procurement strategy for housing support services for substance misusers as outlined within this report.
- 2.2 To note the Executive will be asked to approve the award of the contract at the conclusion of the procurement process.

### 3. Background

#### 3.1.1 Nature of the service

This procurement is for supported accommodation for current and former substance misusers including alcohol, drug and abstinent services under block contracts within the borough of Islington.

There are currently five contracts for substance misusers comprising:

- a) St Mungo's Broadway delivers two contracts for 34 substance misusers in supported accommodation in the Clerkenwell Ward.
- b) St Mungo's Broadway deliver one contract for 13 older substance misusers with a primary support need around alcohol misuse in supported accommodation in St Georges Ward.
- c) Family Mosaic delivers one contract for 10 people with chronic alcohol problems in supported accommodation in Holloway Ward.
- d) Family Mosaic delivers one contract for 10 people who are abstinent in supported accommodation in Tollington Ward.

Property details for the aforementioned supported accommodation services are attached at the end of this report as **Appendix 1**.

3.1.2 The existing contracts will be coming to an end on 31 March 2016. Following a review of existing provision in 2013, recommendations included a need for continued supported housing for this client group with some revisions to the service model. These services support those with substance misuse issues to stabilise their lives and access drug treatment services. Additionally, these services reduce homelessness and the risk of homelessness for vulnerable people with high support needs, promote independence and help people to move-on to more permanent accommodation as well as reducing anti-social behaviour and supporting community safety.

3.1.3 A Strategic Review of Islington Supporting People Substance Misuse and Offenders Services took place in June 2013. The recommendations for this review will be incorporated in to the specification for these services. As part of on-going service development, maximising capacity and throughput from services we are speeding up move on from services (reduced in many services from a maximum of two years down to a target of 6-12 months).

#### 3.2 Estimated Value

These services will be funded through the Supporting People Commissioning budget within HASS.

3.2.1 The value of this procurement will be £5,474,637 based on a maximum 9 year (3+3+3) contract including extension periods for all five services. The 9 year contract would comprise a 3+3+3 year contract. Any contract extension would be dependent on the availability of funding, service performance and the need for the service. Furthermore, there are no suitable existing frameworks that could be utilised for these contracts.

3.2.2 The spend on all five (5) services over the last two years was £1,216,590. Annual spend and total spend on these services over the last two years is highlighted in **Appendix 1**.

3.2.3 These services represent good value for money. There are no planned percentage reductions for these services as significant efficiencies were realised in the commissioning of substance misuser service in 2013/2014. However, further savings of up to 10% may be realised through the procurement process as was the case when similar services were commissioned in 2013/14.

3.2.4 A reduction in cost and spend has been considered. The Supporting People programme is part of a comprehensive savings exercise which incorporates significant budget reductions. There are no planned reductions in spend for these services for the following reasons:

- the potential for under staffed services leading to an increase in anti-social behaviour, wider safeguarding concerns and neighbourhood complaints\*\*
- savings have been made in a recent substance misuse procurement (£53K reduction in spend to the substance misuse budget)
- Further significant savings are planned across other substance misuse services in relation to floating support due in 2016
- Potential for increased industrial action as front line staff salaries are reduced. This has occurred on a number of occasions in 2013 and 2014 with our existing providers and we wish to mitigate this risk by maintaining existing funding levels
- The services due to be recommissioned will not see an annual uplift in funding. It will therefore be incumbent on the provider to ensure that staff are paid salary equivalent to or above the LLW. We wish to mitigate the affordability risk by ensuring that staff are paid in excess of the LLW as the sector has tended toward large scale reduction in wages rather than the reduction of management costs.

\*\*It should be noted that the borough has experienced a significant rise in incidents over 2013/2014 relating to anti social behaviour (ASB) particularly in the vicinity of supported housing services working with substance misusers. Any reduction in staffing is likely to increase the frequency of ASB and will impact the community adversely.

Substance misuse services have been benchmarked against neighbouring boroughs. Unit price and cost per hour are noted in **Appendix 2**. Though Islington's substance misuse services are slightly more expensive than the boroughs benchmarked, it should be noted that it not always possible to make like for like comparisons as levels of support and service capacity vary between the boroughs benchmarked. Additionally, average hourly costs for supported housing are typically between £20 and £25. Islington's hourly costs for substance misuse services remain below £20.

3.2.5 Savings have been realised in the substance misuse pathway via a recent procurement (2013/214) and further savings are planned in relation to a substance misuse floating support service and supported housing scheme in 2015/2016. In total, this would amount to a reduction of £281,550K (17%) from the £1.66 million expenditure on substance misuse services.

Key cost drivers for the service include:

- a need to prevent homelessness and decrease repeat homelessness due to tenancy breakdown,
- maximising health outcomes by increasing the likelihood of recovery as a result of drug treatment compliance and a reduction in drug related deaths
- a reduction in the need and use of emergency health services, community health and social care services
- increase in community safety through the reduction of offending and the impact of offending on the community

3.2.6 These contracts will include break clauses to protect the council in the case of withdrawal or significant reduction.

### 3.3 Timetable

#### 3.3.1 The following dates must be reached:

- Pre-Tender Consideration Report to Procurement Board 18 December 2014
- Executive in February 2015
- Advert and PQQ published in March 2015
- ITT June 2015
- Award report by September 2015
- Contractual arrangements to be entered in to by 1 April 2016.

#### 3.3.2 The current contracts expire on 31 March 2016.

#### 3.3.3 An extensive review of substance misuse and offender services took place in 2013 which included stakeholder feedback and consultation with service users and providers. A new service specification was developed through this collaborative process and will apply to the five services highlighted within this report

### 3.4 Options appraisal

#### 3.4.1 The following routes have been considered including:

- Fully tendering each contract separately.
- A two stage competitive tender with the five services divided into lots limiting the number that each organisation can bid for and/or be awarded.
- Bringing these services in-house.

#### 3.4.2 The preferred procurement route is a two stage competitive tender with the five services divided into lots.

#### 3.4.3 Collaboration / joint procurement have been considered with neighbouring boroughs. In this case, we wish to maintain the capacity of the substance misuse pathway within Islington.

#### 3.4.4 By following a restricted competitive tender procedure, the Council will be able to review the market during the selection stage (PQQ). Should there be a suitable number of organisations who are competent and capable of providing the service they will be invited to tender. Additionally the recommended approach may potentially widen the provider market.

If a competitive tender fails and/or the current service provider decide to withdraw their properties from use for these services then the council may have to re-house current residents which would inflate homelessness figures and create greater demands for temporary accommodation.

### 3.5 Social value

#### 3.5.1 These services will work closely with a socially isolated and stigmatised cohort of people in Islington, often in regular contact with criminal justice services, who experience high levels of repeat homelessness, unemployment and have poorer health outcomes than the general population. The social benefits for the individual are in relation to improved health as a result of engagement with appropriate support and engagement with substance misuse treatment services. In the medium to long term, the service user would have developed the skills

necessary to manage their support needs, manage a tenancy with minimal support and in some cases begin to engage in education, training and employment through volunteering or paid work. The impact on the community includes a potential reduction in offending and increased community safety.

3.5.2 LLW has been considered and successful bidders will be contractually obliged to pay LLW or above. Please refer to the LLW report, available on request.

3.5.3 The service will operate within a performance monitoring and quality assessment framework. Contracts will be closely monitored against a range of targets and outcome measures. This process allows for continuous improvement and service development.

3.5.4 Economic, social and environmental sustainability

These services will reduce barriers amongst these service users to gain and maintain employment in the long term. This will be achieved by assisting service users to stabilise their lives often from one of chaotic substance misuse to engagement with treatment services.

These services will help people with substance misusers to manage their needs and support them to tackle comorbid health and physical needs. There is a strong evidence base to show that people who are supported to treatment reduce their criminal activity and offending. Supporting service users to develop skills and access paid employment will also improve desistance. This will have lasting benefits for the community as well as individual service users.

An environmental impact assessment during the preparation stage.

3.5.5 TUPE obligations will apply should an organisation lose any of these contracts.

3.6 Evaluation

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. This will comprise a Pre-Qualification Questionnaire and Invitation to Tender stage. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria.

3.6.1 Bids will be assessed on the basis on 80% awarded on quality and 20% on costs which will include an evaluation of amount of cost allocated to delivery. The rationale for the 80%, 20% weighting is elaborated on in **Appendix 3**.

3.6.2 Cost/ quality criteria as summarised below. A full breakdown is noted in **Appendix 3**.

	<b>Weighting %</b>
<b>Cost</b>	20%
<b>Quality</b>	
Proposed approach to mobilisation and implementation / change management	10%
Proposed approach to service model	20%
Proposed approach to workforce management	10%
Proposed approach to partnership working	15%
Proposed approach to managing performance and outcomes	15%
Proposed approach to client engagement and involvement	10%

<b>Total</b>	100%
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### 3.7 Business Risks

3.7.1 As these are accommodation based services, there are inherent risks if the support provider who may also be the landlord decides to retain the property for their use if they were to lose the service to another provider. This would mean that the service users would probably have to be decanted in to another property or properties which would create pressures on the pathway as a whole. Some service users may also have to be placed in temporary accommodation which would have cost ramifications for LBI.

These risks would be managed by detailed discussions with the landlord prior to the procurement process. We would seek negotiate with the landlords to seek their approval to work with alternative providers if they were to lose the contract. These types of negotiations have been successful in the past in mitigating the risks described above.

3.7.2 This procurement provides the opportunity for improved integration with the wider substance misuse and mental health pathway through service remodelling and engagement with the treatment and health pathway particularly given the emphasis on working with people with dual diagnoses and complex needs.

We would seek to manage these opportunities by ensuring an open and collaborative dialogue with providers and service users to the outcomes specified are achieved over the duration of the contract.

