



AGENDA FOR THE EXECUTIVE

Members of the Executive are summoned to attend a meeting to be held in Committee Room 4, Town Hall, Upper Street, N1 2UD on **14 June 2018 at 7.00 pm.**

**Lesley Seary
Chief Executive**

Enquiries to : Philippa Green
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Despatched : 6 June 2018

Membership

Councillor Richard Watts
Councillor Janet Burgess MBE
Councillor Joe Caluori
Councillor Kaya Comer-Schwartz
Councillor Andy Hull

Councillor Asima Shaikh
Councillor Diarmaid Ward
Councillor Claudia Webbe

Portfolio

Leader of the Council
Executive Member Health and Social Care
Executive Member Children, Young People and Families
Executive Member for Community Development
Executive Member Finance, Performance and Community Safety
Executive Member for Economic Development
Executive Member for Housing and Development
Executive Member for Environment and Transport

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.

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.

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| F. | 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. | |
| G. | 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. | |
| H. | Confidential / exempt items for information | |
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| I. | 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. | |

The next meeting of the Executive will be on 19 July 2018

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Agenda Item 3

London Borough of Islington

Executive - 19 April 2018

Minutes of the meeting of the Executive held at Committee Room 4, Town Hall, Upper Street, N1 2UD - Islington Town Hall on 19 April 2018 at 7.00 pm.

Present: **Councillors:** Watts, Burgess, Caluori, Comer-Schwartz, Hull, Shaikh, Ward and Webbe

Also Present: **Councillors:** Klute

Councillor Richard Watts in the Chair

503 APOLOGIES FOR ABSENCE

None.

504 DECLARATIONS OF INTEREST

None.

505 MINUTES OF PREVIOUS MEETING

That the Minutes of the meeting on 22 March 2018 be confirmed as a correct record and the Chair be authorised to sign them.

506 FINANCIAL POSITION AS AT 28 FEBRUARY 2018

RESOLVED:

- 2.1 That the forecast revenue outturn for the General Fund (Table 1 of the report) of a gross overspend of £4.6m, including corporate items (paragraph 3.1 of the report), be noted.
- 2.2 That any remaining overspend at year-end, after ongoing management actions, will be covered by drawing down from corporate contingency budgets in the first instance (paragraph 3.2 of the report) be noted.
- 2.3 That the breakdown of the forecast General Fund outturn by individual variance at Appendix 1 of the report and by service area at Appendix 2 of the report, be noted.
- 2.4 That the HRA forecast is in a break-even position (Section 5, Table 1 of the report) be noted.
- 2.5 That the latest capital position with forecast capital expenditure of £96.6m in 2017-18 (Section 6, Table 2, and Appendix 3 of the report) be noted.
- 2.6 That authority be delegated to the Corporate Director of Resources for approving any movements to/from reserves and the financing of the capital

programme at the financial year end (Section 7 of the report) be agreed.

Reason for decision – to allow members to monitor the budget.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

507 **AIR QUALITY SCRUTINY - RECOMMENDATIONS OF THE HEALTH AND CARE SCRUTINY COMMITTEE**

Councillor Klute, Chair of the Health and Care Scrutiny Committee, introduced the report and advised that although it is difficult to prove a direct causal relationship between air pollution and health problems, the Committee have recommended a number of practical actions that would reduce pollution for the Executive's consideration. Although the information became available too late for inclusion in the report, Councillor Klute advised that it has recently been confirmed that 20% of all new car sales are for SUVs and he wondered if the Executive would also consider a surcharge for parking these vehicles, similar to the Diesel Engine Surcharge, because of their high fuel usage.

Councillor Webbe, Executive Member for Environment and Transport, thanked Councillor Klute and advised that the proposal to introduce a parking permit surcharge for SUVs would be considered.

Councillor Watts thanked Councillor Klute and the Health and Care Scrutiny Committee for all their hard work.

RESOLVED:

- 2.1 That the report of the Health and Care Scrutiny Committee be received.
- 2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Health and Care Scrutiny Committee's recommendations.
- 2.3 That the Executive Member's response report include consideration of applying a parking permit surcharge on SUVs because of their detrimental impact on the environment.

Reason for decision – to allow the Executive to receive the recommendations of the Health and Care Scrutiny Committee.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

508 **EFFECTIVENESS OF COMMUNICATIONS SCRUTINY - RECOMMENDATIONS OF THE HOUSING SCRUTINY COMMITTEE**

Councillor Watts thanked the Housing Scrutiny Committee for all their hard work.

RESOLVED:

- 2.1 That the report of the Housing Scrutiny Committee be received.
- 2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Housing Scrutiny Committee's recommendations.

Reason for decision – to allow the Executive to receive the recommendations of the Housing Scrutiny Committee.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

509 **NEW BUILD PROJECT SCRUTINY - RECOMMENDATIONS OF THE HOUSING SCRUTINY COMMITTEE**

Councillor Watts thanked the Housing Scrutiny Committee for all their hard work.

RESOLVED:

2.1 That the report of the Housing Scrutiny Committee be received.

2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Housing Scrutiny Committee's recommendations.

Reason for decision – to allow the Executive to receive the recommendations of the Housing Scrutiny Committee.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

510 **VULNERABLE ADOLESCENTS SCRUTINY - RECOMMENDATIONS OF THE CHILDREN'S SERVICES SCRUTINY COMMITTEE**

Councillor Watts thanked the Children's Services Scrutiny Committee for all their hard work on an especially useful review.

RESOLVED:

2.1 That the report of the Children's Services Scrutiny Committee be received.

2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Children's Services Scrutiny Committee's recommendations.

Reason for decision – to allow the Executive to receive the recommendations of the Children's Services Scrutiny Committee.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

511 **SCRUTINY INTO THAMES WATER'S RESPONSE TO MAINS WATER BURSTS - EXECUTIVE MEMBERS RESPONSE TO THE RECOMMENDATIONS OF THE POLICY AND PERFORMANCE SCRUTINY COMMITTEE**

RESOLVED:

2.1 That the findings of the Policy and Performance Scrutiny Review on Thames Water be welcomed.

2.2 That the responses to the recommendations of the Policy and Performance Scrutiny as set out in section 4 of this report be agreed.

- 2.3 That officers report back on progress to the Policy and Performance Scrutiny Committee in one years' time be agreed.
- 2.4 That the responses being taken forward by Thames Water, GLA, TfL, Fire Brigade, OFWAT and the Police, in response to the Policy and Performance Scrutiny Committee's recommendations a-r, u-y and bb be noted.
- 2.5 That no further progress is currently possible with the Policy and Performance Scrutiny Committee's recommendation z and aa be noted.
- 2.6 That the Executive Member for Transport and Environment will continue to campaign to deliver the Policy and Performance Scrutiny Committee's recommendations s and t be noted.
- 2.7 That a Project Board has been set up to drive progress and monitor milestones with respect to Scrutiny Committee's recommendations be noted.

Reason for decision – to agree the Executive's response to the recommendations of the Policy and Performance Scrutiny Committee.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

512 AFFORDABLE WORKSPACE PROVISION - INTERIM ARRANGEMENTS

RESOLVED:

- 2.1 That the process and criteria for the award of concession contracts to affordable workspace providers of any affordable workspaces that become available in the period up to the end of March 2019, as set out in paragraphs 3.3 to 3.5 of the report, be noted.
- 2.2 That the Corporate Director of Resources be authorised to grant under-leases of affordable workspaces to those affordable workspace providers that are awarded concession contracts in respect of those spaces, following consultation with the Executive Member for Economic Development, be agreed.

Reason for decision – to help ensure that economic growth benefits the borough's most disadvantaged residents, and that micro and small businesses are supported to remain in the borough and to grow.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

513 PROCUREMENT STRATEGY AND CONTRACT AWARD FOR REGULATED PLACEMENTS - FOSTER CARE AND RESIDENTIAL CARE

RESOLVED:

- 2.1 That the procurement strategy to utilise care services and Care Place for the commissioning of regulated placements for three years, with the potential to extend for a further three years, be agreed.

- 2.2 That authority be delegated to the Corporate Director of Children, Employment and Skills Services to approve the award of contracts from the DPS be agreed.

Reason for decision – to ensure service continuity and better value for money.
Other options considered – none other than as specified in the report.
Conflicts of interest/dispensations granted – none.

514 AFFORDABLE WORKSPACE PROVISION - INTERIM ARRANGEMENTS - EXEMPT APPENDIX

That the information in the exempt appendix to agenda item D10 be noted (see Minute 512 for details).

MEETING CLOSED AT 7.26 pm

CHAIR

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Report of: **Acting Director of Law and Governance**

| Meeting of: | Date | Ward(s) |
|-------------|--------------|---------|
| Executive | 14 June 2018 | n/a |

SUBJECT: APPOINTMENTS TO BE MADE BY THE EXECUTIVE

1. Synopsis

- 1.1 This report seeks approval of the appointment of members to the following Executive committee, joint committees and external organisations:
- Voluntary and Community Sector Committee
 - Associated Joint Committee - London Councils' Grants Committee
 - LHC (London Housing Consortium) Joint Committee
 - Pensions CIV Sectoral Joint Committee
 - Shared Digital Joint Committee

2. Recommendations

(a) To appoint Councillor Richard Watts (Chair), Councillor Kaya Comer-Schwartz and Councillor Diarmaid Ward as members of the Voluntary and Community Sector Committee and Councillors Burgess, Caluori, Hull, Shaikh and Councillor Webbe as substitutes, for the municipal year 2018/2019, or until successors are appointed.

(b) To appoint Councillor Anjna Khurana, Councillor Michelline Safi Ngongo and Councillor Mouna Hamitouche as observers of the Voluntary and Community Sector Committee, for the municipal year 2018/2019, or until successors are appointed.

(c) To appoint Councillor Andy Hull and Councillor Claudia Webbe as members of the Shared Digital Joint Committee, and Councillor Asima Shaikh as a substitute, for the municipal year 2018/2019, or until successors are appointed.

(d) To appoint Councillor Kaya Comer-Schwartz to the Associated Joint Committee – London Councils' Grants Committee and Councillors Burgess, Hull, Shaikh and Councillor Ward as deputies, for the municipal year 2018/2019, or until successors are appointed.

(e) To appoint Councillor Diarmaid Ward and Councillor Angela Picknell as members of the LHC (London Housing Consortium) for a four-year term, until the election in 2020, or until successors are appointed.

(f) To appoint Councillor Mick O’Sullivan as the Council’s representative on the London Council’s Pensions CIV Sectoral Joint Committee and Councillor Andy Hull as substitute, for the municipal year 2018/2019, or until successors are appointed.

3. Background

3.1 VOLUNTARY AND COMMUNITY SECTOR COMMITTEE

The Voluntary and Community Sector Committee was established by the Executive in March 2011 to oversee the Council’s engagement with the Islington community and voluntary sector and to ensure value for money and fairness in the allocation of council resources to the sector.

3.2 SHARED DIGITAL JOINT COMMITTEE

In exercise of their powers under the Local Government Act 1972, the Local Government Act 2000, the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, Camden, Haringey and Islington Councils established a joint committee to provide strategic and democratic oversight over the Shared Digital service. The committee comprises of six members, two appointed by each of London Borough of Camden, London Borough of Haringey and London Borough of Islington. The committee is comprised of Executive / Cabinet members and is therefore an Executive appointment.

3.3 ASSOCIATED JOINT COMMITTEE - LONDON COUNCILS’ GRANTS COMMITTEE

The Grants Committee of London Councils deals with the London Boroughs Grants Scheme for voluntary organisations under Section 48 of the Local Government Act 1985. Under the scheme, £8m a year is invested in voluntary organisations on behalf of all London councils. All of the grants seek to improve the lives of people who live, work in and visit London.

Membership

The Committee comprises 33 representative members, one from each of London’s local councils. Under an agreement entered into by the London boroughs in respect of the Joint Committee, Islington Council is entitled to appoint an elected member representative and one or more deputies to the Joint Committee, who must all be members of the Executive.

3.4 JOINT COMMITTEE – LHC (LONDON HOUSING CONSORTIUM)

The LHC has existed since 1965 and was established as a Joint Committee in 2012 under section 105(1) of the Local Government Act 1972. The LHC is a self-financing organisation which provides specialist technical and procurement services for building programmes undertaken by its constituent local authorities and other public sector bodies.

These appointments are required to be made by the Executive because the exercise of functions under Section 48 of LGA 1985 is an executive function. The non-Executive member is appointed under section 102(3) of the Local Government Act 1972, which allows non-Executive Members to be members of Joint Committees which are comprised of five or more relevant authorities.

Membership

The LHC is governed by a Board of Elected Members which comprises two voting Councillor representatives from the eleven local authority members, one of which will be an Executive Member.

3.5 PENSIONS CIV SECTORAL JOINT COMMITTEE

The Pensions CIV Sectoral Joint Committee was established in December 2014 to act as a representative body for the London local authorities who are participating in the Local Government Pensions Scheme (LGPS) Collective Investment Vehicle in the form of an Authorised Contractual Scheme (an ACS Operator). Participation in the CIV enables the council to benefit from significant savings achieved through collective investment.

Oversight of the ACS Operator is an executive function. Accordingly, the Executive appoint the members of the Pensions CIV Sectoral Joint Committee.

Membership

The Pensions CIV Sectoral Joint Committee is comprised of an elected councillor from each of the councils participating in the ACS. The committee deals with specialist investment matters and it is recommended that the Chair of each borough's pension committee is appointed, with a nominated deputy.

4. Implications

4.1 Financial implications

The Voluntary and Community Sector Committee approves allocation of the Islington Community Fund and the Islington proportion of the London Councils' Grants Committee budget.

4.2 Legal Implications

These are contained in the body of the report.

4.3 Environmental Implications

There are no environmental implications arising directly from this report.

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.

The initial screening for a Resident Impact Assessment was completed and did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

A significant proportion of the grants made by the Grants Committee are to organisations meeting the needs and priorities of a wide range of Islington's residents and are aimed at improving fairness and equality in the Borough.

5. Conclusion and reasons for recommendations

5.1 The Executive is responsible for making these appointments to enable the Council's representatives to participate in meetings.

5.2 The Voluntary and Community Sector Committee is a Committee of the Executive and therefore the Executive has responsibility for appointing its membership.

Background papers: None.

Final report clearance:

Signed by:



Acting Director of Law and Governance

Date: 30/05/18

Report author: Philippa Green
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Report of: Acting Director of Law and Governance

| Meeting of | Date | Ward(s) |
|-------------------|--------------|----------------|
| Executive | 14 June 2018 | N/A |

| | | |
|------------------------------|--|------------|
| Delete as appropriate | | Non-exempt |
|------------------------------|--|------------|

Subject: SUMMARY OF ACTION TAKEN BY OFFICERS

1. Synopsis

- 1.1 In accordance with the Constitution, Corporate Directors and the Director of Public Health may take decisions on behalf of the Executive, subject to certain provisions. Paragraph 68 of the Constitution requires that, where a matter has been determined as urgent and that call-in did not apply, this should be recorded in the minutes of the Executive meeting.
- 1.2 A decision was made by the Corporate Director of Resources on 13 April 2018 using the urgency provisions in the Constitution that meets the criteria detailed in Paragraph 68 of the Constitution and which is summarised below.

2. Recommendation

- 2.1 To note the decision taken on 13 April 2018 to award a contract to Insight Direct (UK) Ltd for the purchase of Microsoft licences.