3.7.3 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	Supported housing services for people with substance misuse issues. See paragraph [ 1.2 ]
2 Estimated value	The estimated value per year is <b>£608,293</b> for all five (5) services.  The agreement is proposed to run for a period of three (3) years with an optional extension for a further 3 years on two separate occasions. See paragraph [ 3.2 ]
3 Timetable	<b>Advert:</b> March 2015 <b>Shortlisting:</b> April-August 2015 <b>Award:</b> September 2015 <b>Other relevant dates:</b> Contractual arrangements to be entered in to by 1 April 2016 See paragraph [ 3.3 ]
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Two stage restricted tender with the five (5) services divided into lots. See paragraph [ 3.4 ]
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	These considerations will be factored into evaluation criteria and contractual arrangements. See paragraph [ 3.5 ]
6 Evaluation criteria	Cost 20%

	Quality 80% The award criteria price/quality breakdown is described further within the report. See paragraph [ 3.6 ]
7 Any business risks associated with entering the contract	Business risks will be managed through good communication and engagement with provider organisations and property landlords. See paragraph [ 3.7 ]
8 Any other relevant financial, legal or other considerations.	See paragraph [ 4 ]

## 4 Implications

### 4.1 Financial implications

The current budget earmarked by Islington for the procurement of Housing Support Services for People with Substance Misuse Issues is £608k p.a.

This procurement is being done on a cost neutral basis due to the level of savings achieved from these contracts previously and as such any award should not create a budget pressure for the Council.

Payment of London Living Wage is a requirement of the contract.

To avoid future financial pressure for the Council, this contract would need to have a termination clause which allows the ending of this contract if it becomes unaffordable.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

### 4.2 Legal Implications

The Council has power to provide housing support services in supported housing for people with substance misuse issues under the Housing Act 1996, Parts 6 and 7. The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

In compliance with the principles underpinning the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition and procure the service using a competitive tender process.

### 4.3 Environmental Implications

There will not be any implications as the service will be delivered from existing buildings.

#### 4.4 Resident Impact Assessment (incorporating the Equalities Impact Assessment)

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The new services will be monitored to ensure they meet the needs of people with substance misuse issues in the borough. Potential providers will be required to comply with minimum quality standards on equality and diversity in service delivery.

Overall the proposed tender will have a positive effect on substance misusers in Islington. However, reductions to service budgets are more likely to impact on people living in poverty or low income more compared to any other group. The aim is to mitigate the impact of any negative effects by improving pathways and exploring more flexible ways of delivering services to certain vulnerable groups.

The EIA will be published and made available on the council website.

### 5. Conclusion and reasons for recommendations

- 5.1 Housing support services for substance misusers is a preventative measure that aims to mitigate the effects of harm to people who are homeless or at risk of becoming homeless. These services support HASS and a range of Council departments to improve access to accommodation and support for substance misusers to achieve independence, prevent homelessness and promote independence. These services are successful in preventing homelessness, improving independence by supporting substance misusers to move on successfully and be more active participants in the wider community.

#### Appendices:

**Appendix 1** - List of current supported housing properties including a breakdown of annual expenditure over the last two years

**Appendix 2** - Benchmarked costs from equivalent North London boroughs.

**Appendix 3** – Rationale for the evaluation of quality versus cost.

**Background papers:** (available online or on request)

- LLW Report



**Final report clearance:**

*Janet Burgess*

**Signed by:** Executive Member for Health and Wellbeing

**Date:** 15 January 2015

**Received by:** Head of Democratic Services

**Date:**

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**List of current supported housing properties and a breakdown of  
annual expenditure over the last two years**

<b>Client Group - Substance Misuse</b>						
<b>Lot</b>	<b>Current Services</b>	<b>Service Description</b>	<b>Units/ Clients</b>	<b>Contract End Date</b>	<b>Current Annual Value</b>	<b>2 Year Spend (13/14 &amp; 14/15)</b>
<b>1</b>	St Mungo's Broadway - EC1R <b>Clerkenwell Ward</b>	Substance Misuse Service (alcohol and drugs) for stable clients	22	31 March 2016	£156,695	£313,390
<b>2</b>	St Mungo's Broadway Broadway - WC1X <b>Clerkenwell Ward</b>	Substance Misuse Service (drugs) for stable clients	12	31 March 2016	£142,862	£285,724
<b>3</b>	St Mungo's Broadway Broadway - N7 <b>St Georges Ward</b>	Alcohol Service for older male drinkers	13	31 March 2016	£74,636	£149,272
<b>4</b>	Family Mosaic Mosaic - N19 <b>Tollington Ward</b>	Abstinent Service	10	31 March 2016	£85,100	£170,200
<b>5</b>	Family Mosaic Mosaic - N7 <b>Holloway Ward</b>	Chronic alcohol use	10	31 March 2016	£149,000	£298,000
<b>Total</b>					<b>£608,293</b>	<b>£1,216,586</b>
<b>9 Year Value</b>					<b>£5,474,637</b>	

## Benchmarked costs from equivalent North London boroughs

<b>North London benchmarking</b>	<b>Borough A</b>	<b>Borough B</b>	<b>Borough C</b>	<b>Islington</b>
Substance misuse supported housing service	£17.68 - £19.46	£17.98	£19.76	£19.88 (average)

## Rationale for the evaluation of quality versus cost

	Weighting %	Rationale
<b>Cost</b>	20%	Price for the lots across the life of the contract. Cost savings are not being sought as savings have been made across other substance misuse services and across the wider portfolio of Supporting People services. A recent tender of similar services led to modest reductions in the overall cost of the services commissioned.
<b>Quality is made up of:</b>		
Proposed approach to mobilisation and implementation / change management	10%	Given the potential risks around transferring public sector staff it will be important that there are robust proposals around how the service will be implemented.
Proposed approach to service model	20%	Given the outcomes based specification it will be important for bidders to both describe their service model and how this will lead to the achievement of the outcomes. This criteria also validates outcome proposals and mitigates against bidders putting in unrealistic bids.
Proposed approach to workforce management	10%	Given the outcomes focus of the specification, we would expect high quality staff that are able to provide person centred services. This criteria ensures that bidders are able to demonstrate how they will equip their services with quality staff committed to supporting vulnerable service users.
Proposed approach to partnership working	15%	Islington has a substance misuse pathway delivered by a range of service voluntary sector providers and the treatment pathway.  It is important these services are able to establish strong relationships with other partners in the sector to ensure service users are supported towards recovery from substance misuse problems, to reengage with the communities they are likely to be isolated from and able to move on to live more independent lives.
Proposed approach to managing performance and outcomes	15%	As the specification will be outcomes based, It is important for providers to commit to a level of outcome delivery. Performance against these outcomes will then be used to inform contract extension by results.
Proposed approach to client engagement and involvement	10%	Regular service user involvement has an important place in ensuring the quality of service delivery and supporting the achievement of service user outcomes. Given services will be expected to move toward a new model of delivery, it is also important that the bidders are able to highlight effective plans to consult and co-produce new service models.
<b>Total</b>	100%	



Report of: **Executive Member for Health and Wellbeing**

Meeting of:	Date	Ward(s)
Executive	12 February 2015	ALL

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## **SUBJECT: APPROVAL OF PROCUREMENT STRATEGY FOR SPECIALIST SUBSTANCE MISUSE SERVICES**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Specialist Substance Misuse Services in accordance with Rule 2.5 of the Council's Procurement Rules. These services play a key role in promoting recovery and reducing the harm caused by alcohol and drug misuse which are a significant cause of health inequalities in Islington.
- 1.2 The service is currently delivered through two contracts. The annual value of the two contracts in 2015/16 is expected to be £3,718,560, a reduction of 20% on current values. Further efficiencies are expected through the procurement process.
- 1.3 The resulting service will fulfil the following distinct functions:
  1. A specialist treatment service for people with drug and/or alcohol problems who have additional complex needs around mental health, offending or other health issues. The service will also deliver in-reach prescribing service to the direct access gateway service for people with substance misuse problems.
  2. A shared care service delivered in partnership with GPs to support people with drug and alcohol problems in primary care settings.
- 1.4 The proposal is to award for three years, with an option to extend by 2 years, plus a further 2 years subject to performance, up to a maximum length of seven years. Extensions will be based on performance related quality measures and delivery of key outcomes. This is considered the option which will lead to the Council obtaining best value for money and will provide a stable and supportive environment for service users.
- 1.5 An extension is being sought to the current contractual arrangements for an additional twelve months. The extension is enable commissioners to realise significant cost savings through the

existing contracts with current providers as part of the Public Health Transformation Programme. This will establish an efficient baseline and create a wider provider market from which to re-procure.

## 2. Recommendations

- 2.1 To approve the proposed procurement strategy for Specialist Substance Misuse Services. Agreements will be up to seven years for the delivery of these services following a process in line with the proposed procurement strategy.
- 2.2 To approve the extension to the existing contracts with Camden and Islington NHS Foundation Trust and Whittington Health NHS Trust for the delivery of Specialist Substance Misuse Services for an additional twelve months in order to deliver this procurement and realise the significant cost savings within the current service model ahead of the procurement process.
- 2.3 To delegate decisions on the procurement process and contract award to the Director of Public Health in agreement with the Executive Member of Health and Wellbeing.

## 3. Background

### Overview:

- 3.1 Islington Council became responsible for commissioning substance misuse treatment services when responsibilities for Public Health functions were transferred to the Council in April 2013.
- 3.2 Substance misuse (alcohol and drugs) is a cause of considerable harm to the health and wellbeing of Islington residents. In terms of alcohol, around one in three residents are estimated to drink at increased or high risk levels. The borough also has one of the highest levels of incapacity benefit claimants for alcoholism in London - Islington has the largest number of people accessing alcohol misuse treatment in London reflecting these high levels of population need. Islington has the second highest rate of opiate and crack use in London and the number of non-opiate users attending treatment is also increasing. Drug and alcohol use has a significant impact on health services, crime and community safety and is an important contributor to adult and children's social care needs.
- 3.3 The impacts of substance misuse are felt across the population, and the evidence base shows investment in drug and alcohol service results in a strong and substantial return on investment. For example:
  - The National Audit Office estimates that £2.50 is saved for every £1 invested;
  - It is estimated that if all drug users who started their recovery in 2010-11 sustain it, the estimated benefit would be £2.6bn;
  - For every £100 invested in drug treatment services a crime is prevented making treatment an effective intervention in crime reduction as well as community safety and health improvement.
- 3.4 Islington invests in a range of open access and specialist services that enable people to access treatment and work towards recovery. In the last year, outcomes for drug and alcohol treatment have improved and the services in scope of this procurement strategy form a key part of the drug treatment pathway and are key to sustaining and building on this improvement. Islington's priorities for the drug and alcohol treatment system are to improve recovery outcomes and ensure the treatment pathway meets the changing needs of the population of drug and alcohol users. This includes:

- Supporting clients with different patterns of drug and alcohol use (i.e. meeting the needs of the increasing number of users of novel psychoactive substances [‘legal highs’] and alcohol);
- Increasing uptake of treatment for people, including young people who misuse drugs and alcohol;
- Supporting the treatment system to better promote recovery in the opiate using population;
- Developing more flexible and personalised services, with a greater emphasis on community based programmes.

3.5 The services described here as Specialist Substance Misuse Services are currently delivered by Camden and Islington NHS Foundation Trust and Whittington Health NHS Trust:

#### **Camden and Islington Foundation Trust**

- Specialist Drug and Alcohol services for people with complex needs (i.e. comorbid mental or physical ill health) and psychiatric and psychological consultative support across the substance misuse treatment system.

#### **Whittington Health**

- GP shared care ‘in reach’ drug and alcohol services – delivering drug treatment in 18 general practices in the borough and alcohol services in 33 practices;
- Low Threshold Opiate Prescribing In-reach service – providing pharmacological interventions to Islington’s direct access and criminal justice drugs treatment provider. (provided by CRI, a voluntary organisation);
- Blood borne virus screening and vaccination across all substance misuse services;
- Hospital based alcohol liaison services.

3.6 It is proposed that these functions are delivered as two distinct elements. These elements would be:

- Lot 1. Specialist drug and alcohol services for people with complex needs (i.e. comorbid mental or physical ill health) and psychiatric and psychological consultative support across the substance misuse treatment system; low threshold opiate prescribing in-reach service; blood borne virus screening and vaccination; and hospital based alcohol liaison services.
- Lot 2. A shared care service delivered in partnership with GPs to support people with drug and alcohol problems in primary care settings, with good links with secondary care and specialist treatment.

3.7 Recommissioning the services described above brings together the specialist clinical expertise required, to ensure a focus on integrated care and provide expert support across the treatment pathway. It will enable the council to ensure it is meeting the complex needs of people with drug and alcohol problems and ensure that there is specialist expertise in drug and alcohol treatment that can be used flexibly across the system. It will support the management and integration of care for people with drug and alcohol problems in primary care.

3.8 Our intention is to deliver efficiencies through the remodelling of the drug treatment pathway. The procurement approach recommended in this report will help deliver this. The proposed

procurement approach will also deliver a primary care based treatment service that is better integrated with primary care and has a greater focus on psychosocial interventions; enabling the service to better support the Council's strategic priorities for substance misuse treatment.

- 3.9 The new NHS England strategy, The Five Year Forward View, calls for new service models to support rapid progress in promoting health and wellbeing and providing care. These include more integrated models working across primary and community health care services and social care. This is already a major focus locally, through initiatives such as Islington's nationally recognised Pioneer programme and the work being developed through the Better Care Fund. Drug and alcohol issues are a significant cross-cutting risk factor in primary care, for example in long term conditions management and reducing preventable hospital admissions. The shared care services for drug and alcohol in primary care described in Lot 2 fall within the scope for new models of integrated working. The potential to jointly commission Lot 2 services directly with the NHS, in order to best realise the benefits for service users and value for the council, will be considered as an approach to the commissioning of these services via a pooled funding arrangement.

#### **Funding and Savings:**

- 3.10 Funding will be met from the Public Health budget. Current spending on these services is £4,648,200 per annum. However, Commissioners are seeking to make significant savings as part of the Public Health Transformation Programme before the start of new agreements. It is anticipated that by the start of the new agreements in 2016/17 the cost of these services will be £3,718,560 per annum. This represents a 20% saving on current contract values and a cumulative reduction of 28% since April 2013.
- 3.11 In order to deliver this level of savings commissioners will agree reductions with current providers for 2015/16. It is the view of the commissioning team that these savings can be achieved most effectively through direct negotiation with the current service providers ahead of any procurement exercise, ensuring that budgets better reflect the needs and services delivered to service users.
- 3.12 An extension is therefore being sought to the current contracts by a further twelve months to allow this negotiation to take place and the remodelled service to be commissioned. Commissioners have a strong record of delivering savings in this way and savings have already been agreed for 2014/15 reducing the annual cost of the service to £4,648,200– a 7% reduction on 13/14 expenditure.
- 3.13 Overall, the budget for the initial three year agreements starting in 2015/16 will be £11,155,680. This will have scope for 2 x 2 year extensions based on successful performance. The maximum budget will be £26,029,920 although we expect to achieve further efficiencies through the procurement process

#### **Justification to extend existing contracts**

- 3.14 The Council is currently an associate to Islington CCG's contracts with Camden and Islington Foundation Trust and Whittington Health for the delivery of these services. Work has been undertaken to disaggregate the substance misuse services from the wider mental health and acute services contracts and prior to procurement, stakeholder engagement will be required including engagement with CCG, primary care, probation and community safety.
- 3.15 Recommissioning these services will be a complex process which will require remodelling to ensure that the service best meets the needs of service users.
- 3.16 Commissioners are seeking to deliver significant savings, outlined above, on the current contract price on these services. It is the belief of commissioners that this is most likely to be achieved in a way that minimises disruption to service users through working with existing providers to deliver these savings. The delivery of these savings ahead of a procurement exercise will potentially widen the provider market as an incoming provider would not be required to take on potentially significant restructuring costs. Market testing has begun to assess the potential market for specialist services.



- 3.17 A waiver to the Procurement Rules has been agreed by the Director of Public Health and Head of Strategic Procurement following financial, legal and procurement implications for 2015/16, subject to the Executive agreement of the contract award. This will give commissioners time to deliver additional savings before tendering these services, serve notice on the current contractual arrangements and run an effective procurement process for a redesigned model of delivery to commence in April 2016.

### **Proposed Procurement Strategy**

- 3.18 A significant market engagement exercise has already taken place. This has informed our proposed approach and procurement strategy. The proposed procurement approach has also been approved by the Council's Procurement Board. The procurement route will be determined based on value for money, delivering an integrated care approach and the best outcomes for service users which may include, but is not limited to, use of the Competitive Dialogue Procedure, the Restricted Procedure and/or use of a section agreement to the Clinical Commissioning Group (CCG), should an integrated pool-funded pathway be adopted. Commissioners plan to issue outcomes based specification for the delivery of these services and ensure strong scrutiny of clinical quality. The model adopted by Commissioning will be overseen by the Director of Public Health with appropriate input from the Council's legal services, strategic procurement and finance teams.
- 3.19 The procurement approach will aim to stimulate the market to deliver innovative new service models, with strong clinical governance that will improve quality and outcomes for service users and release further cost savings.
- 3.20 Bids received will be awarded on the basis of 70% quality and 30% cost. Significant savings will be made in advance of the procurement in order to manage the risk of remodelling. The services are complex and work with people who are vulnerable with complex needs around substance misuse and mental health so quality, partnership working and safety are key considerations. Quality will be assessed on the basis of the following criteria: clinical governance and quality; service model and proposed outcomes and partnership working.
- 3.21 Work on implementing this procurement strategy will commence immediately after approval by Executive and proceed alongside remodelling of existing services. The aim would be to finalise new agreements by November 2015, allowing time to plan for the implementation of new agreements starting 01 April 2016.
- 3.22 The new agreements will include a clause allowing for the early termination of this service should the grant funding which pays for the service be reduced or withdrawn.
- 3.23 In the event that Lot 2 services are commissioned with the CCG as part of an integrated model of working across primary care, community health and social care services, as described in 3.9, the approach will be to commission the Lot 2 services via a pooled funding arrangement with the CCG (Section 75). Lot 2 would then be jointly commissioned with other CCG services which may potentially require the variation of an existing contract with an NHS provider.

### **Collaboration with other boroughs**

- 3.24 Collaboration with other boroughs has been considered. Discussions were held with Camden commissioners but the service models and target population in the two boroughs are markedly different. Both boroughs have distinct treatment populations – Islington service users are more likely to be opiate users (although the proportion of non-opiate users accessing treatment is increasing) and are markedly more complex than service users in Camden (based on Public Health England analysis). As current service models between the two boroughs are also very different both Camden and Islington commissioners are of the view that collaboration would not be beneficial. Although we are exploring options for joint procurement of residential rehabilitation for substance misuse clients with Camden.

## 4. Implications

### 4.1 Financial implications:

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2014/15 is £25,429,000 and will remain at that level for 2015/16.

The current 2014/15 budgets earmarked for these combined services total £4,648,200 per annum. The proposed contract values for 2015/16 total £3,718,560 per annum, this equates to a 20% saving per annum.

Further savings will be realised through the proposed procurement approach.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

To avoid a potential future financial pressure for the Council, any future contracts should have a termination clause which allows them to end if they become unaffordable.

### 4.2 Legal Implications:

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12 and Regulation 2013/351 made under the National Health Service Act 2006, section 6C). Therefore the council may provide specialist substance misuse services as proposed in this report. . The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997. The Executive may provide Corporate Directors with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. In compliance with the principles underpinning the Regulations and the council's Procurement Rules a competitive tendering procedure with advertisement is required.

The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules. On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

Should the option to commission Lot 2 jointly with the CCG as proposed at paragraph 3.23 be used , the council has power to do so under Section 75 of the National Health Service Act 2006. Section 75 provides NHS organisations such as Islington Clinical Commissioning Group the power to exercise various local authority functions and local authorities' the power to exercise various health functions as well as the power to set up

pooled funds related to such purposes.

The value of the proposed one year extension of the existing contract is over £500,000 and therefore requires Executive approval. There is a small risk of procurement challenge in extending the existing contracts through direct negotiation. However, this risk is mitigated by the limited nature of the contract extension and the proposals to conduct a transparent procurement of these services as outlined in the report.

#### 4.3 Environmental Implications:

The service should have only a minimal environmental impact being primarily conducted within office locations. Where possible staff will be encouraged to use public transport to travel for work purposes. Fuel usage for lighting, heating and operating equipment within the building will be considered and where possible gas and/or electricity will not be wasted.