3. Background

- 3.1 In accordance with paragraph 8.9 of Part 3 of the Constitution, the Chief Executive, Corporate Directors and the Director of Public Health are authorised to take decisions where the matter is urgent. If the decision concerns an Executive function, the exercise of authority under that provision must be reported to the next available meeting of the Executive.

- 3.2 The decision was taken under urgency procedures, including waiving call-in, because any delay in taking the decision would have prevented continued use of Microsoft Office products which are essential for the council to conduct its day to day business and provide service continuity for residents.
- 3.3 The Chair of the Policy and Performance Scrutiny Committee consented to the matter being treated as urgent and call-in being waived.
- 3.4 The relevant public notice, a record of the decision and the report have been published on the council's website.

4. Implications

- 4.1 **Financial Implications**
These are contained in the individual report.
- 4.2 **Legal Implications**
These are contained in the individual report.
- 4.3 **Equalities Impact Assessment**
These are contained in the individual report.
- 4.4 **Environmental implications**
These are contained in the individual report.

5. Conclusion and reason for recommendation

In accordance with the Constitution, urgent key decisions taken by a Corporate Director, on which call-in has been waived, must be reported to the Executive.

Background papers: None

Signed by:



Acting Director of Law and Governance

16 May 2018

Date

Report Author: Philippa Green
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Report of: Executive Member for Finance, Performance and Community Safety

| Meeting of: | Date | Ward(s) |
|-------------|--------------|---------|
| Executive | 14 June 2018 | All |

FINANCIAL MONITORING 2017-18

PROVISIONAL OUTTURN

1. SYNOPSIS

- 1.1 This report presents the provisional financial outturn position for 2017-18. Overall, there is a gross General Fund overspend of £3.9m and a net break-even position after using £3.9m of contingency funding (£2.0m ongoing contingency budget and £1.9m of one-off contingency reserve).
- 1.2 The Housing Revenue Account (HRA) is forecast to break-even over the year.
- 1.3 The capital programme delivered £89.8m of capital investment in 2017-18.

2. RECOMMENDATIONS

- 2.1. To note the provisional revenue outturn for the General Fund (**Table 1**) of a gross overspend of £3.9m and a net break-even position after using £3.9m of contingency funding (£2.0m ongoing contingency budget and £1.9m of one-off contingency reserve).
- 2.2. To note the breakdown of the forecast General Fund outturn by individual variance at **Appendix 1** and by service area at **Appendix 2**.
- 2.3. To agree the 2017-18 revenue outturn carry forwards and transfers to reserves detailed at **Appendix 3**.
- 2.4. To note that the HRA forecast is a break-even position. (**Section 5, Table 1**)
- 2.5. To note that the Council delivered £89.8m of capital investment in 2017-18, to note how this was financed and related earmarked reserves transfers and to agree slippage of unspent capital budgets to future years. (**Section 6, Table 2, and Appendix 4**)

- 2.6. To delegate to the Corporate Director of Resources the authority to agree any final required adjustments for the final position reflected in the 2017-18 Statement of Accounts.

3. REVENUE POSITION: SUMMARY

- 3.1. A summary position of the General Fund and HRA is shown in **Table 1**, a breakdown by individual General Fund variance in **Appendix 1** and a breakdown by General Fund and HRA service area in **Appendix 2**. This position is after the revenue outturn carry forwards and transfers to reserves for use in future financial years (detailed at **Appendix 3** for agreement) are taken into account.
- 3.2. It is recommended that the gross General Fund overspend of £3.932m is balanced in full by contingency funding (£2.0m ongoing contingency budget and £1.932m of one-off contingency reserve funding). After the £3.3m transfer into the contingency reserve as part of the 2018-19 budget, this will leave a one-off contingency reserve balance of £6.1m and ongoing contingency budget of £2.0m (£8.1m in total) to use against any General Fund overspend in 2018-19 or over the medium term.

Table 1: 2017-18 General Fund and HRA Provisional Outturn

| | Over/(Under) Spend (£000) |
|--|--|
| <u>GENERAL FUND</u> | |
| Resources | (1,675) |
| Chief Executive's Department | (486) |
| Core Children's Services (Excluding Schools) | 3,744 |
| Environment and Regeneration | 849 |
| Housing and Adult Social Services | (10) |
| Public Health | 0 |
| DIRECTORATE TOTAL | 2,422 |
| Corporate Items | 1,510 |
| GROSS OVER/(UNDER) SPEND | 3,932 |
| Contingency Funding | (3,932) |
| NET OVER/(UNDER) SPEND | 0 |
| <u>HOUSING REVENUE ACCOUNT</u> | |
| NET (SURPLUS)/DEFICIT | 0 |

4. GENERAL FUND

Resources Department (-£1.675m)

- 4.1. The Resources Department is forecasting, after management actions, an underspend of (-£1.675m) over the financial year with the key variances detailed in **Appendix 1**.

Chief Executive's Department (-£0.486m)

- 4.2. The Chief Executive's Department is forecasting an underspend of (-£0.486m) over the financial year with the key variances detailed in **Appendix 1**.

Children's Services - General Fund (+£3.744m, +4.4%), Schools (-£1.515m, -0.9%)

- 4.3. The Children's Services Department is forecasting a (+£3.744m, +4.4%) General Fund overspend, the largest of any council service but not inconsistent with other similar councils and a reduction of £1.366m from month 11 (+£5.6m overspend in 2016-17). The key variances behind the General Fund net overspend are set out in **Appendix 1**.
- 4.4. The following management actions have been taken to control and reduce the net overspend:
- 4.4.1. Vacancy management across the service;
 - 4.4.2. Review of high cost packages, resource allocation scoring framework and budget allocations for young people with personal budgets in the disabled children's service;
 - 4.4.3. Review of housing benefit collection arrangements with providers of accommodation for care leavers to maximise income;
 - 4.4.4. Review of dispersal arrangements for unaccompanied asylum seeking children;
 - 4.4.5. Review of high cost packages for children looked after, underlying cost drivers and trends in complex residential placements including CSE and secure accommodation and value for money arrangements for 16/17s in supported accommodation;
 - 4.4.6. Review of trading and business income options across pupil and school support services;
 - 4.4.7. Review of semi-independent provision for over-16s.
- 4.5. The schools' dedicated schools grant position is a forecast net underspend of (-£1.515m or -0.9%). This position includes £0.5m of prior year early years balances being managed on behalf of the Schools Forum.

Environment and Regeneration (+£0.849m)

- 4.6. The Environment and Regeneration Department is forecasting a (+£0.849m) net overspend after management action to control pressures. The key variances behind this net overspend are set out in **Appendix 1**.
- 4.7. The following management actions have been taken to control pressures in 2017-18:
- 4.7.1. Regular monitoring of spend and income trends across the department to enable effective decisions to be taken.
 - 4.7.2. Extensive work being undertaken within Street Environmental Services to control and monitor staff related spend in particular overtime levels, agency staff and sickness absence.

4.7.3. Vacancy and recruitment management across the department and control over non-essential expenditure.

4.7.4. On-going work to drive through service changes to deliver the delayed savings.

Housing and Adult Social Services (-£0.010m)

4.8. Adult Social Services is forecasting a (-£0.010m) underspend. The key variances within this are set out in **Appendix 1**.

4.9. The following management actions have helped to eliminate the net overspend forecast earlier in the financial year:

4.9.1. Review of savings plans;

4.9.2. Finance training for all budget holders;

4.9.3. Review of all agency staff and establishments in order to reduce staffing pressure; and

4.9.4. Review of all current care packages to ensure projections have been made accurately.

4.10. The Housing General Fund is forecasting a break-even position for the financial year.

Public Health (Break-Even)

4.11. Public Health is funded via a ring-fenced grant of £26.6m for 2017-18. There is a forecast net break-even position for the financial year after the carry forward of ring-fenced public health grant to 2018-19.

Corporate Items (+£1.510m)

4.12. The forecast for corporate items, before any call on corporate contingency budgets, is a net overspend of (+£1.510m), as set out in **Appendix 1**. Within this corporate position, the most significant variances are a (+£3.0m) transfer to the Insurance Fund based on the year-end actuarial review and a (-£4.2m) underspend on net borrowing costs as a result of the successful Treasury Management Strategy of shorter-term borrowing at low interest rates.

5. HOUSING REVENUE ACCOUNT

5.1. The Housing Revenue Account is forecast to break-even after a £3.7m transfer to HRA reserves, as set out in **Appendix 2**.

6. CAPITAL PROGRAMME

- 6.1. The capital programme delivered £89.8m of capital investment in 2017-18. This is set out by directorate in **Table 2** below and detailed in **Appendix 4**.

Table 2: 2017-18 Provisional Capital Outturn

| Directorate | 2017-18 Capital Budget | 2017-18 Capital Expenditure | Slippage to Future Years |
|-----------------------------------|------------------------------|-----------------------------------|--------------------------------|
| | (£m) | (£m) | (£m) |
| Children's Services | 6.5 | 4.7 | (1.8) |
| Environment and Regeneration | 24.3 | 21.2 | (3.1) |
| Housing and Adult Social Services | 90.6 | 63.7 | (26.9) |
| Resources | 0.2 | 0.2 | - |
| Total | 121.6 | 89.8 | (31.8) |

- 6.2. Under the Council's financial regulations, the re-profiling of capital budgets between financial years over £1m on an individual capital scheme is a function of the Executive.
- 6.3. The most significant capital slippage relates to the housing capital programme where £26.2m of the £89.9m 2017-18 capital budget was unspent at the end of the financial year. This slippage comprises:
- 6.3.1. Housing major works and improvements programme (£5.6m), caused by delays in contract starts on site arising primarily as a result of recruitment pressures, staff resources being diverted to fire safety related assessments/works post Grenfell and protracted contract price negotiations.
- 6.3.2. New homes programme (£20.6m) due to planning and construction delays across several complex schemes.
- 6.4. The financing of the 2017-18 capital programme is shown in **Table 3** below.

Table 3: Provisional Financing of 2017-18 Capital Programme

| Funding Source | (£m) |
|--|-------------|
| Capital Receipts | 16.5 |
| Major Repairs Reserve | 41.2 |
| Government Grants and Other External Contributions | 23.8 |
| Revenue Contributions | 1.7 |
| General Fund Borrowing | 6.6 |
| Total | 89.8 |

Earmarked Reserves Transfers

- 6.5. The following earmarked revenue reserves transfers over £500k were actioned under delegated authority during the closing of accounts period:
- 6.5.1. Transfer to Section 106 reserve (£899,175.89) and transfer from Section 106 reserve to capital reserve towards financing the 2017-18 capital programme (£721,429.30).

- 6.5.2. Drawdown from capital reserve for Private Sector Housing capital budget transferred to revenue (£773,000.00).
- 6.5.3. Drawdown from capital reserve for commercial property 'Invest to Save' projects (£1,216,771.75) and subsequent transfer of commercial strategy savings in 2017-18 to capital reserve to fund further one-off costs in future years (£577,004.00).
- 6.5.4. Allocation of Community Infrastructure Levy (CIL) funding totalling £10,517,992.98 (comprising £3,993,271.87 Strategic CIL and £6,524,721.11 Strategic-Local CIL) and related earmarked reserves transfers towards financing the following 2017-18 infrastructure spend:
 - 6.5.4.□.1. Archway Park Improvements (£316,835.53)
 - 6.5.4.□.2. Bunhill Heat and Power Network Phases 2 and 3 (£1,545,036.72)
 - 6.5.4.□.3. Community Facilities Improvements (£748,017.56)
 - 6.5.4.□.4. Infrastructure Improvements within Housing Estates (£387,948.35)
 - 6.5.4.□.5. Market Road Leisure Improvements / Highbury Pool Improvements (£477,935.00)
 - 6.5.4.□.6. Sobell Leisure Centre Improvements (£1,667,976.91)
 - 6.5.4.□.7. Transport and Public Realm Improvements (£4,222,441.41)
 - 6.5.4.□.8. Other Leisure Centre Improvements (£1,151,801.50)
- 6.5.5. Transfer of Section 31 business rates grant compensation received in 2017-18 to NNDR smoothing reserve to fund associated pressures of Government policy in future years (£4,249,738.00).
- 6.5.6. Transfer from services specific reserve (£3,424,855.50) and from Invest to Save reserve (£511,000.00) to new 'Islington 2020' reserve earmarked for future IT and premises modernisation projects (£3,935,855.50).
- 6.5.7. Transfer of pensions early payment savings in 2017-18 (£1,139,818.00) to services specific reserve towards funding the increase in the pensions future service rate in 2018-19.
- 6.5.8. Transfer to services specific reserve in respect of 2016-17 public health carry forward to be spent in future financial years (£589,380.00).
- 6.5.9. Transfer to Building Schools for the Future PFI smoothing reserve (£962,793.63)

Treasury Management

- 6.6. The Council had £148m of temporary investments as at 31st March 2018. These investments were for periods from overnight to 13 months at an average interest rate of 0.61%. £52m of temporary debt was outstanding at 31st March 2018 for periods of 3 months to 12 months at an average interest rate of 0.54%.
- 6.7. The Council's total long-term debt is £258.3m as at 31st March 2018 (£212.6m Public Works Loan Board, £43.5m from other local authorities and a £2.2m commercial loan) compared to £267.8m as at 31st March 2017. The average rate of interest on debt has decreased slightly from 4.48% to 4.38% over the course of the year.

- 6.8. The overall borrowing position of the Council as at 31st March 2018 was gross borrowing of £310.3m and net borrowing (gross borrowing net of investments) of £162.3m.
- 6.9. During the financial year, the Council complied within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement.

7. IMPLICATIONS

Financial Implications

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

Legal Implications

- 7.2. The law requires that the Council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, 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. 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.
- 7.5. A resident impact assessment (RIA) was carried out for the 2017-18 Budget Report approved by Full Council. This report notes the financial performance to date but does not have direct policy implications, so a separate RIA is not required for this report.