It is possible that the service will be required to dispose of hazardous materials related to drugs testing and harm reduction activities (i.e. needle exchange or disposal). The specification will require that these are safely disposed of in accordance with current waste regulation including Duty of Care regulation.

#### 4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment is underway and will be completed in time for reporting to Executive.

### 5. Conclusion and reasons for recommendations

5.1 Islington requires a range of substance misuse services that meet the needs of residents in a flexible way both in a specialist treatment setting and in primary care to support the council's ambition to improve recovery outcomes. Alcohol and drug misuse causes significant harm to the health and wellbeing of individuals, families and communities. Levels of mortality and illness among people who are problem drug users are high.

5.2 This service will play a key role in improving the recovery outcomes of substance misusers with complex needs (alcohol and drugs) and supporting GPs to treat people in primary care.

**Appendices:** None

**Background papers:** None

Final report clearance:

**Signed by:**



Executive Member for Health and Wellbeing

Date

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**Report of:** Executive Member for Health and Wellbeing

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		Highbury East

Delete as appropriate	Exempt	Non-exempt
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## **SUBJECT: Approval of the Procurement Strategy for Contract Mental Health Crisis Prevention Service**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Mental Health Crisis Prevention Service in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The service contract to be re-procured will consist of two components: short-stay residential care and evening drop-in service.
- 1.3 The current service ends on 31 March 2016. The new service contract would start on 1 April 2016. It will be a 3-year contract with the option to exercise three 12-month extensions.

### **2. Recommendations**

- 2.1 To approve the procurement strategy for Mental Health Crisis Prevention Service as outlined at paragraph 3.4.
- 2.2 To note the Executive will be asked to approve the award of the contract at the conclusion of the procurement process.

### **3. Background**

#### **Nature of the service**

- 3.1 The service to be re-procured is a crisis prevention service for Islington residents aged 18 and over who may be in need of mental health support to prevent further deterioration in their mental wellbeing leading to either hospital admission or other secondary care intervention. The service would work to halt further deterioration in the individual's mental state and provide the necessary support to enable a

recovery from a mental health crisis.

- 3.2 This type of service addresses the needs of individuals who, in the early stages of entering a mental health crisis, may not meet the eligibility criteria for support from secondary mental health services, including hospital admission.
- 3.3 In effect, this service acts as alternative care pathway for those in the early stages of a crisis, and it also provides a more flexible response, in the least restrictive setting, for those who can be managed in a community setting.
- 3.4 The service will consist of a residential element (12 beds) for those requiring a short period of residential care to enable more intensive work to be done with the individual, and an evening drop in centre (6pm to 11pm, 365 days per year) which focuses on crisis prevention, including group and individual crisis support/counselling, and a pre-admission and assessment service.
- 3.5 Details of these two components are:

**1. Residential**

This component provides 12 residential beds for short stays of up to 2 weeks to work closely with the individual to resolve their crisis. This service will be available 24 hour per day, every day of the year.

**2. Evening Drop In**

This component provides an evening drop in service (open access) for individuals requiring support to address or prevent a crisis from developing. It will be available every evening throughout the year.

Both components of the service work using a recovering model to assist the individual to acquire skills to self-manage and become more resilient.

- 3.6 It is anticipated that the service will operate in Highbury East Ward, where the current service is delivered from. This is a property owned by Islington Council and it is leased to the current provider (One Support – One Housing). The lease will expire when the current contract expires.
- 3.7 The current 7-year contract was awarded in 2010, but the additional investment in 2013 to increase the residential capacity has limited the Council to only one 12-month extension given the procurement rules, so the contract will end on 31 March 2016.
- 3.8 This service is a key part of the mental health crisis pathway in Islington, and it has been successful in reducing the demand on acute mental health admissions in Islington, freeing up expensive hospital treatment for others who have more significant mental health needs. Enabling people to access the right level of care at the right time, and in the right place, significantly benefits the individual, their carers, the family, and the wider community whilst avoiding the use of other more expensive and intensive mental health resources.
- 3.9 The NHS London Clinical Lead for Mental Health has shown that 50% of mental health resources are consumed by just 10% of those requiring mental health support. This service addresses that imbalance by working with individuals to enable them to acquire healthier coping strategies, and become more self-caring and resilient to stresses of every day life.
- 3.10 It is known that once someone is admitted to mental health secondary care services, their use of such care services increases significantly; so alternatives for people entering a crisis will provide better recovery outcomes and contribute to whole system savings for both Islington Council and local NHS services.

- 3.11 Commissioners reviewed the current funding available in the Mental Health Pooled Budget, consulted with Finance and Procurement, undertaken a Models of Care Crisis Review, and ensured the re-tender of this service is aligned with the Islington Adult Joint Commissioning Strategy 2012-2017 (IAJCS).
- 3.12 Key priorities in the IAJCS include providing mental health support services that:
- focus on early intervention and prevention
  - promote better mental health and reduce levels of poor mental health in Islington
  - strengthens the way we help people recover from mental ill- health.

Commissioners have also presented a pre-tender considerations report to the Procurement Board on 27 November 2014 and this report was accepted by the Board.

### **Estimated Value**

- 3.13 Funding will be sourced through the existing Mental Health Pooled Budget. The contract period will be 3 years in length with the option of three 12-month extensions. The maximum annual value of the contract will be £835,000. The maximum total value of the contract will be £2,505,000 without extensions, and £5,010,000 if all extensions are exercised.
- 3.14 The contract to be awarded will contain a termination clause to allow it to be ended early should that be required. The contract will also contain relevant safeguarding and information governance compliance clauses.
- The annual spend for the existing service in the last 2 years:
- **2012/13** £708,300 (for 8 residential beds, evening drop in, and crisis night line)
  - **2013/14** £835,300 (for 12 residential beds, evening drop in, and crisis night line)
- 3.15 The service will be remodelled to provide 12 residential units which offer an enhanced crisis support service to include higher acuity care needs because this addresses a gap in the crisis care pathway. The evening drop in centre will be open for longer (6pm to 11pm); 5 hours rather than 4. The crisis night line will not be offered.
- 3.16 In 2010, when the service was tendered, it was for 8 beds at £412,445 per year, which equates to a weekly unit cost of £988.79; and the drop in centre was tendered at £266,514 per year for a total contract value of £678,959.
- 3.17 By 2011/12, the total value of the contract had increased to £708,300 per year and included a crisis line service and use of two additional bed spaces *when* required. The contract value was increased by £29,341.
- 3.18 In 2013/14, the contract was varied to include an additional 4 beds, raising the total residential capacity contractually to 12 beds with an enhance staffing structure. The contract value was varied to £835,300 per year for this extra bed and staffing capacity.
- 3.19 Apart from the additional investments in 2011 of £29,341pa recurrent to include the crisis line and staffing changes and £127,000pa recurrent in 2013 recurrent for an additional 4 residential beds, there has been no uplift in the contract value.
- 3.20 In comparison to other residential services where the residential element can vary from £823 (in Islington) to £1,451 (Camden) per week per unit, commissioners will work very closely with providers to accurately cost out a fair market price for this service. In Hackney one provider charges £945 per week as the unit cost for high support mental health accommodation.
- 3.21 Savings will be achieved by not providing the crisis line service. It is estimated this will save 0.66 FTE on each 13-hour night shift, saving £47,447 per year. Staffing costs along with inflation and the cost of

running a service in inner London are key cost drivers.

- 3.22 London Living Wage has been increased from £8.80 to £9.15 from 1 April 2015 and this procurement does not take this increase into account. Furthermore, the inflation rate has been running as follows:
- **2012:** 3.01%
  - **2013:** 2.78%
  - **2014 (to Sep):** 1.63%

Given the increase in the London Living Wage and inflation rates, this has had the effect of reducing contract value.

### **Timetable**

- 3.23 The key dates to be reached are:
- **12 Feb 2015:** Exec Board – Strategy Report
  - **Mar – July 2015:** Advert, PQQ, Shortlisting, Publish Tender Pack
  - **Aug – Sept 2015:** Evaluate Tenders
  - **Dec 2015:** Joint Board – Award Report
  - **Jan 2016:** Exec Board – Award Report
  - **1 Apr 2016:** Commencement of new services
- 3.24 The current contract expires 31 March 2016. There are no statutory deadlines to be met. However, a service must be in place to avoid creating significant disruption in the community crisis prevention care pathway. Commissioners, senior managers and officers within the commissioning and procurement teams have been consulted about this procurement.

### **Options appraisal**

- 3.25 Given the value of the contract on offer, this procurement must be advertised. The Service will be a Part B service, so full Official Journal of European Union regulations will not apply. The procurement route available is to advertise a call for competition and move to a competitive process.
- 3.26 It is not feasible to jointly commission this particular service with another local authority at this time. Collaboration would likely increase re-procurement risks and will not deliver any savings or greater efficiencies. Demand within Islington for this type of service results in no spare capacity to share with other local authorities. It is not our intention to increase capacity with this service given the fiscal situation. The current building itself cannot be easily reconfigured or expanded to increase bed capacity.
- 3.27 The main benefit of the proposed approach is possible greater value for money depending on the response from the market.

### **Key Considerations**

- 3.28 In addition to the local economic benefits of the service being provided in Islington, social benefits clauses will place an emphasis on the service being part of the fabric of the local community, supporting and encouraging service users to make use of local universal health and social support services; engage with relevant third sector services; sustain local links with family and friends; and make better use of community resources to support good mental health, coping strategies, and living skills.
- 3.29 The new service specification will be an opportunity to achieve value for money but also set desired outcomes related to the Islington Adult Joint Commissioning Strategy, and other national strategies, covering areas such as:



- Enhancing the quality of life for people with mental health needs
  - Ensuring that people have a positive experience of care and support
  - Safeguarding adults whose circumstances make them vulnerable and protecting them from harm, including self-harm
  - Removing barriers to social inclusion and isolation by enabling users to engage more positively with support services
  - Offering prevention services that address needs early on to avoid further deterioration in mental wellbeing necessitating more intensive and expensive care.
- 3.30 There will be an emphasis on mental health recovery, learning more successful coping strategies to deal with the stresses of life, acquiring techniques to deescalate a crisis associated with acute distress, and promoting independence by enable users to develop self-efficacy.
- 3.31 London Living Wage will apply to this contract. The Service Specification will include provisions to ensure the provider offers continuous improvement against delivery targets and works with commissioners and service users to “co-produce” a service where innovations can be quickly implemented. An Environment Impact Assessment and Resident Impact Assessment have been carried out.
- 3.32 TUPE will apply to this contract. The appropriate TUPE information will be included in the tender documents including salary, pension, and other staff benefits.

The current FTE staffing arrangement and TUPE information is:

Post	FTEs
Head of Mental Health	0.10
Team Manager	1.00
Deputy Managers	2.00
Specialist Support Officers	3.00
Support Officers	7.00
Night Support Officers	2.66
Life Skills Worker/Cook	0.60
<b>TOTAL FTEs</b>	<b>16.36</b>

- 3.33 This tender will be conducted in two stages, known as the Restricted Procedure as the tender is ‘restricted’ to a limited number of organisations. The first stage is Selection Criteria through a Pre-Qualification Questionnaire (PQQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.
- 3.34 A limited or ‘restricted’ number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT is now forwards-looking using Award Criteria. Tenders are evaluated on the basis of the tenderers’ price and ability to deliver the contract works or services as set out in the evaluation criteria in order to determine the most economically advantageous offer.
- 3.35 Strict criteria have been set because it is necessary for this service to effectively meet a range of mental health needs in a supportive and safe environment that promotes mental wellbeing whilst resolving difficult situations. The service must be able to provide relevant crisis intervention techniques such a suicide screening; enable individuals to build reliance to prevent future crises; provide the right support that halts further deterioration in mental wellbeing and works with the individual to recover and stay well.

## Evaluation Criteria

3.36 The main evaluation criteria for the successful provider includes:

- Sign a lease with Islington Council co-terminus with the service contract for the use of the Council-owned property in Highbury Grove N5 2EA (Highbur East Ward)
- Able to provide the required service from 1 April 2016
- Able to provide the required staffing with the right skills set in both the evening drop in and residential services
- Provide the service 365 days of the year
- Deal with the TUPE implications
- Have experience providing similar mental health services to adults with enduring mental health which may include some challenging behaviours; staff may also need to be able to deal with dual diagnosis issues, such alcohol and/or drug misuse, poor coping skills and unpredictable fluctuations in mental wellbeing
- Able to provide crisis intervention care with an emphasis on mental health recovery and rehabilitation whilst promoting the acquisition and retention of coping skills and strategies, and enabling the individual to develop resilience
- Have formal links to the local secondary mental health service (Camden & Islington NHS Foundation Trust), particularly the Camden & Islington NHS Foundation Trust Crisis Resolution Team; and maintain excellent working relationships with local non-statutory mental health services, and other local universal resources as appropriate.

3.37 The contract will be awarded to the Most Economically Advantageous Tender (MEAT) on the basis of quality 70% and cost 30%.

<b>Tender Award Criteria</b>	<b>Total</b>
<b>Cost</b>	<b>30%</b>
<b>Quality – made up of</b>	<b>70%</b>
Proposed model of care	30%
Proposed approach to quality management of performance and outcomes	20%
Proposed approach to resident engagement and activities	10%
Proposed approach to safeguarding and risk management	10%
<b>Total</b>	<b>100%</b>

3.38 The successful bidder would need to be able to pay at least the London Living Wage; meet all requirements as laid out in the proposed service specifications around safeguarding and information governance; and have the ability to transition any existing residents in the current service to the new service, particularly where this may involve a change of building.

3.39 London Living Wage will apply to this contract. TUPE will apply to this procurement. The service will be delivered in Islington thus benefitting the local community and where appropriate offer local apprenticeships, and ensure the service is embedded in the local community.

## Business Risks

3.40 The main business risks include:

- Providers may submit bids higher than tendered contract value
- If only one provider submits a bid, it may seek to negotiate costs or conditions that are unacceptable
- Providers may submit bids based on the use of their own buildings
- If applicable, there could be a challenge to direct award of the contract.

- 3.41 It is possible that a provider may propose to provide the service at two sites: one site for the residential element and another for the evening drop in. This mix of sites may include the current site in Highbury Grove, owned by the Islington Council and another site not owned by the Council. Any proposal that does not include the use of the Council-owned property in Highbury Grove may create an opportunity for a different use of the site by the Council for another community service, or redevelopment for a different use, perhaps mental health supported accommodation.
- 3.42 The existing service provides an evening drop in service for up to 85 users per quarter. Any change to the evening drop, including as change of venue, will require consultation with users to prepare for the change, given many of them are long-term users of this service. The residential element is for short stays up to 2 weeks. It is not anticipated that the location will change, but if it were, work would need to be done to ensure a smooth transition for those in the service at the time of handover. The crisis line will not be offered in the new service and may have an impact that would need to be addressed as part of an implementation plan.
- 3.43 This is an important mental health offer by Islington Council. It forms a significant part of the crisis care pathway in Islington, funded from the joint mental health pooled budget. Given the sensitivities around any change to day centre changes (including the evening drop in centre provided at Highbury Grove through this crisis service), long-term users will need to be consulted and may not support any change to opening hours, provider, or service outcomes.
- 3.44 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board
- 3.45 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Mental health crisis prevention service	The service is for Islington residents aged 18 and over who may be in need of mental health support to prevent further deterioration in their mental wellbeing.  See paragraphs 3.1-3.12
2 £5,010,000	The estimated value per year is £835,000.  The agreement is proposed to run for a period of 3 years with an optional extension of three 12-month periods.  See paragraphs 3.13-3.22.
3 Timetable	13 Jan 2015: Joint Board – Strategy Report 12 Feb 2015: Exec Board – Strategy Report Mar – July 2015: Advert, PQQ, Shortlisting, Publish Tender Aug – Sept 2015: Evaluate Tenders Dec 2015: Joint Board – Award Report Jan 2016: Exec Board – Award Report 1 Apr 2016: Commencement of new services

	See paragraphs 3.23-3.24.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Advertise a call for competition and move to a competitive process.  See paragraphs 3.25-3.27.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living Wage and TUPE will apply to the contract. The service will be provided in Islington and offer apprenticeships where appropriate, given the nature of the service.  See paragraphs 3.28-35.
6 Evaluation criteria	70% Quality 30% Cost  See paragraph 3.36-3.39.
7 Any business risks associated with entering the contract	The main business risks will be managed through the tender process.  See paragraphs 3.40-3.44.
8 Any other relevant financial, legal or other considerations.	See 4. below.

#### **4. Implications**

##### **4.1 Financial implications**

The current budget earmarked by Islington for the procurement of the Mental Health Crisis Prevention Service is £835,000 p.a.

Savings are expected to be realised as part of this procurement with the figure yet to be quantified. As this contract will be awarded at less than the available budget this should not cause a financial pressure to the Council.

Providers will be required to ensure that all staff working on this contract are paid at least the London Living Wage.

To avoid future financial pressure for the Council, this contract would need to have a termination clause which allows the ending of this contract if it becomes unaffordable.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

##### **4.2 Legal Implications**

The council has power to provide mental health crisis prevention services under the National Assistance Act 1948, s21(1). The Council has power to enter into contracts with providers of mental health crisis prevention services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of

equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

In compliance with the principles underpinning the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition and procure the service using a competitive tender process.

#### 4.3 Environmental Implications

The main environmental impacts of this procurement will be associated with the management of the building, including energy used for heating, hot water and appliances, water use and waste generation. If possible, the procurement process should include requirements for the provider to minimise energy and water usage, as well as maximising recycling and ensuring compliance with waste legislation. If the site has a garden area, consideration should also be given to improving biodiversity habitats.

#### 4.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment (RIA) was completed on 2 December 2014.

The Resident Impact Assessment identified that there would be no differential impacts. This decision was made because the service being re-tendered would have no disproportionate impact on any of the equality groups accessing the service or working in the service.

### 5. Conclusion and reasons for recommendations

- 5.1 The existing mental health crisis prevention service will end on 31 March 2016. There is still a requirement to provide this type of service in Islington. The service will consist of two components: residential and evening drop in.
- 5.2 The proposed strategy is to re-tender the service using a competitive process given the value of the contract on offer. The new contract will commence 1 April 2016.

#### Final report clearance:

*Janet Burgess*

**Signed by:** Executive Member for Health and Wellbeing

**Date:** 15 January 2015

**Received by:** Head of Democratic Services

**Date:**

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**Report of:** Executive Member for Health and Wellbeing

Meeting of:	Date	Agenda item	Ward(s)
Executive	12 February 2015		Tollington, Barnsbury

Delete as appropriate	Exempt	Non-exempt
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### **SUBJECT: Approval of the Procurement Strategy for Contract Mental Health Supported Accommodation Service**

#### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Mental Health Supported Accommodation Service in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The service contract to be procured consists of three lots: Lot 1 consisting of 6 units; Lot 2 consisting of 7 units; and Lot 3 consisting of 12 units.
- 1.3 The current services end 31 March 2016. The new service contract(s) would start on 1 April 2016.

#### **2. Recommendations**

- 2.1 To approve the procurement strategy for Mental Health Supported Accommodation Service as outlined at paragraph 3.4.
- 2.2 To note the Executive will be asked to approve the award of the contract at the conclusion of the procurement process.

#### **3. Background**

##### **Nature of the service**

- 3.1 The Service to be re-procured is mental health supported accommodation for Islington residents who require this type of support to live in the community. The target group for the Service will be men and women experiencing long-term, severe mental illness. Residents in the Service will be over the age of 18 who are planning to return to independent living in the community following hospital or residential rehabilitation care.