Appendices:

- Appendix 1 – 2017-18 General Fund Revenue Outturn by Individual Variance
Appendix 2 – 2017-18 Revenue Outturn by Service Area
Appendix 3 – 2017-18 Revenue Outturn Carry Forwards
Appendix 4 – 2017-18 Capital Outturn

Background papers: None

Signed by



23 May 2018

Executive Member for Finance,
Performance and Community Safety

Date

Responsible Officer:

Mike Curtis
Corporate Director Resources

Report Author:

Martin Houston, Strategic Financial Advisor

Legal Implications Author:

Peter Fehler, Acting Director of Law and Governance

Appendix 1: General Fund Revenue Monitoring 2017-18 Outturn by Individual Variance

| Directorate / Service Area | Description of Over/(Under) Spend | Over-spend £000 | Under-spend £000 | Net Over/(Under) Spend £000 |
|---|--|--------------------|---------------------|--------------------------------|
| RESOURCES | | | | |
| Corporate Real Estate | Commercial Property - Shortfall against the commercial property income target due to savings materialising over a longer time frame (including refurbishment work in commercial let). | 424 | | 424 |
| Parking Finance | Staffing and running costs underspends. | | (21) | (21) |
| Financial Management | Corporate bank charges and additional audit fees. | 26 | | 26 |
| Financial Management | Pensions prompt payment discount. | | (114) | (114) |
| Financial Management | Vacancies and additional income from cash recovery project. | | (168) | (168) |
| Financial Management | Staffing and underspend in running costs. | | (103) | (103) |
| Financial Operations | Welfare Fund staffing underspends. | | (113) | (113) |
| Financial Operations | Vacancies across the Income Maximisation, Accounts Payable and Debtors teams. | | (676) | (676) |
| Financial Operations | Localism and PASS. | | (50) | (50) |
| Financial Operations | Housing Benefit Client Side. | 347 | | 347 |
| Facilities Management | Expenditure on buildings being held to a minimum with no contingency for urgent repair requirements. | | (1,062) | (1,062) |
| Assembly Hall | Additional Assembly Hall income above the budgeted target. | | (118) | (118) |
| Legal and Governance | Registrars staffing costs. | 50 | | 50 |
| Legal and Governance | Legal Services underspend on staff costs and increased income. | | (121) | (121) |
| Human Resources | Staffing and Comensura contract pressures. | 104 | | 104 |
| Internal Audit | Staff vacancies. | | (80) | (80) |
| Total Resources | | 951 | (2,626) | (1,675) |
| CHIEF EXECUTIVE'S DEPARTMENT | | | | |
| Chief Executive | Underspend as a result of early delivery of 2018-19 saving. | | (150) | (150) |
| Communications and Change | Underspend within Communications due to vacant posts, staff being seconded to other teams and not being covered and one-off income. | | (154) | (154) |
| Strategy and Change | Underspend in running costs within Strategy and Change division. | | (146) | (146) |
| Communications and Change | Underspend in running costs within Print Services. | | (85) | (85) |
| Strategy and Change | Redundancy costs and overspend in running costs. | 30 | | 30 |
| Chief Executive | Annual subscription costs and additional running costs | 19 | | 19 |
| Total Chief Executive's Department | | 49 | (535) | (486) |
| CHILDREN'S SERVICES | | | | |
| Youth Offending Service | Youth Justice Board grant does not cover continuing increase in remand pressures. | 475 | | 475 |
| Youth Commissioning | Freeze on current procurement cycle to support directorate financial pressures | | (539) | (539) |
| Disabled Children's Service | Increased demand for high level personal budgets to deliver community based packages in disabled children's service. Increase in costs following judicial review of packages of support. | 390 | | 390 |
| Children in Need | Increase in court fees due to increased demand on children in need service. | 400 | | 400 |
| Children in Need | Agency cover to support significant levels of staff turnover in children in need service and backdated allowances adjustment for the Emergency Duty Team. | 250 | | 250 |
| Children Looked After | Significant increase in the number of care leavers to whom the Council is required to offer a service. Includes rising 18s (Southwark judgement). | 575 | | 575 |
| Unaccompanied Asylum Seeker Children | Recent legislation allows young people to 'stay put' in their Children Looked After placements. Grants given towards asylum young people (post 18) are significantly lower than 'staying put' costs. Previous overspend offset by new Building Capacity grant allocation from the Home Office | | (211) | (211) |
| Fostering | Increase in accommodation / placements supported by in-house carers. | 147 | | 147 |
| Children Looked After | Increase in the number and complexity of cases for under 18 cohort of Children Looked After (mainly regulated residential placements). | 2,494 | | 2,494 |
| Children Looked After | Increase in activity on 16/17 year olds in supported accommodation. | 236 | | 236 |
| Children in Need | Due to the high use of private sector accommodation, the costs of providing temporary accommodation are high. Private sector rents are rising continuously in London, and a buoyant market means landlords have ample choice of who they let their properties to; demand far exceeds supply. Additionally, the council is restricted by DWP regulations as to the levels of rents it can charge for temporary accommodation, which, barring a few exceptions, are lower than the amounts paid to the landlords/agents for the use of the properties. | 100 | | 100 |
| Safeguarding and Quality Assurance | Structural shortfall in the workforce development budget. | 25 | | 25 |
| Pupil Services | Additional income and staff vacancies in the Education Psychology Service. | | (66) | (66) |
| Pupil Services | Increase in demand for personal transport budgets. | 56 | | 56 |
| Schools HR and Payroll | Review of traded income means that this service is now forecast to deliver a small underspend. | | (4) | (4) |

Appendix 1: General Fund Revenue Monitoring 2017-18 Outturn by Individual Variance

| Directorate / Service Area | Description of Over/(Under) Spend | Over-spend | Under-spend | Net Over/(Under) Spend |
|--|---|--------------|----------------|------------------------|
| | | £000 | £000 | £000 |
| Governor Services | Staff vacancies. | | (59) | (59) |
| Early Years | Staff vacancies and additional income from the provision of childcare in children's centres. | | (232) | (232) |
| Early Years | Loss of DSG funding for under 3s childcare subsidy in nursery schools following implementation of a national funding formula for early years (£510k), offset by reallocations of budgets from elsewhere. | 393 | | 393 |
| Early Years | Staff vacancies in early years following the implementation of Bright Start Islington. | | (373) | (373) |
| Early Years | Loss of DSG funding (£511k) for family support workers following implementation of a national funding formula for early years, offset by staffing restructure and staff vacancies. | 99 | | 99 |
| Early Years | Over 5s childcare subsidy overspend following the decision to continue existing provision for current year following loss in DSG funding from the implementation of a national funding formula for early years. | 217 | | 217 |
| Early Years | Staffing underspends in early years support services. | | (65) | (65) |
| Early Years | Lower than budgeted take-up of grant aided childcare places. | | (223) | (223) |
| Pupil and School Support Services | Unbudgeted income from previously agreed schools contribution to Local Government Pension Scheme. | | (629) | (629) |
| Pupil and School Support Services | Unachieved traded income across Learning and Schools division. | 38 | | 38 |
| ICT, Information and Performance Service Support | Additional schools traded income. | | (5) | (5) |
| Service Support | Unfunded directors post (funding identified for 2018-19 onwards). | 121 | | 121 |
| Service Support | Re-phasing of savings from restructure of business support unit. | 5 | | 5 |
| Cardfields | Additional boiler replacement costs and shortfall in income. | 56 | | 56 |
| SEN Transport | Increasing numbers of pupils and complexity of need. | 503 | | 503 |
| Universal Free School Meals | Underspend against the universal free school meals budget following finalisation of school meal claims. | | (65) | (65) |
| Schools Finance | Staff vacancies. | | (32) | (32) |
| Schools Capital and Asset Management | Capitalisation of schools capital team costs. | | (67) | (67) |
| Schools Capital and Asset Management | The Council's contribution to Holloway Pool cleaning costs. | 22 | | 22 |
| Employment | Additional earned income. | | (38) | (38) |
| Employment | Remove one-off balance of childcare subsidy budget not required. This leaves an ongoing core funded budget of £85k which is sufficient to meet demand | | (136) | (136) |
| Employment, Skills and Culture | Net staffing underspends across the division. | | (34) | (34) |
| Employment, Skills and Culture | Spend against Section 106 funds due to be reimbursed in 2018-19. | 17 | | 17 |
| Health Commissioning | Underspend in health commissioning through increased income. | | (97) | (97) |
| Total Children's Services | | 6,619 | (2,875) | 3,744 |
| ENVIRONMENT AND REGENERATION | | | | |
| Public Realm | Delayed delivery of prior year savings in Street Environmental Services. | 258 | | 258 |
| Public Realm | Delayed delivery of new savings in Street Environmental Services. | 956 | | 956 |
| Public Realm | Additional operating costs in Street Environmental Services. | 1,342 | | 1,342 |
| Public Realm | Additional agency costs. | 600 | | 600 |
| Public Realm | Unrealisable income target from Arqiva Street Lighting wireless concession. | 170 | | 170 |
| Public Realm | Income target in Energy Services. | 100 | | 100 |
| Public Realm | Trampoline Park delays as a result of General Election in June 2017. | 200 | | 200 |
| Public Realm | Decisions around parks seasonal events delayed. | 200 | | 200 |
| Directorate | Transfer of excess business rates budget to other departments. | 170 | | 170 |
| Public Realm | Reduction in assumed recharge of commercial waste costs to iCo. | 126 | | 126 |
| Public Realm | Reduced parking income (Pay & Display and Penalty Charge Notices) as a result of snow. | 279 | | 279 |
| Directorate | Annual subscription charge for Box. | 69 | | 69 |
| Public Realm | Purchase of phones for front line operatives. | 50 | | 50 |
| Public Realm | Additional winter maintenance costs. | 80 | | 80 |
| Public Realm | Additional income in parking. | | (424) | (424) |
| Public Realm | Contract saving in parking. | | (600) | (600) |
| Public Realm | One-off payment from advertising contract. | | (306) | (306) |
| Public Realm | Underspend on depots budgets. | | (373) | (373) |

Appendix 1: General Fund Revenue Monitoring 2017-18 Outturn by Individual Variance

| Directorate / Service Area | Description of Over/(Under) Spend | Over-spend | Under-spend | Net Over/(Under) Spend |
|---|---|---------------|-----------------|------------------------|
| | | £000 | £000 | £000 |
| Public Realm | Additional sports income. | | (256) | (256) |
| Public Realm | Reduced maintenance costs within Greenspace and Leisure. | | (114) | (114) |
| Public Realm | Capital spend previously assumed to be financed by revenue. | | (826) | (826) |
| Public Realm | One-off payment from TfL relating to bridge works in Holloway Road. | | (250) | (250) |
| Public Protection | Holding vacancies across the division and additional income. | | (314) | (314) |
| Directorate | Additional iCo income. | | (100) | (100) |
| Public Realm | Additional builders licence income. | | (25) | (25) |
| Public Realm | One-off funding for two tree officers. | | (70) | (70) |
| Public Realm | Additional income within Greenspace and Leisure. | | (63) | (63) |
| Planning and Development | Additional income forecast as a result of a 20% increase in fees from January 2018. | | (25) | (25) |
| All | Miscellaneous underspends across the directorate. | | (5) | (5) |
| Total Environment and Regeneration | | 4,600 | (3,751) | 849 |
| HOUSING AND ADULT SOCIAL SERVICES | | | | |
| Temporary Accommodation and Housing Needs | Overspend on direct and indirect costs of Temporary Accommodation. The direct costs relate to the challenges and relatively unknown impact resulting from the replacement of the Temporary Accommodation management fee payment system with the DCLG Flexible Homelessness Grant. The indirect costs largely relate to legal costs. | 308 | | 308 |
| Housing Administration and Strategy and Development | Underspend owing to vacancies being held to manage the Temporary Accommodation overspend. | | (308) | (308) |
| Total Housing General Fund | | 308 | (308) | 0 |
| Adult Social Care | Underspend in Adult Social Care division. | | (22) | (22) |
| Integrated Community Services | Non delivery of savings in Integrated Community Services. | 1,251 | | 1,251 |
| Integrated Community Services | Underspend across Integrated Community Services. | | (118) | (118) |
| Integrated Community Services | Placement pressure in Integrated Community Services. | 570 | | 570 |
| Integrated Community Services | Underspend in In-House Older People Services. | | (29) | (29) |
| Integrated Community Services | Overspend in In-House Physical Disability Services. | 27 | | 27 |
| Strategy and Commissioning | Non delivery of savings in Strategy and Commissioning. | 925 | | 925 |
| Strategy and Commissioning | Housing Related Support pressures. | 113 | | 113 |
| Strategy and Commissioning | Placement pressure in Mental Health Services. | 505 | | 505 |
| Strategy and Commissioning | Overspend in block contracts, primarily rising through under collection of income in Care UK homes. | 205 | | 205 |
| Strategy and Commissioning | Collection of Substance Misuse client income. | | (27) | (27) |
| Strategy and Commissioning | Underspend across Strategy and Commissioning. | | (201) | (201) |
| Strategy and Commissioning | Underspend on Carers Pooled Budget. | | (121) | (121) |
| Learning Disability Services | Non delivery of savings in Learning Disability Services. | 1,473 | | 1,473 |
| Learning Disability Services | Overspend in In-House Learning Disability Services. | 336 | | 336 |
| Learning Disability Services | Additional pressures in Learning Disability Services due to London Living Wage, Sleep-in judgements and additional capacity in Shared Lives and Community Access. | 493 | | 493 |
| Learning Disability Services | Staffing Pressure in Learning Disability Services. | 167 | | 167 |
| Learning Disability Services | Placement Pressure in Learning Disability Services. | 375 | | 375 |
| Adult Social Care | Additional social care funding announced in Spring Budget 2017 (One-off). | | (3,000) | (3,000) |
| Adult Social Care | Release of S117 and direct payments surpluses (One-off). | | (1,158) | (1,158) |
| Adult Social Care | Adult social care funding stream realignment. | | (1,774) | (1,774) |
| Total Adult Social Services | | 6,440 | (6,450) | (10) |
| Total Housing and Adult Social Services | | 6,748 | (6,758) | (10) |
| PUBLIC HEALTH | | | | |
| <i>Break-even forecast</i> | | | | |
| Total Public Health | | 0 | 0 | 0 |
| DIRECTORATE TOTAL | | | | |
| | | 18,967 | (16,545) | 2,422 |
| CORPORATE ITEMS | | | | |
| Insurance Fund | Required transfer to the Insurance Fund based on the year-end actuarial review. | 3,000 | | 3,000 |
| Cross-cutting Savings | Unachievable savings in 2017-18: - Further channel shift across both Contact Islington and other council services (£435k) - Income generating activities across the council, including increasing Income from existing services, maximising Income from assets and developing new services (£720k) | 1,155 | | 1,155 |

Appendix 1: General Fund Revenue Monitoring 2017-18 Outturn by Individual Variance

| Directorate / Service Area | Description of Over/(Under) Spend | Over-spend | Under-spend | Net Over/(Under) Spend |
|------------------------------|--|---------------|-----------------|------------------------|
| | | £000 | £000 | £000 |
| No Recourse to Public Funds | Uncontrollable pressure 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). | 813 | | 813 |
| Apprenticeship Levy | General Fund cost of Apprenticeship Levy. | 531 | | 531 |
| Bad Debt Provision | Estimated contribution to sundry debt bad debt provision. | 250 | | 250 |
| Inquiry Costs. | Associated costs of inquiry into historic child abuse. | 246 | | 246 |
| Carbon Reduction Commitment | Unbudgeted costs of the Government's Carbon Reduction Commitment scheme. | 150 | | 150 |
| Corporate Financing Account | The Council continues to follow a successful Treasury Management Strategy of shorter-term borrowing at low interest rates. This, along with unbudgeted investment income, has saved the General Fund (-£4.2m) in corporate financing costs in 2017-18. The Treasury Management Strategy is kept under constant review to ensure that available resources are optimised and the longer-term interest rate position reviewed within an effective risk management framework and in line with the approved strategy. | | (4,289) | (4,289) |
| Levies | Underspend on the corporate levies budget compared to the estimate before the start of the financial year. | | (307) | (307) |
| Grant Income | Unbudgeted Section 31 grant income to compensate for the impact on the Council's top-up grant of capping the business rates multiplier. | | (39) | (39) |
| Total Corporate Items | | 6,145 | (4,635) | 1,510 |
| GROSS TOTAL | | 25,112 | (21,180) | 3,932 |

Appendix 2 - Revenue Monitoring 2017-18 Outturn by Service Area

| GENERAL FUND | | | | |
|---|----------------|----------------|-----------------------------------|-----------------------------------|
| Directorate / Division | Current | Forecast | Forecast | Forecast |
| | Budget | Outturn | Over/(Under) Spend Month 12 | Over/(Under) Spend Month 11 |
| | £000 | £000 | £000 | £000 |
| RESOURCES | | | | |
| Corporate Director of Resources | 2,889 | 2,941 | 52 | 41 |
| Digital Services and Transformation | 12,625 | 12,625 | 0 | (200) |
| Financial Management | (1,396) | (1,405) | (9) | (70) |
| Financial Operations | 21,374 | 19,704 | (1,670) | (1,624) |
| Internal Audit | 546 | 466 | (80) | (10) |
| Legal and Governance | 3,412 | 3,340 | (72) | (23) |
| Human Resources | 2,486 | 2,590 | 104 | 132 |
| Total Resources | 41,936 | 40,261 | (1,675) | (1,754) |
| CHIEF EXECUTIVE'S DEPARTMENT | | | | |
| Chief Executive | 9 | (122) | (131) | (148) |
| Communications and Change | 1,157 | 918 | (239) | (208) |
| Strategy and Change | 1,178 | 1,062 | (116) | (130) |
| Total Chief Executive's Department | 2,344 | 1,858 | (486) | (486) |
| CHILDREN'S SERVICES | | | | |
| Learning and Schools | 12,844 | 11,042 | (1,802) | 305 |
| Partnership and Service Support | 13,491 | 13,468 | (23) | 259 |
| Safeguarding and Family Support | 45,065 | 49,471 | 4,406 | 4,409 |
| Employment, Skills and Culture | 7,207 | 7,016 | (191) | (201) |
| Youth and Communities | 6,215 | 6,151 | (64) | 75 |
| Health Commissioning | 960 | 863 | (97) | (50) |
| Less Projected Ring-Fenced Schools Related Underspend | 0 | 1,515 | 1,515 | 313 |
| Total Children's Services | 85,782 | 89,526 | 3,744 | 5,110 |
| ENVIRONMENT AND REGENERATION | | | | |
| Directorate | 0 | 239 | 239 | 239 |
| Planning and Development | (6,573) | (6,598) | (25) | (49) |
| Public Protection | 7,252 | 6,944 | (308) | (315) |
| Public Realm | 21,774 | 22,717 | 943 | 469 |
| Total Environment and Regeneration | 22,453 | 23,302 | 849 | 344 |
| HOUSING AND ADULT SOCIAL SERVICES (HASS) | | | | |
| Temporary Accommodation (Homelessness Direct) | 2,168 | 2,018 | (150) | (96) |
| Housing Needs (Homelessness Indirect) | 1,678 | 2,137 | 459 | 417 |
| Housing Benefit | 880 | 880 | 0 | 0 |
| Housing Strategy and Development | 203 | 169 | (34) | (34) |
| Housing Administration | 9,555 | 9,280 | (275) | (287) |
| Voluntary and Community Services (VCS) | 3,493 | 3,493 | 0 | 0 |
| Total Housing General Fund | 17,977 | 17,977 | 0 | 0 |
| Adult Social Care | 2,173 | 2,151 | (22) | (6,046) |
| Integrated Community Services | 17,484 | 17,494 | 10 | 1,701 |
| Learning Disabilities | 24,262 | 24,262 | 0 | 2,976 |
| Strategy and Commissioning | 26,834 | 26,836 | 2 | 1,346 |
| Total Adult Social Services | 70,753 | 70,743 | (10) | (23) |
| Total Housing and Adult Social Services | 88,730 | 88,720 | (10) | (23) |
| PUBLIC HEALTH | | | | |
| Children 0-5 Public Health | 3,952 | 3,773 | (179) | (109) |
| Children and Young People | 1,594 | 1,582 | (12) | 18 |
| NHS Health Checks | 394 | 368 | (26) | (18) |
| Obesity and Physical Activity | 700 | 656 | (44) | 1 |
| Other Public Health | (21,375) | (21,238) | 137 | 102 |
| Sexual Health | 6,103 | 5,444 | (659) | (614) |
| Smoking and Tobacco | 413 | 401 | (12) | (21) |
| Substance Misuse | 8,556 | 8,611 | 55 | 41 |
| Less Projected Ring-Fenced Public Health Grant Underspend | 0 | 740 | 740 | 600 |
| Total Public Health | 337 | 337 | 0 | 0 |
| DIRECTORATE TOTAL | 241,582 | 244,004 | 2,422 | 3,191 |

Appendix 2 - Revenue Monitoring 2017-18 Outturn by Service Area

| Directorate / Division | Current Budget | Forecast Outturn | Forecast Over/(Under) Spend Month 12 | Forecast Over/(Under) Spend Month 11 |
|---|-------------------|---------------------|---|---|
| | £000 | £000 | £000 | £000 |
| CORPORATE ITEMS | | | | |
| Corporate and Democratic Core / Non Distributed Costs | 0 | 0 | 0 | 0 |
| Other Corporate Items | 7,775 | 9,812 | 2,037 | 2,157 |
| Apprenticeship Levy | 0 | 531 | 531 | 600 |
| Corporate Financing Account | 1,102 | (3,187) | (4,289) | 0 |
| Levies | 21,909 | 21,602 | (307) | (250) |
| Transfer to/(from) Reserves | (11,249) | (11,249) | 0 | 0 |
| Specific Grants | (16,160) | (16,435) | (275) | (1,930) |
| Core Government Funding / Council Tax | (208,464) | (208,464) | 0 | 0 |
| No Recourse to Public Funds | 451 | 1,264 | 813 | 800 |
| Insurance Fund | 0 | 3,000 | 3,000 | 0 |
| Appropriations and Technical Accounting Entries | (38,946) | (38,946) | 0 | 0 |
| Contingency | 2,000 | 2,000 | 0 | 0 |
| Total Corporate Items | (241,582) | (240,072) | 1,510 | 1,377 |
| GROSS TOTAL | 0 | 3,932 | 3,932 | 4,568 |

Appendix 2 - Revenue Monitoring 2017-18 Outturn by Service Area

| HOUSING REVENUE ACCOUNT(HRA) | | | | |
|---|-------------------|---------------------|---|---|
| Service Area | Current Budget | Forecast Outturn | Forecast Over/(Under) Spend Month 12 | Forecast Over/(Under) Spend Month 11 |
| | £000 | £000 | £000 | £000 |
| Dwelling Rents | (163,715) | (164,715) | (1,000) | (500) |
| Non Dwelling Rents | (1,335) | (1,735) | (400) | (300) |
| Heating Charges | (2,150) | (2,150) | 0 | 0 |
| Leaseholders Charges | (11,400) | (13,800) | (2,400) | (600) |
| Other Charges for Services and Facilities | (4,603) | (5,003) | (400) | (250) |
| PFI Credits | (22,854) | (22,854) | 0 | 0 |
| Interest Receivable | (500) | (650) | (150) | 0 |
| Contribution from General Fund | (816) | (816) | 0 | 0 |
| Gross Income | (207,373) | (211,723) | (4,350) | (1,650) |
| Repairs and Maintenance | 32,044 | 31,194 | (850) | (1,500) |
| General Management | 49,460 | 50,360 | 900 | 1,600 |
| PFI Payments | 40,404 | 41,404 | 1,000 | 0 |
| Special Services | 18,268 | 18,018 | (250) | (400) |
| Rents, Rates, Taxes and Other Charges | 589 | 589 | 0 | 0 |
| Capital Financing Costs | 16,749 | 16,399 | (350) | 0 |
| Depreciation | 30,847 | 32,147 | 1,300 | 2,000 |
| Bad Debt Provisions | 750 | 750 | 0 | 0 |
| Contingency | 2,000 | 900 | (1,100) | (500) |
| Transfer to HRA Reserves | 16,262 | 19,962 | 3,700 | 450 |
| Gross Expenditure | 207,373 | 211,723 | 4,350 | 1,650 |
| Net (Surplus)/Deficit | 0 | 0 | 0 | 0 |

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Appendix 3: 2017-18 Revenue Outturn Carry Forwards

| Directorate | Service Area | Amount (£) | Why does this budget need to be carried forward? | Carry forward to 2018-19 or hold in earmarked reserves? |
|---------------------|--|------------|--|---|
| Children's Services | Upward Bound | 60,025.00 | Ring-fenced third party contribution from the Dame Alice Owen Foundation for the Upward Bound Programme. | Carry Forward to 2018-19 |
| Children's Services | Assent Management | 123,400.00 | Asset management income from schools being held for capital maintenance needs in schools. | Carry Forward to 2018-19 |
| Children's Services | Post 16 | 11,090.48 | Expected Post 16 funding adjustment due in July (after final payments for academic year have been confirmed). | Carry Forward to 2018-19 |
| Children's Services | Early Years | 100,000.00 | Carry forward of repairs and maintenance budget to meet the costs of repairs at Children's Centres following a series of condition surveys. | Carry Forward to 2018-19 |
| Children's Services | Early Years | 100,000.00 | Reconfiguration of space to accommodate Bright Start Islington teams and enable co-location of services with Whittington Health. | Carry Forward to 2018-19 |
| Children's Services | Early Years | 40,000.00 | Committed spend to build wall at Hungerford Children's Centre pending academisation of Hungerford School. | Carry Forward to 2018-19 |
| Children's Services | Post 16 Bursary | 235,400.00 | Balance of Post 16 bursary funding being set aside to extend the scheme into future years. | Carry Forward to 2018-19 |
| Children's Services | Schools Pooled catering Budget | 167,200.00 | Money pooled from school budgets for the Caterlink contract. This money belongs to schools in the pool and is automatically rolled forward and future year contributions adjusted accordingly. | Carry Forward to 2018-19 |
| Children's Services | School Improvement and Monitoring grant | 35,937.00 | School Improvement and Monitoring grant funding required to fund the service in 2018-19 following removal of Education Services Grant by the DfE. | Carry Forward to 2018-19 |
| Children's Services | School Improvement and Monitoring grant | 100,000.00 | School Improvement and Monitoring grant funding required to fund the service in 2018-19 following removal of Education Services Grant by the DfE. | Carry Forward to 2018-19 |
| Children's Services | SEN Reform Grant | 21,058.00 | Balance of SEN Reform grant being used to continue implementation of new system of Education Health and Care Plans. | Carry Forward to 2018-19 |
| Children's Services | Andover Bright Start | 50,000.00 | Balance from Andover Bright Start playgroup provision that belongs to the setting following transfer of provision to Montem Primary School. | Carry Forward to 2018-19 |
| Children's Services | Education Psychology | 35,000.00 | Funding for a fixed term Education Psychology post that ends mid 2018-19. | Carry Forward to 2018-19 |
| Children's Services | Community Based Budget / Troubled Families | 203,854.00 | External grant funding for a project spanning multiple financial years including Troubled Families Program. | Carry Forward to 2018-19 |
| Children's Services | Community Based Budget / Troubled Families | 22,008.00 | External grant funding for a project spanning multiple financial years including Troubled Families Program. | Carry Forward to 2018-19 |
| Children's Services | Community Based Budget / Troubled Families | 558,642.00 | External grant funding for a project spanning multiple financial years including Troubled Families Program. | Carry Forward to 2018-19 |
| Children's Services | Community Based Budget / Troubled Families | 410,591.00 | External grant funding for a project spanning multiple financial years including Troubled Families Program. | Carry Forward to 2018-19 |
| Children's Services | Innovations Phase 1 | 85,127.00 | DfE funded Innovations project - Phase 1 is now complete with a residual underspend to be used to support service plans for Phase 2. | Carry Forward to 2018-19 |
| Children's Services | Innovations Phase 2 | 400,000.00 | DfE funded Innovations project - Start date for Phase 2 was slipped during 2017-18. Carry forward supports 2018-19 commitments now project is fully operational. | Carry Forward to 2018-19 |
| Children's Services | Innovations Phase 2 | 467,413.00 | DfE funded Innovations project - Start date for Phase 2 was slipped during 2017-18. Carry forward supports 2018-19 commitments now project is fully operational. | Carry Forward to 2018-19 |
| Children's Services | Partners in Practice | 403,032.00 | DfE funded Partners in Practice (Innovations) project - Funding received late in 2017-18 before project was underway. Carry forward supports 2018-19 commitments now project is fully operational. | Carry Forward to 2018-19 |
| Children's Services | National Assessment and Accreditation Scheme | 158,600.00 | DfE grant to provide support to local authorities in England towards expenditure lawfully incurred in relation to the introduction of the National Assessment and Accreditation System, which will provide a consistent way of assuring that child and family social workers, supervisors and leaders have the knowledge and skills for effective practice. Carry forward supports 2018-19 commitments now project is fully operational. | Carry Forward to 2018-19 |
| Children's Services | UASC - Controlling Migration Fund | 117,400.00 | Home Office grant funding - Year 1 of a 2 year grant allocated late in 2017-18. Service have a spending plan in place to increase capacity to address and support the increase in Unaccompanied Asylum Seeking Children. | Carry Forward to 2018-19 |
| Children's Services | Islington Safeguarding Children Board | 59,019.00 | Effectively a pooled budget arrangement with a number of other public sector agencies. Carry forward supports agreed spending plans. | Carry Forward to 2018-19 |
| Children's Services | Preventing Youth Violence | 135,037.00 | Carry forward is required to support project over its 4-year lifespan. | Carry Forward to 2018-19 |
| Children's Services | North London Adoption Consortium | 25,230.00 | Islington host the 6 borough consortium for Adoption and Fostering recruitment. Collective underspend supporting future consortium agreed commitments. | Carry Forward to 2018-19 |
| Children's Services | Step-up to Social Work | 18,733.00 | DfE sponsored project - Remainder of set up and administration grant, ongoing in 2018-19. | Carry Forward to 2018-19 |
| Children's Services | 18-24 targeted NEET project | 10,391.00 | 18-24 targeted NEET project - This is an ESF funded project and we are subcontracted to City and Islington College/ Capital City College Training. We are supporting young people from specific disadvantaged groups to access employment, education and training including apprenticeships and traineeships. | Carry Forward to 2018-19 |