- 3.2 The Service to be procured is a 3-year block contract with the option of three 12-month extensions. The Provider will need to have a very good understanding of mental health and how to meet a range of care needs using a recovery model.
- 3.3 The Service will need to be staffed 24 hours per day and provide the type of onsite support to help residents explore and develop their community living skills with an emphasis on rehabilitation and recovery, encouraging residents to live as independently as possible, and eventually acquire their own tenancy. This procurement is a re-tender of existing services because the current contracts will expire 31 March 2016.
- 3.4 The residents in the existing mental health supported accommodation are eligible for community care services from the Council based on their level of need. They would be unable to live independently and maintain their own tenancy without a period of intermediate support, or further rehabilitation, following mental health hospitalisation.
- 3.5 Islington Council has a duty to provide a social care service to those in the existing services. The current three lots of mental health supported accommodation services are to be re-procured through one tender process. The three lots to be procured are:
1. **Lot 1 - (6 units)**  
The current service based in Tollington Ward contains 6 units. Islington Council owns the building and it is leased to the current provider (Family Mosaic). The lease expires when the current contract expires. The current contract, valued at £152,643.24 per year, will end 31 March 2016.
  2. **Lot 2 - (7 units)**  
The current service based in Barnsbury Ward contains 7 units. The building is owned by the current provider (Family Mosaic). This service was jointly procured with the Lot 1 service. The current contract, valued at £178,083.76 per year, will end 31 March 2016.  
  
The total annual value of the current contract for both the Lot 1 and Lot 2 services is £330,727 per year.
  3. **Lot 3 - (12 units)**  
The current service based in Tollington Ward contains 12 units. The building is owned by the current provider (St Martin of Tours). The current contract, valued at £359,000 per year, will end 31 March 2016.
- 3.6 Commissioners have reviewed the current funding resources in light of expected savings targets. Finance and Strategic Procurement have been consulted. Commissioners have also presented a pre-tender considerations report to the Procurement Board on 27 November 2014 and this report was accepted by the Board.

### **Estimated Value**

- 3.7 Funding will be sourced through the existing Mental Health Pooled budget. The proposed annual value to Islington Council for this tender in Islington is as follows:
- **Lot 1:** £152,643 pa  
Lot 1 total value of the proposed 3-year contract is £457,929 without extensions and £915,858 if all extensions are exercised.
  - **Lot 2:** £178,083 pa  
Lot 2 total value of the proposed 3-year contract is £534,249 without extensions and £1,068,498 if all extensions are exercised.
  - **Lot 3:** £359,000 pa



Lot 3 total value of the proposed 3-year contract is £1,077,000 without extensions and £2,154,000 if all extensions are exercised.

- 3.8 The total value of the entire three lots combined, should one provider secure all three lots, would be: 3-year contract at £2,069,178 without extensions; and £4,138,356 if all extensions are exercised. These contract values remained unchanged from the current contract values. There has been no uplift in the value of the current contracts during the last 3 year (following a significant reduction in contract values in 2011/12); and no uplift is planned for the new contracts.
- 3.9 The contract to be awarded will contain a termination clause to allow it to be ended early should that be required. The contract will also contain relevant safeguarding and information governance compliance clauses.
- 3.10 The spend for the last two fiscal years:
- **2012/13**  
Lot 1 (Tollington Ward) and Lot 2 (Barnsbury Ward) sites: £330,727pa  
Lot 3 (Tollington Ward) site: £359,000pa
  - **2013/14**  
Lot 1 (Tollington Ward) and Lot 2 (Barnsbury Ward) sites: £330,727pa  
Lot 3 (Tollington Ward) site: £359,000pa
- 3.11 As part of a savings plan for the fiscal year 2011/12, the annual value of the current Lot 1 and Lot 2 contract was reduced by £100,000pa, the service was de-registered with the Care Quality Commission, and staffing levels were reduced. The Lot 3 contract was also reduced in value. Negotiations were held to reduce the contract value by £30,000pa over two sites, one of which is not in this tender. The current weekly unit rate in the existing contracts are approximately:
- Lot 1 and Lot 2 sites: £487.92
  - Lot 3 site: £573.77
- 3.12 There is no intention to increase the value of the contract. Not only do local government budgetary pressures exist but providers are facing increasing cost pressures and this procurement will need to manage these in an inflationary context. Further reducing contract values are likely to have a negative impact on the response from the market place to provide this service. Additionally, it may impact on the ability to deliver a quality service.
- 3.13 Given a range of factors involved in pricing mental health supportive accommodation, such as type of client, care needs, facility and level of services provided, it is difficult to compare the cost of this type of service; nonetheless, in general comparison to other local mental health supportive housing schemes we intend to keep the current value of the contract as the upper limit or ceiling and seek a further reduction, where possible.
- 3.14 Over £100,000pa cost savings were achieved during 2011/12. Further significant reductions may be counterproductive. The procurement will seek to hold the contract value at the current price but seek a reduction if at all possible during the procurement process. The key cost driver is staffing costs, inflation and the value of property in Islington.
- 3.15 London Living Wage has been increased again from £8.80 to £9.15 and this procurement does not take this increase into account. Furthermore, the inflation rate has been running as follows:
- **2012:** 3.01%
  - **2013:** 2.78%
  - **2014 (to Sep):** 1.63%

Since reducing the contract value in fiscal year 2011/12, there has been no uplift in contract values.

## Timetable

3.16 Key Dates to be reached:

<b>12 Feb 2015:</b>	Exec Board – Strategy Report
<b>Mar – July 2015:</b>	Advert, PQQ, Shortlisting, Publish Tender Pack
<b>Aug – Sept 2015:</b>	Evaluate Tenders
<b>Dec 2015:</b>	Joint Board – Award Report
<b>Jan 2016:</b>	Exec Board – Award Report
<b>1 Apr 2016:</b>	Commencement of new services

3.17 Current contracts expire on 31 March 2016 (Lot 1 and Lot 2) and 31 May 2016 (Lot 3). The intention is to exercise options to extend so that these services will end on the same date of 31 March 2016 and start on the same date of 1 April 2016. There are no statutory deadlines to be met. Commissioners, senior managers and officers within the commissioning and procurement teams have been consulted about this procurement.

## Options appraisal

3.18 Given the value of the contract on offer, this procurement must be advertised. The Service will be a Part B service, so full Official Journal of European Union regulations will not apply. The procurement route available is to advertise a call for competition and move to a competitive process. The procurement strategy is to re-tender all three services using one tender process, but providers may submit bids for any or all of the lots they are interested in providing. The current contracts were previously re-tendered in 2008/09 as follows:

### **Lot 1 (Tollington Ward) and Lot 2 (Barnsbury Ward) together**

- Re-tendered in 2008/09
- Awarded Family Mosaic
- Start date 1 April 2009
- 5-year contract with two 12-month extensions

### **Lot 3 Road (Tollington Ward)**

- Re-tendered in 2008/09
- Awarded St Martin of Tours
- Start date 1 June 2009
- 5-year contract with two 12-month extensions

3.19 For this current re-procurement, the services will be re-tendered through one process, but providers can choose which services to bid for. It will be advertised in 3 separate lots:

**Lot 1:** Mental Health Supported Accommodation – 7 Units

**Lot 2:** Mental Health Supported Accommodation – 6 Units

**Lot 3:** Mental Health Supported Accommodation – 12 Units

3.20 Providers can bid for all or any of these lots, bearing in mind the current ownership of these buildings and that some housing providers will not have other housing providers delivering services in their own buildings. It will be necessary for any bidder to ensure they have a suitable building(s) ready for use from the start of the contract.

3.21 The value of the new contracts will be the same as the existing contracts. The number of units being re-

tendered will also remain the same. Our preferred procurement route is to advertise a call for competition and move to a competitive process.

- 3.22 It is not feasible to jointly commission this particular service with another local authority at this time. Collaboration would likely increase re-procurement risks and will not deliver any savings or greater efficiencies. Demand within Islington for this type of service results in no spare capacity to share with other local authorities. It is not our intention to increase capacity with this service given the fiscal situation. The main benefit of the proposed approach is possible greater value for money depending on the response from the market.

### **Key Considerations**

- 3.23 In addition to the local economic benefits of the Service being provided in Islington, social benefits clauses will place an emphasis on the Service being part of the fabric of the local community, supporting and encouraging residents to sustain local links with family, friends and formal/informal support networks which can greatly aid a sense of wellbeing, good mental health and independent living skills.
- 3.24 The new service specification will be an opportunity to achieve value for money but also set desired outcomes related to the Islington Adult Joint Commissioning Strategy, and other national strategies, covering areas such as:
- Enhancing the quality of life for people with care and support needs
  - Ensuring that people have a positive experience of care and support
  - Safeguarding adults who circumstances make them vulnerable and protecting them from harm.
- 3.25 Supporting independence and helping residents to re-acquire and retain their independent living skills will be key themes, including supporting individuals to achieve their goals. There will be an emphasis on mental health recovery and rehabilitation and acquiring their own tenancy.
- 3.26 London Living Wage will apply to this contract. The Service Specification will include provisions to ensure the provider offers continuous improvement against delivery targets and works with commissioners and service users to “co-produce” a service where innovations can be quickly implemented. An Environment Impact Assessment and Resident Impact Assessment has been carried out.
- 3.27 TUPE will apply to this contract. The appropriate TUPE information will be included in the tender documents including salary, pension, and other staff benefits. The current FTE staffing arrangement and TUPE information is:

#### **Lot 1 (Tollington Ward)**

- Care Manager x 0.3 FTE\*
- Care Workers x 4 FTE

#### **Lot 2 (Barnsbury Ward)**

- Care Manager x 0.3 FTE\*
- Care Workers x 4 FTE

\*shared across both sites and one other not in this tender.

#### **Lot 3 (Tollington Ward)**

- Care Manager x 1 FTE
- Care Workers x 4 FTE

## Evaluation

- 3.28 This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage is Selection Criteria through a Pre-Qualification Questionnaire (PQQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.
- 3.29 A limited or 'restricted' number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT is now forwards-looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria in order to determine the most economically advantageous offer.
- 3.30 Strict criteria have been set because it is necessary for this Service to effectively meet a range of enduring mental health needs in a supportive and safe environment that promotes wellbeing and independence and move on into independent living (own tenancy). The main evaluation criteria for the successful provider includes:
- An established building located in Islington, or able to meet this requirement at the start of the service
  - Able to provide the required service from 1 April 2016
  - Able to provide the required capacity (number of units)
  - Provide 24 x 7 care and support using staff who are both knowledgeable and skilled in working with individuals with mental health needs
  - Appropriate staffing levels 24 hours per day (sleep in at night)
  - Have experience providing mental health supported accommodation to adults with moderate to severe, enduring mental health which may include some challenging behaviours; staff may also need to be able to deal with dual diagnosis issues, such alcohol and/or drug misuse, poor coping skills and fluctuations in mental wellbeing
  - Able to provide care with an emphasis on mental health recovery and rehabilitation and promotes the re-acquisition and retention of independent living skills and activities of daily living
  - Have formal links to the local secondary mental health service (Camden & Islington NHS Foundation Trust), particularly the Camden & Islington NHS Foundation Trust Accommodation Team; and maintain excellent working relationships with local GP practices.
- 3.31 The contract will be awarded to the Most Economically Advantageous Tender (MEAT) on the basis of quality 70% and cost 30%.