Appendix 3: 2017-18 Revenue Outturn Carry Forwards

| Directorate | Service Area | Amount (£) | Why does this budget need to be carried forward? | Carry forward to 2018-19 or hold in earmarked reserves? |
|-----------------------------------|---|------------|--|---|
| Children's Services | IPS Trial | 215,432.00 | IPS Trial - This is a Section 76 contract with NHS England and other partners of which LBI was funding 146k. The project is to assist unemployed residents of Islington with health issues to return to employment and enhance their overall wellbeing. The remaining balance is owed to NHS. | Carry Forward to 2018-19 |
| Children's Services | Community Clusters Project | 17,363.00 | Community Clusters ESF project. | Carry Forward to 2018-19 |
| Children's Services | Creative Conversations | 8,856.00 | Creative Conversations - Heritage lottery funding. | Carry Forward to 2018-19 |
| Children's Services | Ready to Borrow | 41,870.00 | Ready to Borrow - Museum Resilience funding. | Carry Forward to 2018-19 |
| Children's Services | Holloway Prison project | 35,615.00 | Holloway Prison - Heritage lottery funding to document the history of Holloway Prison. | Carry Forward to 2018-19 |
| Children's Services | Arts | 6,200.00 | Match funding, alongside a £25k Section 106 contribution to lever in an additional £50k of funding from the Dame Alice Owen Foundation. | Carry Forward to 2018-19 |
| Children's Services | Arts | 25,331.00 | Match funding, alongside a £25k Section 106 contribution to lever in an additional £50k of funding from the Dame Alice Owen Foundation. | Carry Forward to 2018-19 |
| Children's Services | Libraries | 25,186.00 | To meet underlying shortfall in Libraries budget (expected to be met from commercial rent generation from 2019-20). | Carry Forward to 2018-19 |
| Children's Services | Libraries | 49,814.00 | To meet underlying shortfall in Libraries budget (expected to be met from commercial rent generation from 2019-20). | Carry Forward to 2018-19 |
| Children's Services | Education Library Service | 25,483.00 | Education Library service - Cost for Camden stock and appropriate data conversion costs to LBI Heritage Library Management Information System. | Carry Forward to 2018-19 |
| Children's Services | Finsbury Square Loan | 27,750.00 | Finsbury Square Loan. | Carry Forward to 2018-19 |
| Children's Services | School Pensions | 655,000.00 | Schools pensions reimbursement from 2016-17 to smooth in impact of increase in future service pensions rate for schools. | Carry Forward to 2018-19 |
| Environment and Regeneration | Planning and Development - Economic Development | 141,364.01 | Archway Projects: to animate a new public space in Archway and improve shopfronts. | Carry Forward to 2018-19 |
| Environment and Regeneration | Planning and Development - Economic Development | 124,682.76 | Finsbury Park Projects: support businesses in the Finsbury Park area. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Protection - Additional HMO Licencing | 1,999.52 | Continuation of the additional HMO licensing scheme from 1st September 2015 for 5 years. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Protection - Noise and Pollution | 124,159.75 | EV (Taxis) Rapid Charging Points Grant Income from DEFRA due to delays in implementation / planning approval and agreement from DEFRA to carry forward. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Protection - Noise and Pollution | 27,000.00 | Canal Rapid Charging Points Grant Income from DEFRA due to delays in implementation / planning approval and agreement from DEFRA to carry forward. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Protection - Noise and Pollution | 12,500.00 | Canal Rapid Charging Points Grant Income from DEFRA due to delays in implementation / planning approval and agreement from DEFRA to carry forward. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Protection - Cemeteries | 140,225.11 | Ring-fenced Trading Account - Surplus to earmarked reserves. | Hold in Earmarked Reserves |
| Environment and Regeneration | Public Protection - Street Trading | 18,467.62 | Ring-fenced Trading Account - Surplus to earmarked reserves. | Hold in Earmarked Reserves |
| Environment and Regeneration | Public Realm - Highways & Energy Services | 91,347.37 | Public lighting and bridge improvement in the Finsbury Park Area. Materials have been purchased and remaining costs relate to installation. | Carry Forward to 2018-19 |
| Environment and Regeneration | Public Realm - Traffic, Transport & Engineering | 11,000.00 | Upfront payment received following engagement of Mobike and Ofo to be used to fund cycling schemes which have yet to take place. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Adult Social Care | 401,336.00 | The Improved Better Care fund (iBCF) is a grant first announced in the Spending Review in 2015 with additional grant allocations announced in the 2017 Spring Budget. The grant conditions specify that this money must be spent on meeting adult social care needs, reducing pressures on the NHS, including hospital discharge and ensuring the local provider market is supported. iBCF spend must be agreed upon by the local authority and CCG and included in the BCF plan. The BCF plan is signed off by the Health and Wellbeing Board and should be spent under a Section 75 agreement in line with above conditions. | Hold in Earmarked Reserves |
| Housing and Adult Social Services | Adult Social Care | 649,432.00 | The Improved Better Care fund (iBCF) is a grant first announced in the Spending Review in 2015 with additional grant allocations announced in the 2017 Spring Budget. The grant conditions specify that this money must be spent on meeting adult social care needs, reducing pressures on the NHS, including hospital discharge and ensuring the local provider market is supported. iBCF spend must be agreed upon by the local authority and CCG and included in the BCF plan. The BCF plan is signed off by the Health and Wellbeing Board and should be spent under a Section 75 agreement in line with above conditions. | Hold in Earmarked Reserves |
| Housing and Adult Social Services | Housing General Fund - VCS | 255,945.41 | Agreed VCS contingency pot to run parallel with the VCS funding allocations. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - VCS | 18,264.53 | VCS funding allocations. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - VCS | 48,516.33 | VCS funding allocations. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - VCS | 27,005.85 | VCS funding allocations. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - VCS | 13,775.13 | VCS funding allocations. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - Housing Needs | 575,047.01 | This represents the Flexible Homelessness Support Grant (with restrictions) to be spent in future financial years. | Hold in Earmarked Reserves |
| Housing and Adult Social Services | Housing General Fund - No Recourse to Public Funds (NRPF) | 130,000.00 | This represents two NRPF grants (with restrictions) to be spent in 2018-19. | Carry Forward to 2018-19 |
| Housing and Adult Social Services | Housing General Fund - Housing Needs | 398,497.00 | This represents New Burdens funding (restrictions) to be spent in future financial years. | Hold in Earmarked Reserves |

Appendix 3: 2017-18 Revenue Outturn Carry Forwards

| Directorate | Service Area | Amount (£) | Why does this budget need to be carried forward? | Carry forward to 2018-19 or hold in earmarked reserves? |
|---------------|------------------------------|----------------------|--|---|
| Public Health | Public Health | 81,410.00 | The Public Health grant is a ring-fenced grant. It has not been fully spent this year and therefore the balance is being requested to be carry forward | Hold in Earmarked Reserves |
| Public Health | Public Health | 659,000.00 | The Public Health grant is a ring-fenced grant. It has not been fully spent this year and therefore the balance is being requested to be carry forward | Hold in Earmarked Reserves |
| Resources | Information Governance | 151,980.00 | Budget assigned to GDPR project that has not yet finished. | Carry Forward to 2018-19 |
| Resources | Legal | 180,000.00 | Case Management System pressure in 2018-19. | Carry Forward to 2018-19 |
| Resources | Legal | 40,000.00 | Archiving Project that will need 2 fixed term posts. | Carry Forward to 2018-19 |
| Resources | Members Services | 11,400.00 | Mayors Allowance balance will go to their charity at the end of the election year. | Carry Forward to 2018-19 |
| Resources | Members Services | 3,000.00 | Deputy Mayors Allowance balance will go into the Mayors Allowance budget at the end of the election year to go to their charity. | Carry Forward to 2018-19 |
| Resources | Assembly Hall | 75,000.00 | New PA systems and technical equipment for events held at the Assembly Hall. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 90,000.00 | Internal decoration and refurbishment of Archway Library. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 50,000.00 | Visible cracks on the outside wall of Archway Library. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 100,000.00 | New Council Chamber audio system. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 32,750.00 | Chubb Electronic Security systems. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 90,000.00 | Swipe system. | Carry Forward to 2018-19 |
| Resources | Accommodation and Facilities | 297,000.00 | Replacement of boilers at 14-16 Highbury Grove. | Carry Forward to 2018-19 |
| Resources | Residents Support Scheme | 158,761.00 | Residents Support Scheme balance. | Hold in Earmarked Reserves |
| Resources | Digital Services | 1,190,610.80 | This is part of the Shared Digital service set-up budget that will continue to be spent in 2018-19. | Carry Forward to 2018-19 |
| Resources | Digital Services | 1,045,085.94 | Agreed digital services projects spanning financial years. | Hold in Earmarked Reserves |
| Resources | Digital Services | 604,838.91 | Agreed digital services projects spanning financial years. | Hold in Earmarked Reserves |
| Resources | Digital Services | 521,449.17 | Agreed digital services projects spanning financial years. | Hold in Earmarked Reserves |
| Resources | Digital Services | 40,948.81 | Agreed digital services projects spanning financial years. | Hold in Earmarked Reserves |
| | TOTAL | 13,921,887.51 | | |

| Summary | |
|-----------------------------------|----------------------|
| Children's Services | 5,288,087.48 |
| Environment and Regeneration | 692,746.14 |
| Housing and Adult Social Services | 2,517,819.26 |
| Public Health | 740,410.00 |
| Resources | 4,682,824.63 |
| | 13,921,887.51 |

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Appendix 4: Capital Outturn 2017-18

| | Original Budget | Budget Changes During the Year | Revised Budget | Capital Expenditure | Slippage (to)/from Future Years | % Budget Spent |
|--|-----------------|--------------------------------|----------------|---------------------|---------------------------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| CHILDREN'S SERVICES | | | | | | |
| Moreland Primary School | 0.0 | 0.4 | 0.4 | 0.1 | (0.3) | 35% |
| Dowery Street/Primary PRU | 2.0 | (0.7) | 1.3 | 1.1 | (0.3) | 80% |
| School Condition Works | 1.0 | (1.0) | 0.0 | 0.0 | 0.0 | 0% |
| Tufnell Park | 4.4 | (2.9) | 1.5 | 1.2 | (0.3) | 83% |
| Highbury Grove School Expansion | 1.7 | (1.5) | 0.2 | 0.1 | (0.1) | 56% |
| Central Foundation School Expansion | 2.7 | (2.7) | 0.0 | 0.0 | 0.0 | 0% |
| Arts and Media School | 0.1 | (0.1) | 0.0 | 0.0 | (0.0) | 0% |
| Newington Green Refurbishment | 0.5 | (0.5) | 0.0 | 0.0 | 0.0 | 0% |
| City Of London Academy | 2.0 | (2.0) | 0.0 | 0.0 | 0.0 | 0% |
| New River College | 0.5 | (0.2) | 0.3 | 0.1 | (0.2) | 27% |
| Primary Capital Scheme | 0.2 | (0.1) | 0.1 | 0.0 | (0.1) | 0% |
| Windows Schemes | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | 0% |
| Electrical and Mechanical | 0.0 | 1.0 | 1.0 | 1.0 | 0.0 | 100% |
| Libraries | 0.0 | 0.2 | 0.2 | 0.0 | (0.2) | 0% |
| Early Years Capital | 1.3 | (0.2) | 1.1 | 0.7 | (0.4) | 60% |
| Other | 0.0 | 0.4 | 0.4 | 0.4 | (0.0) | 89% |
| Total Children's Services | 16.4 | (9.9) | 6.5 | 4.7 | (1.8) | 72% |
| ENVIRONMENT AND REGENERATION | | | | | | |
| Other Environment and Regeneration | 1.6 | (1.6) | 0.0 | 0.0 | (0.0) | 0.0 |
| Planning and Development | 2.0 | 0.6 | 2.6 | 2.6 | (0.0) | 100% |
| Cemeteries | 1.0 | 0.6 | 1.6 | 1.1 | (0.5) | 70% |
| Combined Heat and Power | 2.1 | 2.2 | 4.3 | 3.0 | (1.3) | 70% |
| Energy Saving Council Buildings | 0.3 | (0.0) | 0.2 | 0.0 | (0.2) | 19% |
| Vehicles | 4.0 | 0.2 | 4.2 | 4.0 | (0.2) | 96% |
| Greenspace | 1.2 | (0.5) | 0.7 | 0.0 | (0.7) | 0% |
| Highways | 3.4 | 0.3 | 3.7 | 3.6 | (0.1) | 98% |
| Leisure | 2.3 | 0.7 | 3.0 | 3.4 | 0.3 | 111% |
| Other Energy Efficiency | 2.2 | (2.2) | 0.0 | 0.0 | 0.0 | 0% |
| Recycling Improvements | 0.8 | (0.4) | 0.3 | 0.2 | (0.1) | 68% |
| Special Projects | 0.2 | 0.6 | 0.7 | 0.5 | (0.2) | 77% |
| Traffic and Engineering | 3.2 | (0.4) | 2.8 | 2.7 | (0.1) | 95% |
| Total Environment and Regeneration | 24.3 | (0.0) | 24.3 | 21.2 | (3.1) | 87% |
| HOUSING AND ADULT SOCIAL SERVICES | | | | | | |
| HOUSING | | | | | | |
| Major Works and Improvements | 33.5 | 0.0 | 33.5 | 27.9 | (5.6) | 83% |
| New Build | 56.4 | 0.0 | 56.4 | 35.8 | (20.6) | 63% |
| Total Housing | 89.9 | 0.0 | 89.9 | 63.7 | (26.2) | 71% |
| ADULT SOCIAL SERVICES | | | | | | |
| Care Services | 0.0 | 0.7 | 0.7 | 0.0 | (0.7) | 0% |
| Total Adult Social Services | 0.0 | 0.7 | 0.7 | 0.0 | (0.7) | 0% |
| Total Housing and Adult Social Services | 0.0 | 0.7 | 0.7 | 0.0 | (0.7) | 0% |
| RESOURCES | | | | | | |
| Property | 0.0 | 0.2 | 0.2 | 0.2 | 0.0 | 100% |
| Total Resources | 0.0 | 0.2 | 0.2 | 0.2 | 0.0 | 100% |
| TOTAL CAPITAL PROGRAMME | 130.6 | (8.9) | 121.6 | 89.8 | (31.8) | 74% |

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Report of: Chair of Environment & Regeneration Scrutiny Committee

| Meeting of | Date | Ward(s) |
|------------|--------------|---------|
| Executive | 14 June 2018 | All |

| | | |
|-----------------------|--|------------|
| Delete as appropriate | | Non-exempt |
|-----------------------|--|------------|

Subject: HOUSEHOLD RECYCLING – FINDINGS OF THE ENVIRONMENT & REGENERATION SCRUTINY COMMITTEE

1. Synopsis

- 1.1 This report requests that the Executive receive the recommendations of the Environment & Regeneration Scrutiny Committee following the completion of its review of Household Recycling. A response to the recommendations set out in the report will be considered at a future meeting of the Executive.

2. Recommendations

- 2.1 That the report of the Environment & Regeneration Scrutiny Committee be received.
- 2.2 That the Executive Member's response be reported to a future meeting of the Executive, including having due regard to any relevant implications of the Environment & Regeneration Scrutiny Committee's recommendations.

3. Background

In July 2017 the Environment & Regeneration Scrutiny Committee commenced a review of household recycling. The overall aim of the review was to reduce the amount of waste going to incineration or landfill by increasing the amount of domestic recycling. The objectives of the review included building on the Council's Waste Minimisation and Recycling Action Plan 2016/17; understanding Islington's current performance and its targets; evaluating its current strategies and their effectiveness (including cost effectiveness); its operational and cultural barriers to recycling in particular among certain hard to engage groups and to consider measures to overcome such barriers; examining measures to increase the amount and type of re-cycling among those who already recycle eg food waste; consider operational issues which might increase

participation; understanding layout and capacity of waste and recycling bins on estates; specific issues in relation to the quality of recycling, in particular contamination, and to consider measures to improve it.

4.1 Financial Implications

The proposals in the report need to be costed before a response is made by the Executive.

4.2 Legal Implications

Relevant legal implications will be considered as part of the response to the review.

4.3 Environmental Implications

There are no environmental implications at this stage. Any environmental implications will be identified as part of the Executive Member response.

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.

The Committee has had regard to any equalities implications and resident impacts identified by witnesses during the course of the review. Details of any such implications are set out in the appended report. A Resident Impact Assessment has not been completed as the Executive is only asked to receive the report at this stage. The impact on residents will need to be fully considered as part of the Executive Member response to the review, at which point a Resident Impact Assessment will be completed if required.

5. Conclusion and reasons for recommendations

- 5.1 The Committee believes that Islington's re-use and recycling rate can be increased by focussing resources more effectively and by activities and engagement that supports the Council's core priorities.

Appendices:

- Report of the Environment and Regeneration Scrutiny Committee

Background papers:

- None

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Scrutiny Review Household Recycling in Islington

Report of the Environment and Regeneration Scrutiny Committee



London Borough of Islington
April 2018

Foreword

Islington's recycling rate is one of the best for inner London boroughs and its mixed dry-recycling rate is above average for all London boroughs, but the rate has stalled at 31% against an ambitious target of 35.2% for 2016/17 and 37% by 2020. Contamination continues to be a problem, reducing the amount of material that can be recycled.

While there are a number of well-understood and practical reasons for this, not least the squeeze on the waste minimisation budget caused by funding cuts from Central Government, which has substantially reduced education, communication and outreach work, there are obvious benefits to increasing our recycling rate and to encouraging re-use and reducing our waste. These make it worth the attention of this scrutiny committee.

Reducing waste and increasing re-use and recycling would:

- reduce Islington's impact on the environment;
- reduce the costs of disposal (in 2016/17 by £650,000);
- support our "making every penny count" core priority;
- help residents with the cost of living; and
- help to make Islington a place in which our residents have a good quality of life.

The recommendations are intended to support the Council's focus on making the most efficient use of resources, moving towards early intervention, prevention and resilience, and working across teams.

Although, as the scrutiny revealed, the service is generally well regarded, and Islington has planning and procurement policies that support recycling, there is some room for improvement. Increasing our focus on ensuring that procedures work more effectively and on giving more support to frontline staff, such as caretakers, would bring benefits. Frontline staff and volunteers could help increase the amount of communication, education and outreach work, which is essential to tackling low recycling rates and contamination.

Waste management has a direct impact on the quality of life of residents of streets and estates alike: overflowing bins, fly-tipping and waste dumped on estates creates an unpleasant environment and can lead to other anti-social behaviour. Working with residents to address problems empowers communities and builds resilience. Events on subjects such as food-waste reduction and upcycling, as well as "give and take days", are enjoyable sociable activities that bring communities together. In addition, the availability of good quality second-hand goods has a direct impact on the cost living. Projects such as the LOOP project on the Andover estate help to build confidence and skills.

All members of staff can contribute by their actions. Recycling already forms part of the work of a number of Council teams: housing officers and caretakers support waste and recycling on the estates; librarians hand out recycling bags and put on, or support, craft and other activities around re-use and recycling; community support officers work on projects with residents.

Recent re-organisations provide, however, an opportunity for a more co-ordinated approach and a renewed focus on delivery across teams.

The Housing Operations Service (HOS) has been re-organised into Homes and Communities, which incorporates the Voluntary and Community Team. This emphasises that, in addition to being a provider of housing, HOS has a role in supporting residents' health and wellbeing, and in giving them a sense of belonging, financial security and safety.

Libraries are developing to give a greater emphasis on their place as community hubs where people and communities come together to meet, mix and share. Trusted by residents, they are used regularly as a source of advice and support; they help to maintain residents' health and wellbeing, and to reduce social isolation. They are vibrant spaces in which people are encouraged to explore and participate in a year-round programme of inclusive and diverse cultural activities.

Street Environment Services (SES) is increasing its capacity to separate recyclable litter from litter collection in streets and has a new four-person performance data team which is using the improved data-capturing facilities of SES's new fleet of vehicles to target resourced more effectively.

Finally, one of the abiding lessons of this scrutiny is that residents' behaviour is influenced by others. For them to believe that recycling and re-use is important, the Council must lead by example.

All Council teams must rise to this challenge.

Scrutiny Review – Household Recycling

The aim of the review was to understand the challenges presented by household recycling in estates and housing blocks, and to consider ways to address contamination and food waste collection, particularly as the rate of recycling has stalled at 31%.

Evidence

The review, which ran from 11 September 2017 to April 2018, received evidence from a number of sources.

Witnesses

Support Manager, Resource London
Recycling Manager, Hackney Council
External Relations Manager, North London Waste Authority

Council Officers

Matthew Homer, Islington Waste Strategy Manager
Jon Farant, Homes & Neighbourhood Services
Tony Ralph, Head of Street Environmental Services
Bill Sinfield, Operations Manager, Street Environment Services
Billy Wells, Neighbourhood Service Manager

Peabody

Sunny Vadher, Caretaking Services Manager
Steve Mercer, Caretaking Team Manager

Site visits

London Eco Park, Edmonton
Bywater's MURPH Facility, Bow
Reuse & Recycling Centre, Cottage Road

Objectives

To build on:

- the Waste Minimisation and Recycling Action Plan 2016/17.

To understand:

- Islington's current performance and its targets;
- the legal and policy framework in which the Council operates, and to determine whether it can be strengthened;
- current strategies and their effectiveness (including cost effectiveness);
- operational and cultural barriers to recycling, particularly among hard-to-engage groups, and to consider measures to overcome the barriers;
- specific issues in relation to the quality of recycling, particularly contamination, and to consider measures to improve it;
- what internal and external resources are available, and how they are used.

To examine:

- measures to increase the amount and type of recycling among those who already recycle, for example food waste

To consider:

- operational issues that might increase participation, for example the layout and capacity of waste and recycling bins on estates;
- whether alternative or additional educational or communication strategies could help;
- the role of, and Islington's strategy for, waste reduction.

Recommendations

- 1 Set up a cross-team group to devise a programme to work across council services, residents' groups and relevant external organisations, to support community events, programmes and initiatives – which promote waste reduction, re-use, recycling and composting – as a way of increasing community engagement, resilience, the skills and capacity of residents, and improving the lived environment.**

- 2 Use the Council's new performance-data team to collect and analyse data more effectively on recycling and reuse. This would include:**
 - 2.1 Prioritise areas with low recycling rates or high contamination.
 - 2.2 Provide information to estates, schools and other institutions on their performance.
 - 2.3 Support incentives and promote competition between, for example, schools, estates or other areas of the community.
 - 2.4 Provide targeted communications to residents.

- 3 Improve communications with residents, landlords, staff and councillors**
 - 3.1 Train and support:
 - 3.1.1 staff members, including housing officers, caretakers, librarians and community officers who deal with residents, to enable them to encourage residents to recycle more, and to be able to provide information and answer questions;
 - 3.1.2 officers working in council offices to enable them to be recycling champions for their team;
 - 3.1.3 councillors and youth councillors;
 - 3.1.4 staff of social landlords and Partners for Islington to give them the confidence to support their residents.
 - 3.2 Consult with different groups to gain a better understanding of their experience of council communication channels and how they access information.
 - 3.3 Review the council's social media strategy to improve its understanding of the effectiveness of different methods of communication, such as videos and messaging.
 - 3.4 Apply the lessons learned to devise a cross-service communications strategy.
 - 3.5 Make better use of Council premises, such as libraries, housing offices, community centres, and 222 Upper Street, to improve communication with residents and to provide them with information and recycling bags.
 - 3.6 Improve the Council's recycling website so that it:
 - 3.6.1 encourages residents to reduce waste, re-use and recycle more effectively;
 - 3.6.2 is easier to use and provides the information residents need, including what can and can't be recycled and the implications of getting it wrong;
 - 3.6.3 provides information on what actions the Council is taking to influence wider policy issues, such as those around waste reduction and single-use plastics;
 - 3.6.4 provides practical information on how and where to obtain recycling containers and bags;
 - 3.6.5 makes it as easy as possible to ask for containers for delivery (where applicable);
 - 3.6.6 provides information on Islington campaigns and events, such as give-and-take days, or

community events.

- 3.7 Use events, such as one-off campaign days, as publicity.
- 3.8 Prioritise attendance at forums to engage with Tenants and Residents Associations (TRAs), and social landlords.
- 3.9 **Provide all new parents with information about the nappy voucher scheme and the correct way of disposing of disposable nappies.**
- 4 **Make waste reduction, re-use and recycling as easy and as attractive as possible for residents**
 - 4.1 Update procedures to ensure they reflect the joint responsibility that Homes and Communities and Environment and Regeneration have in keeping estates clean and tidy.
 - 4.2 Extend the Better Recycling sites' three-year programme to ensure recycling bins and sites are well maintained, attractive and clearly signed.
 - 4.3 Extend the community engagement work carried out on larger estates to include waste reduction, re-use and recycling.
 - 4.4 Ask all caretakers and housing managers for their suggestions on how to improve the recycling on their estates and on what can be done to help them in their recycling work:
 - 4.4.1 involve representatives of all affected parties in the initial discussions to help identify and resolve problems when changes in general procedure on waste management and recycling are considered, and before the procedure is implemented.
 - 4.5 Involve caretakers, concierges and housing managers in decisions about siting or re-siting bins, or changes in the type and number of bins on their estates.
 - 4.6 Provide training to all caretakers and housing managers, including offering visits to the re-use and recycling and the material recovery facility (MRF).
 - 4.7 Supply food bags, and clear sacks and leaflets to the caretakers and concierges, and tell residents that they are available.
 - 4.8 Ensure that caretakers are invited to the new tenants' induction and follow-up meetings.
 - 4.9 Update procedures so that caretakers and housing managers are clear on how, and to whom, they report recycling issues on their estates. Procedures should include feedback on the issues.
 - 4.10 Separate recycling and non-recycling when litter-picking the estates.
 - 4.11 Provide caretakers and concierges with new residents' names in the privately rented properties to enable them to contact the new residents about the management, including waste management, of the estate and to provide them with bags.
 - 4.12 Include a requirement to recycle in all Islington Council's tenancy agreements and include information on waste and recycling in tenants' induction packs. Provide new tenants with bags and encourage social landlords and other landlords to do the same.
 - 4.13 Include information in new tenants' induction packs, and in the six-week follow up meeting, on how and what to recycle, and on the consequences of contamination.

- 4.14 Maximise the efficiency and reach of the food-waste recycling service that is currently offered to estates. Where the food-waste service cannot be provided, consider providing community composting.
- 4.15 Improve the reliability of the ordering and delivery process for recycling containers.
- 4.16 Promote the option of using clear recycling sacks or green boxes for all street properties.
- 4.17 Ensure a reliable supply of clear recycling bags by updating the procedures for providing them through libraries and community centres.
- 4.18 Increase local collection points and run a pilot-online ordering and delivery offer of sacks.
- 4.19 Encourage home and communal composting.
- 4.20 Ensure that waste and recycling are part of landlord registration scheme requirements, that they are reviewed on inspection, and that landlords are required to display information on waste collection and recycling for each house in multiple occupation
- 4.21 work with major letting agents to help tenants understand their area's waste and recycling service by providing information at the start of their tenancies.

5 Demonstrate the Council's leadership in waste reduction, re-use and recycling

- 5.1 Audit the waste management systems of all council facilities, including offices, libraries and community centres, and continue to provide the facilities and procedures to ensure that recycling is enabled and prioritised.
- 5.2 Create a communications plan to support effective recycling in council facilities.
- 5.3 Work towards a paper-free council where possible. In the meantime, enable and encourage the minimisation of paper use.
- 5.4 Ensure that committee papers focus on the information necessary to meet the requirements for decision making.
- 5.5 Reduce, and eventually eliminate, the use of disposable plastic cups, straws, plates and cutlery at council meetings and facilities.
- 5.6 Reduce the use of single-use plastics in Islington and encourage government and producers to do the same.
- 5.7 Maximise the amount and quality of recyclable material collected from Islington's parks and open spaces.
- 5.8 Maximise the number of street-litter "Recycling on the Go" points and separate recyclable litter at the point of collections and sweeping.
- 5.9 Optimise the timing of collections of street litter recycling bins to reduce contamination at busy periods.

6 Ensure that Council policies support waste reduction, re-use and recycling

- 6.1** Review council policies and supporting documents, particularly those that relate to planning, new developments and procurement, to ensure that recycling and waste-minimisation requirements are as stringent as possible. Utilise the advice in London Waste and Recycling Boards 2014 report – Waste management planning advice for flatted properties.
- 6.2** Design all new builds with space and facilities, in individual properties and communally, to enable and encourage recycling.
- 6.3** Ensure enforcement options are available if planning conditions on recycling facilities are contravened.
- 6.4** Ensure updated information and advice is readily available for architects, developers and planning officers at all stages of the process.
- 6.5** Emphasise that waste, re-use and recycling is a priority.

7 Work with children and young people

- 7.1** Introduce sessions with children and young people in schools, youth clubs and adventure playgrounds to achieve a better understanding of their attitude to minimising waste, reuse and recycling, and to improve their engagement.
- 7.2** Work with schools, children's centres, youth clubs and adventure playgrounds to establish waste management systems which prioritise recycling and reuse.
- 7.3** Engage with children in recycling by, for example, running competitions or offering schemes, such as ECO schools.

8 Work with Residents

- 8.1** Introduce a programme of volunteer recycling champions to help with communication and engagement
- 8.2** Involve residents in significant decisions about siting or re-siting bins, or changes in the type and number of bins on their estates
- 8.3** Update procedures so that residents are clear on how, and to whom, they report recycling issues on their estates. Procedures should include feedback on the issues.

9 Promote pedestrians' and cyclists' access to recycling and re-use facilities at the Household Reuse and Recycling centre, at the site itself and in Council communications, including the website

10 Re-use on estates

- 10.1** Provide facilities on estates for residents to leave reusable furniture for other residents or for collection by reuse organisations, such as Bright Sparks.

10.2 Work with third-party organisations to operate more re-use and recycling projects, similar to the Andover LOOP project.

11 Review the work carried out by the Waste Minimisation and Recycling Team

11.1 Ensure that available resources respond to the priorities as effectively as possible.

11.2 Consider whether there are tasks that can be undertaken more effectively by other teams.

11.3 Investigate as to whether there are additional resources to support the work of the team that can be funded within current limits or through third parties.

Key Evidence

At an initial presentation by officers in Environment Services, on 11 September 2017, the Committee was informed of the following.

The Council's Annual Waste Minimisation and Recycling Action Plan had been agreed by the Executive on 20 September 2016. The aim of the plan was to provide quality services that meet the needs of residents, increase recycling and reduce the amount of waste sent for disposal through landfill or incineration.

Islington Council's compulsory recycling policy, which applies to all homes, includes all recycling, including mixed dry recycling, and food and garden waste. In addition, the plan seeks to achieve a 35.2% recycling rate for household waste and to support the NWLA's recycling target of 50% by 2020.

Enforcement is more practical with street properties than in estate blocks, which had communal bins, and recent legislative changes have made enforcement more difficult.

North London Waste Authority (NLWA) continues to be the regional waste disposal authority for Islington as well as for six other north London boroughs. In 2016/17, as a result of menu pricing, Islington Council's recycling saved the equivalent of £650,000 in disposal costs.

NLWA's Joint Waste Strategy 2004-2020, updated in 2009, is expected to be reviewed in the context of the North London Heat and Power Project (NLHPP) and the Mayor's new Environment Strategy, and of the Mayor of London's Draft Environment Strategy, which aims to make London a "zero-waste city" with no biodegradable or recyclable waste being sent to landfill by 2025.

The Mayor's strategy is to increase the recycling rate to 50% by 2020, and to 60% by 2030, with a focus on food waste and single-use packaging.

The Committee noted that Islington currently offers its residents a collection of mixed dry recycling, a minimum of weekly recycling and refuse collections, food and garden waste collections for street properties, communal recycling bins for estates, and nightly collections for flats above shops. There are also other services, including textile recycling sites, a reuse and recycling centre, and bulky waste and reuse collections.

Recycling is taken to the Bywaters facility in Bow, from where it is sold to reprocessors in the UK, Europe or the Far East and made into new products. Residual waste is incinerated, and converted for energy use or composting, at London Waste in Edmonton.

Organic recycling is quite low as a result of issues around food and garden waste, but dry recycling is high compared with neighbouring boroughs. Taking into consideration the fact that many homes in Islington don't have gardens, the composting rate is quite good.

As part of its waste prevention plan, in conjunction with NLWA the Council carried out face-to-face conversations with residents to promote food-waste reduction. The NLWA also participates in events such as Annual Waste Prevention Exchanges and the School Waste Education programmes.