<b>Tender Award Criteria</b>	<b>Total</b>
<b>Cost</b>	<b>30%</b>
<b>Quality – made up of</b>	<b>70%</b>
Proposed model of care	30%
Proposed approach to quality management of performance and outcomes	20%
Proposed approach to resident engagement and activities	10%
Proposed approach to safeguarding and risk management	10%
<b>Total</b>	<b>100%</b>

- 3.32 The successful bidder would need to be able to pay at least the London Living Wage; meet all requirements as laid out in the proposed service specifications around safeguarding and information governance; and have the ability to transition any existing residents in the current service to the new service, particularly where this may involve a change of building.
- 3.33 London Living Wage will apply to this contract. TUPE will apply to this procurement. The service will be delivered in Islington thus benefitting the local community and where appropriate offer local apprenticeships, and ensure the service is embedded in the local community.

### **Business Risks**

- 3.34 The main business risks include the following:
- The market for this type of residential accommodation is limited in the borough
  - Providers may submit bids higher than current contract values (current contracts were reduced in value in 2011/12 and services de-registered)
  - Current providers may not submit bids
  - If only one provider submits a bid, it may seek to negotiate costs or conditions that are unacceptable
  - Bids are not received for all three lots
  - The current providers may not make their buildings available to the market (for use for mental health supported accommodation), and any new providers will have to provide their own buildings
  - If applicable, there could be a challenge to direct award of the contract.
- 3.35 The main opportunity is the encouragement of new providers to enter the market with new buildings not currently available for mental health supported accommodation coupled with investment in such housing stock.
- 3.36 The existing Service provides support and accommodation to 25 vulnerable adults with severe and enduring mental health care needs. Most residents have lived in these supported housing schemes for several years despite the current specifications setting a move on target of 2 years. This demonstrates the challenge in supporting this group of users to be able to live on their own in their own tenancies. Service users will be consulted as part of the tender process and before the new service specification is finalised. Of the three buildings in use in the current contracts, two are owned by the current providers (Lot 2 by Family Mosaic and Lot 3 by St Martin of Tours).
- 3.37 Given the lack of Council control over these two buildings in the tender, there is always a risk that if the current providers are not awarded the tender, they may not make their buildings available to another provider for use. Were this situation to occur, the new provider (s) would need to have suitable premises available for use from 1 April 2016 and existing residents would need to be transferred to those new buildings. The third building (Lot 1) is owned by Islington Council. This poses less of a risk since the Council would lease the building to any new provider for the duration of the new service contract.
- 3.38 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board
- 3.39 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Mental health supported accommodation service	This is mental health supported accommodation for men and women experiencing long-term, severe mental ill health who are planning to return to independent living in the community following hospital or residential rehabilitation care.  See paragraphs 3.1-3.6
2 £4,138,356	The estimated value per year is £689,726.  The agreement is proposed to run for a period of 3 years with an optional extension of three 12-month periods.  See paragraphs 3.7-3.15
3 Timetable	12 Feb 2015: Exec Board – Strategy Report Mar – July 2015: Advert, PQQ, Shortlisting, Publish Tender Pack Aug – Sept 2015: Evaluate Tenders Dec 2015: Joint Board – Award Report Jan 2016: Exec Board – Award Report 1 Apr 2016: Commencement of new services  See paragraphs 3.16-3.17.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Advertise a call for competition and move to a competitive process.  See paragraphs 3.18-3.22.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living Wage and TUPE will apply to the contract. The service will be provided in Islington and offer apprenticeships where appropriate, given the nature of the service.  See paragraphs 3.23-3.27.
6 Evaluation criteria	70% Quality 30% Cost  See paragraph 3.28-3.33
7 Any business risks associated with entering the contract	Current providers own two of the buildings in the re-tender. The new contract(s) will contain an early termination clauses should it be necessary to terminate the contract(s) early.  See paragraph 3.34-3.38
8 Any other relevant financial, legal or other considerations.	See 4 below.

#### 4. Implications

#### **4.1 Financial implications**

The current budget earmarked by Islington for the procurement of Mental Health Supported Accommodation Services is £690,000 p.a representing a total contract value £4.14m over the 6 year life of the contract (3 years with the possibility of three 1-year extensions).

This procurement is being done on a cost neutral basis due to the level of savings achieved from these contracts previously and as such any award should not create a budget pressure for the Council.

Providers will be required to ensure that all staff working on this contract are paid at least the London Living Wage.

To avoid future financial pressure for the Council, this contract would need to have a termination clause which allows the ending of this contract if it becomes unaffordable.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

#### **4.2 Legal Implications**

The council has power to provide mental health supported accommodation services under the Mental Health Act 1983, section 117 and the National Assistance Act 1948, S21(1). The Council has power to enter into contracts with providers of mental health supported accommodation services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £172,514. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

In compliance with the principles underpinning the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition and procure the service using a competitive tender process.

#### **4.3 Environmental Implications**

The main environmental impacts of this procurement will be associated with the management of the buildings, including energy used for heating, hot water and appliances, water use and waste generation. If possible, the procurement process should include requirements for the providers to minimise energy and water usage, as well as maximising recycling and ensuring compliance with waste legislation. Where the sites have garden areas, consideration should also be given to improving biodiversity habitats.

#### **4.4 Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment (RIA) was completed on 2 December 2014.

The Resident Impact Assessment identified that there would be no differential impacts. This decision

was made because the service being re-tendered would have no disproportionate impact on any of the equality groups accessing the mental health supported accommodation service or working in the service.

## 5. Conclusion and reasons for recommendations

- 5.1 The existing mental health supported accommodation services located at three sites in Islington will end 31 March 2016. There is still a requirement to provide this type of service in Islington.
- 5.2 The proposed strategy is to re-tender the services using a competitive process given the value of the contract(s) on offer. The new contract(s) will commence 1 April 2016 for the same value as the existing contracts for the same number of units.

### Final report clearance:

*Janet Burgess*

**Signed by:** Executive Member for Health and Wellbeing

**Date:** 15 January 2015

**Received by:** Head of Democratic Services

**Date:**

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**Email:** [steven.pruner@islington.gov.uk](mailto:steven.pruner@islington.gov.uk)





**Report of: Director of Public Health**

Meeting of:	Date	Ward(s)
Executive Board	12 February 2015	All

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### **SUBJECT: Approval of the Procurement Strategy for Joint Camden and Islington Oral Health Promotion Service Contract**

#### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy of the Joint Camden and Islington Oral Health Promotion Service in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The aim of the Joint Oral Health Promotion Service is to improve oral health in the population of Camden and Islington and to address oral health inequalities. It will build on an existing strong oral health promotion service that has been operating in Islington for a number of years.
- 1.3 The service will take a life-course approach, targeting evidence-based interventions at the following at-risk groups: children, young people, vulnerable adults such as people with learning disabilities, mental health problems and those with substance misuse problems. It includes continuation of school based fluoride varnish which has been carried out in Islington primary schools for the past three years. The proposal is to let a three year contract with an option to extend by up to two years. This procurement will be undertaken in collaboration with Camden Council.

#### **2. Recommendations**

- 2.1 To agree the proposed procurement strategy for the Joint Oral Health Promotion Service as outlined within this report.

#### **3. Background**

- 3.1 Nature of the service

The service to be procured will improve oral health in Camden and Islington and address oral health inequalities. The proposed oral health promotion model will build on a successful approach that has been developed in Islington over recent years. This current service includes oral health promotion

targeting families through children's centres, work in schools and with vulnerable older populations including in care home homes. Alongside this for the past three years we have commissioned a large fluoride varnish programme in primary schools and children centres. This programme has reached approximately 13,000 children in Islington so far, with nearly 40,000 fluoride varnish applications delivered and 7,000 children signposted for a dental check-up. The programme is currently running in 38 primary schools 16 children's centres and 2 community nurseries and it is well accepted by parents, children and school staff.

An oral health needs assessment and review of the current oral health promotion service in Camden and Islington was undertaken in 2013. Oral health is an important element of general health and wellbeing and impacts significantly on quality of life. Additionally, despite overall improvements in oral health in England over recent decades, marked inequalities persist.

The National Dental Epidemiology Programme for England: oral health survey of five-year-old children (2012) showed that levels of childhood tooth decay in Islington have been improving in recent years, both across the population and in terms of inequalities. The reverse has been true over that period in Camden where these services have not existed.

However Islington continues to have a higher prevalence and severity of dental decay in young children, when compared with neighbouring boroughs and the England average. Local health intelligence has also identified significant oral health needs in older people and other vulnerable groups. The Islington Child Health Strategy has highlighted oral health as one of the key priorities for action.

The aim of the proposed oral health promotion service is to improve oral health for the population of Camden and Islington and to address oral health inequalities. Expected outcomes include:

- Reduction in tooth decay levels in five-year-old children (Public Health Outcome Framework indicator)
- Reduction in tooth decay rates in the most disadvantaged areas
- Reduced tooth extractions in hospitals
- Increased access to the NHS dental services

The service model take a life-course approach, delivering evidence-based interventions to the following at-risk groups: children and young people, including those with disabilities, and vulnerable adults such as people with mental health problems, learning disabilities, substance misuse problems, older people and their carers. The service will maximise delivery of fluoride and consistent oral health promotion messages to key vulnerable groups, as well as offering training to health and non-health professionals to incorporate oral health into wider health promotion activities. The service will also deliver a community-based fluoride varnish programme and support nursing and residential homes in the implementation of oral health Care Quality Commission (CQC) standards.