Islington Council does not have a discrete communications' budget; it continues to "piggy back" on NLWA's communications campaign and to promote its recycling services through various channels, including its website. Door-knocking campaigns have always been an effective means of education and engagement with residents, but resources are limited and are primarily directed at residents of estate blocks and flats.

The Waste and Strategy Manager acknowledged that more needed to be done, including improving recycling sites, to tackle contamination and fly tipping on estates and public sites.

Street properties are provided with individual bins for food-waste collection and some estates have communal bins, but contamination continues to be high and difficult to address. In addition, participation among estate residents is quite low.

The introduction of technology on the new fleet of vehicles enables overflowing bins, particularly on estates, to be reported and resolved effectively. In addition, the vehicles weigh the contents of the bins, enabling officers to explore the possibility of targeting estates that have low recycling rates.

Local authorities in the UK face different problems on, and have different solutions to, managing recycling. Some have resorted to fortnightly collections for residual waste and weekly collections for recycling, and in some instances charge for collecting garden waste.

Addressing issues around the housing estates and also around the private rented sector would raise the present rate of recycling.

Refuse vehicles that are identified as containing a high level of contaminated material will not be allowed to proceed to Bywaters; in cases where contamination persists, officers will engage with residents on the benefit and impact of recycling.

A decision on whether savings realised from waste collection could be diverted towards campaigns and resident engagement, is a corporate decision (disposal cost is charged corporately through a levy from NLWA) and it is doubtful as to whether a business case could be proposed to justify it.

A report, "Guide to Waste Management in the Private Rented Sector", produced by Resource London, contains a number of recommendations on developing relationships between local authorities, landlords and private tenants. Officers are currently working through the recommendations with the aim of producing an action plan which will be brought to the Committee for consideration in due course.

As a result of Islington's compulsory recycling policy, the Council tends to focus more on educational activities and engagement with residents, than on enforcement. Officers serve an S46 notice only in exceptional cases, such as fly tipping, and only as a last resort.

It would be difficult to incorporate clauses on recycling into tenancy agreements for private rented landlords because the Council has no control over them. There is a licensing scheme for landlords, but with the exception of the HMO Licensing scheme, it is voluntary.

Caretakers could be used more effectively as recycling champions. Their knowledge of their estates and residents, and their ability to relate to BME residents and those with disabilities, is an important asset.

The Committee considered evidence from Resource London on improving recycling performance in Islington and noted the following points.

Resource London (RL) is a jointly funded partnership programme created by the London Waste and Recycling Board(LWARB) and WRAP. It ends in March 2020. It supports London waste authorities by helping them to achieve recycling targets set by the Mayor of London and the national government. In addition, RL helps to deliver these targets by undertaking service reviews for local authorities, introducing behavioural changes among residents, and promoting innovation and development.

RL's four objectives are to:

- restrict residual waste;
- improve the yield and quality of dry recycling;
- increase and improve the capture of unavoidable food waste; and
- minimise the amount of waste produced.

To increase the rate of recycling, RL works with councils to focus on certain aspects, such as:

- changing their residual collection regime from weekly to fortnightly;
- focusing on flats by using single transparent bags; and
- reducing the size of the residual bins and containerisation.

Changes introduced by Camden's Waste Service in April 2017 were reported to have increased recycling tonnage by 11% compared with the previous year.

RL has developed a guidance booklet for the private rented sector to help to raise awareness of recycling, but there are concerns that landlords would still not provide recycling facilities on their premises.

RL operates on a strategic planning level with waste authorities and does not have working relationships with voluntary organisations, such as Tenant and Resident Associations (TRAs).

The involvement of TRAs should be encouraged; by advising on the siting and design of recycling sites, they could reinforce a sense of ownership by the residents.

Introducing a league table of housing estates' or wards' recycling rate, on the Council's website, together with some financial or community incentives could help to increase community engagement.

Some estates are old and had no recycling facilities, but housing services are in the process of undertaking a structural survey to avoid the problem of overflowing bins.

For Islington, or any other authority, to meet the Mayor's target will require some radical changes to services, such as restricting residual waste or introducing fortnightly collections.

At its meeting on 17 October 2017, the Committee heard evidence from Hackney Council's Interim Recycling Manager, on Hackney's household recycling services.

Hackney Council provides a comprehensive borough-wide service for street properties and estates. Green boxes would not be suitable for more than 14,000 properties that have no frontage; in 2013 the Council introduced green sacks for low-rise properties.

The participation rate of street properties with the green sack scheme was an average of 84%, whereas for food waste it was 34%. Rates are low in deprived estates, which produce high

levels of waste but recycle the least.

Hackney's decision to move from source-separated collection to a commingled (green sack) collection enables environmental waste operations to use single-compartment older or used waste vehicles for recycling. This has extended the life of the waste vehicles because the older ones can be used for recycling, which is lighter than waste. The use of green sacks, rather than green boxes, has resulted in faster collections by crews and reduced traffic congestion.

Hackney Council employed an external consultant to assist in developing five possible waste restriction collection models, with the aim of increasing the recycling rate, and reducing the operational resource and carbon impact. In addition, projects were undertaken to consider the participation rate, waste composition and restriction modelling. Data from 300 households indicated that food continues to be the largest component in the waste stream, whereas the weight of recycling material has decreased since 2008 and contamination is not an issue in dry and food streams at street level.

The low recycling rate on estates or in high rises – more than 50 % of Hackney properties – prompted the setting up of a corporate programme in 2014/15 to improve estates' performance levels. The Estates Recycling Programme involved a three-phase range of interventions. Phase 2 involved closing chutes and building new bin stores.

Pilot schemes on issues around the sustainability of recycling rates and participation were held on three estates, involving 1,000 residents. The outcome will be reported in the spring of 2018. In addition, where the chutes had been removed on the three estates, waste and recycling bins are sited next to one another in order to change residents' behaviour. Since the trial began, on one of the three estates there has been a noticeable decrease in waste and a notable increase in recycling.

Hackney's budget for the Estates programme is £0.5 million a year, primarily to enable closure of the chutes and the building of new bin stores. The trial tonnages for the other two estates in the trial are expected by Q4 2017/18. If the Council were to close all chutes, it would need to build 600 new bin stores in the coming years.

Instances of fly tipping in public areas, particularly with large waste such as furniture, is handled by the enforcement team. Cleaning of storage areas is managed by Housing Services, which has been brought back in-house.

Engagement with supermarkets on recycling is more of a central government issue, although Hackney Council has worked with Tesco and Charities on recycling issues. It is not, however, regarded as being core to operations.

Operatives/crew deliver green sacks to Hackney residents every three months, and residents can order them online when they run out. The recycling team holds several community events a year, engages with residents through *Hackney Today*, and is now using social media to engage with the younger generation.

Hackney Council undertook a borough-wide outdoor advertising campaign in 2014/15, which resulted in a 30% increase in tonnage. The Council was recognised as the 2015 National Recycling Awards Winners.

In 2006, Hackney Council recruited Green Champions to promote the service to neighbours and record issues for the recycling team to act on, but it has not been active for more than seven years. It is difficult to correlate the existence of Green Champions with increased recycling rates, but it can bring other benefits to the recycling team, such as increased interaction with residents, wider reach of recycling messages, and on-street recycling monitoring and reporting. It was

noticeable that most of the champions had moved onto other green issues. Lessons learnt from employing champions were that appointments should be time specific, for example to start and end within a 12-month period.

In October 2016 Hackney Council received £638,000 from the Department for Communities and Local Government (DCLG) to provide a rewards scheme for residents who recycle. The three-year programme resulted in 110,000 doors being knocked with a 35% contact rate, and about 28,000 residents signing up to the programme. Residents were offered local discounts and cash offers of £40 and £100 vouchers, and the option of supporting charities of their preference.

Hackney introduced penalties for residents who did not participate when compulsory recycling was introduced in 2007, but they have never been applied. In most instances officers engage with the residents and impose sanctions only as a last resort. The Council has been successful in obtaining prosecutions in extreme instances of fly tipping, but government legislation makes it more difficult for the Council to penalise residents. In any event Hackney Council prefers education and engagement.

At its meeting on 17 October 2017, the Committee considered evidence from the External Relations Manager of NLWA.

The North London Joint Waste Strategy agreed by the seven north London boroughs provides a statutory framework for municipal waste management in North London for the period 2004-2020. It contains targets for reducing, reusing and recovering a proportion of the municipal waste generated in the NWLA and sets targets for reducing the waste sent for disposal to landfill.

The strategy focuses on preventing and reducing waste, followed by encouragement for items to be re-used and recycled. Following these priorities, NLWA focuses on recovering waste and burning it in incinerators to generate heat. Its least desirable option, because of its environmental impact, is to send waste to landfills.

NLWA's Strategy sets recycling target of a 50% by 2020, but performance rates range between 25% and 37% across the seven boroughs. Islington's rate has stalled at 30.6%.

NLWA monitors progress across targets, shares best practice, undertakes research into motivation and behaviour, is involved in communication campaigns, tackles contamination and undertakes outreach work in the community. In addition, it has embarked on an awareness campaign directed at the transient population of young north Londoners who are likely to live in flats where participation is currently low. The campaign uses simple messages – such as “one material at a time” and “saving stuff for the future” – social media, Sky TV, digital and online services. The message has been positively received by the younger population.

NLWA, in conjunction with borough officers, review useful advice issued by WRAP about what can and cannot be recycled so that advice is standardised across the boroughs. It also reviews borough literature and websites to ensure that information is clear.

NLWA recently started work on contamination and is researching what other authorities are doing, the disposal cost of contamination, and is working on communications on a pan-North London basis.

The Waste Prevention Plan involves outreach work in the community on waste prevention and recycling, which is prepared biennially and revised annually. It identifies a number of priority material waste streams, such as food waste, furniture/bulk waste and textiles, and seeks to set out a series of specific actions on each. Its focus has been on action-orientated activities, providing

information, and helping to promote initiatives that it deems to be effective.

NLWA is involved in initiatives such as “Waste Less, Lunch Free” or “European Week for Waste Reduction”, where food-waste prevention stalls are set up in the community and chefs give advice on cooking skills and food portioning. Many of the events are directed at hard-to-reach groups to raise their awareness of minimising waste and cooking only what is required. For example, the “New Leaf” project, organised in the summer informed residents on disposing of salad meals as compost waste; and before Christmas the “Gift of Waste” project was developed. Participants learnt how to make their own low-cost and low-waste preserved foods, which made ideal Christmas presents.

NLWA and the London Reuse Network had operated a successful network of charities to find new homes for good-quality unwanted furniture and appliances, but it closed down. NLWA continues to work with local charities, however, on the reuse of furniture. In addition, NLWA’s waste-prevention team began to promote recycling messages in 2017 and facilitated more than 59 events across the boroughs. The events centred around educating the public on mixed dry recycling and food waste by having recycling information stalls, workshops or presentations. The events were well attended.

NLWA carried out an intensive education project on waste prevention and recycling that involved visiting 14 schools a year across the seven north London boroughs. It spoke to more than 4,240 pupils, 220 staff and 175 parents. It reviewed facilities in the schools to encourage waste reduction and increase recycling. On revisiting the schools a year later, there was a noticeable reduction of approximately 1 ton of waste per school.

At its meeting on 14 November 2017, the Committee considered evidence from the Caretaking Manager of Peabody Estate and noted the following points.

Peabody, established in 1862, manages more than 27,000 properties in London, incorporating Peabody, Thamesmead, CBHA and Crown Estates. Since the recent merger with Family Mosaic, the portfolio has increased to more than 55,000 properties. Peabody manages 1,689 properties in six housing estates in Islington.

Peabody has adopted a corporate approach to recycling in various London borough estates and is currently involved in the Loop re-use project on Hackney’s Pembury Estate where bulky items, such as furniture, are offered at discounted prices to new tenants. Peabody currently works Hackney on recycling food waste and with Tower Hamlets on recycling mattresses; over the years it has advised Hammersmith & Fulham and Kensington and Chelsea on bin design.

A number of innovations have been introduced to suit particular estates, such as different sizes of food bins and bags. Committee members were invited to visit the Priory Green Estate to see an example of recycling that experiences a high level of participation.

The success of Hackney’s food collection services can be attributed to a number of factors, including continuing communication with residents and education programmes in schools that highlight the environmental and costs implications to the Council and residents. The introduction of incentives and Hackney Council’s determination to persist have also been crucial.

Residents who live in the old housing estates managed by Peabody, which have no lifts or waste chutes, are provided with different-sized bins and are encouraged to dispose of waste in communal bins. Residents receive regular communication/updates to ensure that the recycling agenda continues to be a high priority.

Caretakers on Peabody estates work closely with local authorities on reporting missed collections, to help remove and report contamination in their estates, to advise residents on

identifying recyclable materials, to provide feedback when consultation is being carried out by developers on new builds, and to work with asset management teams on communal improvements.

Suggestions, including using Council resources more efficiently, were made on how to increase recycling rates. Other suggestions included encouraging staff to undertake activities, such as door knocking and the distribution of leaflets. If any initiatives are to be effective they must be sustained rather than being one-off or short-term.

Providing vouchers for residents or financial contribution to projects – such as gardens in estates and landscaping activities – are useful incentives.

The design and positioning of bins is vital; residents do not like touching bins when disposing of waste and recycling, and bins need to be convenient to use.

The Committee also heard evidence on the operations of the recycling team, and the data-collecting potential of the recently acquired fleet of Refuse Collection Vehicles (RCVs).

Although technology exists for other aspects of the crews' operation, the Service currently only collects data that relates to the vehicles' total tonnage after each round of collections, when a crew returns to the depot in Hornsey Street.

The Head of Street, Environmental Services reported that the new fleet of RCVs currently collects waste from street level properties but not from estate recycling bulk bins. The vehicles used by the estate recycling service are, however, scheduled to be replaced in 2019 as part of the vehicle procurement exercise. The new vehicles will be fitted with bin-weighing technology that will enable the exact tonnage that each estate is actually recycling to be ascertained and the data will be able to be used to identify areas with low participation rates. Currently crews report on these, and on high-contamination areas.

Despite constant messages and leaflet distribution to estate residents, participation rates continue to be low and contamination continues to be a problem. Offering incentives, appointing recycling champions and inviting residents to be stakeholders at resident meetings, could raise awareness and participation.

Missed collections on estates could be a result of access issues for the vehicles or of contamination, which cannot be collected as recycling. This is reported immediately and followed up by the refuse crew.

Crews' preference for bags, compared with plastic boxes/bins, was noted. Each crew member lifts up to 230 recycling boxes a day. The advantages of using bags included that they are easier to lift, speed up the operation because they do not need to be returned to the property, and keep recycling items contained so that there is less mess on the streets. When boxes are too small for some households, it leads to littering. There is an issue with the capacity of the bags to hold heavy recycling loads, such as large amounts of paper and bottles, and they can be blown about in high winds. Plastic sacks relate only to street-based collections, and recycling bulk bins are made available to estate recycling collections.

At its meeting on 25 January 2018, the Committee considered evidence from the Neighbourhood Services Manager and noted the following points.

Regular meetings are held between officers of Street Environmental Services and Housing Services to ensure that there is a joined-up approach to issues around collections in estates. Over

the past 12 months there had been significant progress in addressing recycling issues.

The introduction of technology, particularly on some of the recently acquired refuse collection vehicles, enables officers to identify levels of recycling in different areas and helps them direct resources to deal with the different challenges of participation and contamination.