Over the past year a pilot for a similar service model has been running in Camden. This has been successful and we are now seeking to re-procure the service model jointly across both boroughs. This will deliver economies of scale, allowing for savings within the current Islington service.

### 3.2 Estimated Value

We are seeking to procure this contract for an initial period of three years with the option for two extensions of one year each. The procurement will be funded out of the public health grant. The annual value for Islington is £362,500. Total value for Islington is £1,812,500.

Currently the annual spend on this service in Islington is £424,238. We have considered options for increasing effectiveness and efficiency and decided to procure this service jointly with Camden. The joint model will benefit from economies of scale and ensure better joint working and targeting across both boroughs. As such we will be reducing the budget by 15% (from £424,238 to £362,500) as part of Islington Public Health Transformation/Savings Programme.

The workforce accounts for the vast majority of spend in this service. We are commissioning a clinical service and need to ensure that a chosen provider has appropriate skills and clinical governance in

place to deliver this service effectively and safely.

Oral health is a key area for improvement in the Public Health Outcomes Framework. It reflects the high levels of disadvantage and vulnerability experienced by children, families, older people and vulnerable groups in both boroughs.

### 3.3 Timetable

The current Islington Oral Health Promotion Service contract expires on 30<sup>th</sup> June 2015 and we are planning to implement the new joint service on 1<sup>st</sup> July 2015. The current procurement timetable is as follows:

<b>Milestone</b>	<b>Date</b>
Procurement Board	27 November 2015
Joint Board	13 January 2015
Executive Board	12 February 2015
Service Specification finalised	31 January 2015
Advert and Invitation to Tender – Open Procedure	20 February 2015
Tender close; compliance checks and Evaluation	21 April – 30 April
Clarifications	05 May 2015
Award	29 May 2015
Mobilisation	June 2015
Contract Start	01 July 2015

This timetable would require Executive granting delegated authority to the Director of Public Health to award the contract. The alternative would be to extend existing contracts by approximately two months to allow the contract award decision to be made by Executive.

### 3.4 Options appraisal

Not re-procuring oral health services for Islington was not considered a realistic option as the needs assessment had identified oral health as a significant priority.

Market engagement was carried out via an online questionnaire during October 2014. The aim was to explore particular innovations in the field, to assess the benefit of procuring the separate elements of the oral health promotion service separately and the benefits of procuring across Camden and Islington. Six organisations from the voluntary, private and NHS sectors responded.

Responses were supportive of jointly procuring an oral health promotion service across Camden and Islington. This will facilitate more effective joint working, targeting and efficient contract management from Public Health. The joint contract will also benefit from economies of scale. Responses supported procuring the fluoride varnish programme and the wider oral health promotion work within a single contract rather than as separate lots. This would ensure effective integration of these two components of the work.

Based on the small number of responses, and the relatively small provider market for this service, we concluded that an open tender with a single stage process would be the most appropriate procurement approach. Although decisions will be made jointly, Camden will be leading on the procurement process.

### 3.5 Key Considerations – References to social value and impact on staff

The investment is entirely spent on interventions that aim to improve oral health of children, young people, vulnerable adults and older people in both boroughs.

The London Living Wage (LLW) will be part of the contract conditions of the services being

commissioned. Currently, the staff involved in oral health promotion provision are already above the LLW report was approved in October 2014.

The current provider has staff who will be subject to TUPE. TUPE information has been requested and received on 28<sup>th</sup> November 2014. The implications will need to be mapped out in more detail if agreement is given to go to market.

Best value and quality will be key aspects of the evaluation criteria. The service specification will be outcome based and allow flexibility for continuous improvement.

### 3.6 Evaluation

The tender will be conducted as a one stage process using the "Open Procedure" where all organisations interested in bidding are invited to submit their bid. The Open Procedure includes minimum requirements which the organisation must achieve before their tenders are evaluated.

Contract award will be on the basis of the Most Economically Advantageous Tender. Evaluation criteria will be quality 60% and price 40%.

The oral health procurement project group have agreed draft evaluation criteria to assess quality. It will be confirmed once the stakeholder consultation is complete, as this may inform the service objectives and outcomes. The current proposed approach is as follows:

- Proposed model of delivery, including mobilisation and implementation – 15 %
- Performance and outcomes, including outcomes led planning, innovation – 15%
- Service quality and clinical governance – 10%
- Engagement, equality and diversity – 10%
- Partnership working – 10%

The quality/price split of 60%/40% has been adopted because we are commissioning a clinical service and need to ensure that a chosen provider has an appropriate skill mix and clinical governance in place. The services will work with children, young people and vulnerable adults such as people with learning disabilities, people with substance misuse problems and older people. For this reason quality and safety are key considerations.

### 3.7 Business Risks

#### **Insufficient number of providers able to provide the service which results in low or poor quality submissions**

*Medium risk:* Market engagement has evidenced an interest the service.

#### **Implementation delay**

*Medium risk:* We are asking for delegated authority to ensure that the implementation of the new joint service can be achieved as planned - on 1<sup>st</sup> July 2015. If necessary, current providers will be asked to agree to a provisional two month extension of the current contracts to ensure sufficient implementation time.

#### **New service will not achieve stated objectives**

*Medium risk:* The service is building on a successful Islington model and lessons learnt will be incorporated in the new service specification and procurement process. The service will be performance monitored quarterly to ensure seamless delivery of targets.

#### **New service will not reach vulnerable groups**

*Medium risk:* The tender process will ensure providers have extensive experience in providing similar services and also experience in reaching and working with hard to reach populations. The pre-qualification process will also assess where providers have been successful in their current or previous contracts in reaching those groups. At tender stage provider will be asked to submit a detailed proposal on hard to reach groups outreach. The service will be performance monitored quarterly to ensure seamless delivery of targets in terms of reaching key populations.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board
- 3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	<p>The service to be procured will aim to improve oral health in the population of Camden and Islington and to address oral health inequalities. The proposed oral health promotion model will take a life-course approach, targeting evidence-based interventions at the vulnerable groups.</p> <p>See paragraph 3.1</p>
2 Estimated value	<p>The annual value for Islington is £362,500 (monthly value is £30,208). Total value for Islington is £1,812,500.</p> <p>We are seeking to procure this contract for an initial period of three years with the option for two extensions of one year each. The procurement will be funded out of the public health grant.</p> <p>See paragraph 3.2</p>
3 Timetable	<p>Advert – 20 February 2014 Shortlisting – 21 April 2014 Award – 29 May 2014 Implementation – 1 July 2014</p> <p>See paragraph 3.3</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>The conclusions drawn from the market testing exercise is to adopt – the one stage open procurement procedure. .</p> <p>The oral health promotion service will be procured jointly by Camden and Islington. Although decisions will be made jointly, Camden will be leading on the procurement process.</p> <p>See paragraph 3.4</p>
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	<p>Social benefit clauses: the investment is entirely spent on interventions that aim to improve oral health of children, young people, vulnerable adults and older people in both boroughs.</p> <p>London Living Wage: the London Living Wage (LLW) will be part of the terms and conditions of the services being commissioned. LLW report has been signed off submitted</p>

	<p>to Islington Strategic Procurement in October 2014.</p> <p>Best value: best value and quality will be key aspects of the evaluation criteria in terms of continuous improvement and added value.</p> <p>TUPE: the current provider has staff that will be subject to TUPE. TUPE information was received on 28<sup>th</sup> November 2014. The implications will need to be mapped out in more detail if agreement is given to go to market.</p> <p>See paragraph 3.5</p>
6 Evaluation criteria	<p>The evaluation criteria of 60% quality and 40% price will be used to choose the most economically advantageous tender (MEAT).</p> <p>The evaluation criteria are to include following:</p> <ul style="list-style-type: none"> <li>• Proposed model of delivery, including mobilisation and implementation – 15 %</li> <li>• Performance and outcomes, including outcomes led planning, innovation – 15%</li> <li>• Service quality and clinical governance – 10%</li> <li>• Engagement, equality and diversity – 10%</li> <li>• Partnership working – 10%</li> </ul> <p>See paragraph 3.6</p>
7 Any business risks associated with entering the contract	See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraph 3.8

#### 4. Implications

##### 4.1 Financial implications:

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2014/15 is £25.429m and will remain at that level for 2015/16.

The current 2014/15 budget earmarked for Oral Health promotion is £424k per annum. The proposed budget from July 2015 is £363k p.a., this equates to a 15% saving per annum.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

To avoid a potential future financial pressure for the Council, any future contracts should have a termination clause which allows them to end if they become unaffordable.

## 4.2 Legal Implications:

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12).

Therefore the council may provide services in relation to oral health promotion as proposed in this report. The Council has power to enter into contracts under section 1 of the Local Government (Contracts) Act 1997 on the basis that such services are properly required for the discharge of the Council's functions.

The Executive may provide the Director of Public Health with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £173,934. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to be procured in compliance with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. The proposed procurement strategy is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer. In deciding whether to appoint the selected contractor the Director of Public Health should be satisfied as to the competence of the chosen tenderer and that the tender price represents value for money for the Council.

## 4.3 Environmental Implications

The Environmental Impact Assessment was completed in October 2014. There are no environmental implications in proposed procurement.

## 4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equality Impact Assessment was completed on 11.12.2014. This shows no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

The actions that have been identified to advance equality and therefore improve activity are:

- Consultation and engagement activities on proposed new oral health promotion service model are planned for January 2015. Two meetings are being currently planned: 1) oral health promotion for children and young people and 2) oral health promotion for older people and vulnerable adults.
- The stakeholder views are going to inform the service delivery model and service specification to ensure effective and equitable service delivery.
- The new oral health promotion service will collect service user data on age, gender, disability and ethnicity.

**5. Conclusion and reasons for recommendations**

5.1 This procurement is required for the Council to meet its duty to provide oral health promotion services with an aim to improve oral health and reduce health inequalities in population of both boroughs.

The joint model will also benefit through economies of scale and ensure better joint working across the boroughs of Camden and Islington. The service specification and tender documents will be strengthened to ensure tenderers provide robust responses as to how they will better target individual and vulnerable groups and ensure they benefit from both from fluoride varnish programme and the wider oral health promotion service.

Final report clearance:

**Signed by:**



16 January 2015

Executive Member for Health and Wellbeing

Date

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