Measures to improve recycling rates include: developing a caretaker app for the caretaking services; working with and supporting caretakers to be recycling ambassadors; providing regular training to caretakers; siting of recycling sites closer to residents; introducing competitions between estates; and involving resident.

The Head of Homes and Neighbourhood Services reiterated the importance of resident's involvement as the key to participation levels with the view to encouraging resident volunteers to be recognised as "resident champions".

Recycling bins that are in locations without clear signage confuse residents. The Street Scene Strategy Manager reassured Members that, although TMOs and TRAs have different management styles, decisions on the siting and design of bins would have been agreed following a consultation with residents.

Operators and caretakers need to report the condition and state of bins, particularly damaged lids and untidiness. The Council is in the process of installing better-designed bins through its Capital programme.

The Neighbourhood Service Manager reported that the caretaker app, which is being developed to address anti-social behaviour, could also be used to identify low rates recycling and reporting missed collections.

On the issue of community engagement and consultation, officers should consider seeking views beyond those of the residents who regularly attend Tenant and Residents' Association meetings, by using online forums so that feedback is more representative.

Some businesses are using communal bins that are designated for household recycling and some estates receive both estate and street type collections, which causes confusion

The Neighbourhood Services Manager reported that an offer by the Street Scenes Manager for additional staff training on recycling was welcome. In addition, Members were advised that concerns about tipping and environmental crimes, particularly around communal areas in estates, were being tackled by the Council. The use of mobile CCTVs, and in serious cases prosecution, had been successful.

At its meeting on 26 February 2018, the Committee met residents and representatives of the TRAs who had been invited to share their experiences and to suggest ways of improving residents' participation and of increasing the recycling rate. The following points were made.

TRAs and TMOs play a vital role in engaging residents and in raising issues, such as residual waste and recycling collection in housing blocks, but there is still more to be done to increase resident participation.

A minority of residents of the St Luke's Estate TRA still refuse to participate in any form of recycling, despite the TRA's efforts. There is still some low-level fly tipping on the estate.

TRAs would welcome Council support in areas such as residents being able to access recycling bags and properly labelled bins in suitable locations on the estate to prevent contamination.

Residents are concerned that labelling is not clear enough and have suggested the provision of larger recycling bins to deal with overflowing. Other concerns include the untidiness of communal bins and communal areas. It was suggested that car parking bays could be replaced with lumber storage facilities to prevent fly tipping and dumping.

St Luke's Resident and TRAs are active in facilitating recycling and levels of participation, but few residents are directly involved, which is not sustainable in the long run. Residents who recycle complain about the indifference to safety of those who, for example, leave items of clothing by the concierge or on the ground floors.

Converting the use of chutes from residual waste to recycling waste has worked on some estates but concerns about blocked chutes and contamination should not be disregarded.

The Council needs to address the root causes, rather than the symptoms, of recycling. The Council's contractual arrangements may need to be reviewed because one of the reasons for high contamination is that residents are not interested in separating items for recycling.

The Council can provide bags of compost, particularly for estates that have performed well with kitchen-waste recycling and have gardening groups.

If the accumulation of rubbish on housing estates is not addressed, it could easily descend into anti-social behaviour and, possibly, illegal activity.

The Council has a statutory duty to collect waste. Although it cannot charge residents it can decide on the frequency of collections and the number of bags that it provides residents.

Community-driven reuse and well-being programmes, such as the LOOP project on the Andover Estate (sponsored by Groundworks), deliver benefits that include community cohesion, the acquisition of craft skills by volunteers, the prevention of fly tipping and the facilitation of community events.

Groundworks, which runs the LOOP project, will be bidding for c£10,000 to build on the success of the project to enable it to develop a community-driven reuse and well-being project to reach out to more people.

Funds would be used towards raising awareness of the LOOP programme, engagement in informal educational activities and highlighting the benefits of the reduce/reuse/recycle agenda. In addition, the project would engage harder-to-reach groups, such as older/isolated men, BAMER women and young people not in education/employment training.

It is important to encourage residents to reduce waste by changing their behaviour.

Meanwhile, the Council continues to support waste collection, prevention, recycling and reuse.

The Executive Member for Environment & Transport acknowledged the importance of recycling but reiterated that in as much as the Council continues to encourage recycling rates, it supports the waste hierarchy with regards to waste collection, namely prevention, recycling and then reuse, and that it was important to encourage residents to change their behaviour to reduce waste.

Conclusion

The Committee thanks all the contributors to the scrutiny.

While it acknowledges the evidence presented to it that less frequent collections and containment will drive up recycling rates it is not persuaded that this is practical way forward given Islington's housing. Its recommendations are intended to support the Council's focus on using resources more effectively and supporting Islington Council core priorities. In doing so the Committee believes that Islington's re-use and recycling rates will increase.

Membership of the Environment and Regeneration Scrutiny Committee

Councillors – 2017/18

Councillor Champion (Chair)
Councillor Hamitouche (Vice Chair)
Councillor Doolan
Councillor Raphael
Councillor Russell
Councillor Gallagher
Councillor Heather
Councillor Jeapes
Councillor Perry-Clarke

Substitutes

Councillor Poyser
Councillor Court
Councillor Gill
Councillor Turan
Councillor Debono
Councillor Diner
Councillor Picknell

Acknowledgements

The Committee thanks all the witnesses who gave evidence to the review.

Officer support

Ola Adeoye – Democratic Services
Lead Officers – Matthew Homer

Appendix – Scrutiny initiation document

| |
|--|
| Review: Domestic Recycling |
| Scrutiny Review Committee: Environment & Regeneration Scrutiny Committee |
| Director leading the review: Bram Kainth |
| Lead Officer(s): Matthew Homer |
| Overall aim: To reduce the amount of waste going to incineration or landfill by increasing the amount of domestic recycling |
| Objectives of the review: <ul style="list-style-type: none">• To build on the Council’s Waste Minimisation and Recycling Action Plan 2016/17• To understand Islington’s current performance and its targets• To understand the legal and policy framework in which the Council operates to determine whether it can be strengthened• To understand current strategies and their effectiveness (including cost effectiveness)• To understand what internal and external resources are available and how they are used• To understand specific issues in relation to the quality of recycling, in particular contamination, and to consider measures to improve it• To understand operational and cultural barriers to recycling in particular among certain hard to engage groups and to consider measures to overcome such barriers• To consider measures to increase the amount and type of recycling among those who already recycle e.g. food waste• To consider operational issues which might increase participation eg layout and capacity of waste and recycling bins on estates• To consider whether alternative or additional educational or communication strategies could assist• To consider, briefly, the role of waste reduction and Islington’s strategy in this regard |
| How is the review to be carried out: <p>The Committee will:</p> <ol style="list-style-type: none">1. Review the effectiveness of the Council’s current Recycling Strategy and2. Make recommendations for further measures to work towards the North London Waste Authority target of 50% recycling by 2020. <p>Types of evidence</p> <ol style="list-style-type: none">1. It is proposed that oral evidence is taken from:<ul style="list-style-type: none">• Islington Council Officers Matthew Homer – Street Strategy Manager Bill Sinfield –Operations Service Manager Tony Ralph – Head of Street Environment Service Jo Murphy – Service Director – Homes and Communities David Salenius – Principal Housing Manager – Estates Services• Officers from Neighbouring Councils Hackney Council Camden Council• Executive Member for Environment and Transport – Claudia Webbe• London Resources |

| | |
|--|----------------------------------|
| <ul style="list-style-type: none"> • North London Waste Authority • Tenants and Residents Associations <ol style="list-style-type: none"> 2. Documentary evidence 3. Scrutiny visits to recycling and waste depots and housing estates | |
| Programme | |
| Key output: | To be submitted to Committee on: |
| 1. Scrutiny Initiation Document | 11 September 2017 |
| 2. Draft Recommendations | 22 March 2018 |
| 3. Final Report | 17 April 2018 |

Appendices

Meetings

23rd October 2018 - Street Environment Services (performance data and operations generally)
 1 February 2018- Homes and Communities (Community Engagement)
 8th November 2017 – Greenspace (Parks and open spaces)
 11 January 2017 – London Borough of Camden
 16th January 2018 – Libraries
 5th February 2018 - Environmental Health (Landlord’s Licensing)
 16th February 2018 – Groundworks
 26th February 2018 – Youth Council
 12th March 2018 – Housing Needs (Partners for Islington)
 14th March 2018 – Housing Needs (New Builds)
 10th April 2018 – Homes and Communities (with Caretakers)

Visits

13th July 2017 – NWLA Food Minimisation Workshop
 15th July 2017 – NWLA Food Waste and Recycling stall at Whitecross Street
 13th October 2017 - London Eco Park, Edmonton
 31st October 2017 – Field trip with a recycling crew
 2nd November 2017 – Recycling training at the Re-use and Recycling Centre
 17th November 2017 Bywater’s MRF Facility, Bow
 23rd November 2017 – Visit to Priory Green Estate with Peabody
 31st January 2018 – Andover Estate Steering Group
 12th March and 22nd March 2018 - Visits to Marquess Estate

Presentations to the Committee:

Recycling presentation by Waste Minimisation Team dated 11th September 2017
 Improving Recycling Performance in Islington by Resource London dated 11th September 2017
 Recycling in Hackney by Recycling Manager dated 17th October 2017
 Operations by Street Environment Services dated November 2017
 Recycling in Islington by Peabody dated 14th November 2017

Islington Council documents:

[Waste Minimisation and Recycling Action Plan 2016/17](#)
[Waste Minimisation and Recycling Action Plan 2017/18](#)

Delivering The Loop@Andover on Andover estate, Islington Report dated January 2017
 Muslims Women’s Network Project report 2014

Recycle Week Summary Report Doorstepping October 2017 by Keep Britain Tidy
Clear recycling sack Pilot evaluation report 2014
Recycling Containerisation Project 2012
Residents recycling champions – feedback from other Local Authorities
Expansion of communal food waste to remaining purpose built blocks of flats
Recycling in properties managed by social and private landlords
Residents' Survey (and summary report)
Facebook Quiz
Recycling and rubbish Google Analytics - Oct to Dec 2017

Islington Council's HMO Licence Conditions
Islington Council's Resident's sign up pack and tenancy agreement
Local Plan, Development Management Policies
Procurement Rules
Recycling and Refuse Storage Requirements

Reference:

North London Waste Prevention Plan 1 April 2016 to 31 March 2018
Evaluation of the North London Intensive Education Project in 2014-15 and 2015-16 dated March 2017 by NLWA
Guide to Improving Waste Management in the Domestic Rented Sector by Resource London, 2017
Waste management Planning Advice for New Flatted properties by LWARB, December 2014
Waste: Household Recycling London Assembly Environment Scrutiny Committee, December 2017
Wrap and Resource London Studies

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

| Meeting of: | Date | Wards |
|-------------|--------------|-------|
| Executive | 14 June 2018 | All |

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THE APPENDIX TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION

SUBJECT: DELIVERING MORE COUNCIL HOMES: PROVIDING IMPROVED, BETTER VALUE, TEMPORARY ACCOMMODATION

1. Synopsis

- 1.1 The Council is committed to increasing the supply of genuinely affordable homes in Islington to help our residents address the current cost of living crisis. This report sets out how a programme of purchasing existing homes for sale both within Islington and in Greater London would make a contribution to meeting this objective and help us maximise the use of our RTB receipts.

2. Recommendations

- 2.1 To approve a temporary accommodation acquisitions programme that enables the council to increase the supply of council owned temporary accommodation and maximise the spend of excess RTB receipts starting in the 18/19 financial year and continuing in subsequent years, subject to funding.
- 2.2 To delegate authority to purchase individual properties that are considered to be affordable and value for money to the Corporate Director of Resources in consultation with the Corporate Director of Housing and Adult Social Services and the Executive Member for Housing and Development.
- 2.3 To authorise the additional resources required to deliver the programme efficiently and effectively, as outline in Point 3.4.2 of this report.

3. Background

3.1 Housing need in Islington

- 3.1.1 Our vision for housing is that everyone in Islington has a place to live that is affordable, decent

and secure. However, due to lack of land, a restricted capacity to borrow within the Housing Revenue Account and restricted resources it is very challenging to deliver an adequate supply of new affordable housing to meet need.

3.1.2 Despite the difficult circumstances, the council has developed an ambitious target to deliver 1,900 new genuinely affordable homes, including 550 new council homes, between 2018 and 2022. However, there are over 12,000 households who have applied for social housing in Islington and 745 households placed in temporary accommodation. Almost half of those households are housed outside of the borough and over 680 of these in privately owned accommodation. Standards of accommodation within this sector have fallen in recent years, as the local housing allowance has reduced in value, and are generally of a lower standard than similar council owned properties with significantly higher private sector rents.

3.2 **Buying properties to meet housing need:**

3.2.1 The need for additional housing within Islington outstrips levels of supply significantly. Despite the success of our new build programme and recent initiatives to increase our own supply of temporary accommodation, we continue to be heavily reliant on the private rented sector to meet our need. This presents a number of issues for the council in terms of the quantity and quality of accommodation available, the standard of repairs and maintenance services and costs the general fund nearly £1m a year to subsidise.

3.2.2 Purchasing properties for use a temporary accommodation (TA) in the general fund will have a significant number of benefits to the council and our tenants:

- Our own accommodation will be of a higher quality, better managed and kept in a good state of repair
- Setting our own rents in future years will mean that we can project costs more effectively and reduce the amount the council subsidises TA.
- Increasing the levels of council stock through acquisition will offer an expedient way to maximise the spend of excess RTB receipts.
- Reducing the council's reliance on private sector landlords for TA and increase the supply at a time when it is envisaged demand for TA will increase.
- The value of the properties will increase over time which the council could sell to generate one off receipts or generate ongoing income for the general fund.
- As these are assets held in the general fund we can sell them quickly and relatively easily, compared with HRA properties which would limit our risk if need changes in future.

3.3 **Limiting factors:**

3.3.1 There are two key limiting factors that will restrict the scale of any acquisition programme within Islington and they are the number of affordable properties available and the availability of funding. House prices in Islington have increased significantly over recent years, with the average value of flats being sold in 2017 being £595k. Whilst indications are that the London market slowed significantly in terms of the rate of house price inflation, it is likely to be very challenging to find a significant number of properties which meet our cost and size criteria within the borough.

3.3.2 We recommend that, whilst we focus our efforts on purchasing properties within Islington, we should look at opportunities within the wider Greater London area which have direct public transport links back into the borough so that tenants can still access services with relative ease. Whilst this would not be our first choice, it should be recognised that almost half of the temporary accommodation we have is in other London Boroughs, where there is a greater supply of affordable housing.

3.2.3 The average cost of a flat in Haringey is £490k, Hackney £507k, Enfield £309k and £472k in Barnet. These are all significantly cheaper than the average Islington costs and in greater supply (Source: Rightmove, 04/2018). Whilst it will be necessary to purchase properties at the lower end of the market, not the average, buying in these areas will mean that we can purchase more

properties for the same amount of money and will give the council the best chance of achieving the level of spend required to best utilise our RTB receipts. Purchasing properties within similar geographic areas will mean that management and repair of properties can be undertaken within existing resources or contracted out if they become problematic.

3.4 **Delivering a property acquisitions programme**

3.4.1 It is recommended that Executive approve a general acquisitions programme that enables the council to maximise the spend of excess RTB receipts starting in the 18/19 financial year and continuing in subsequent years, subject to there being excess RTB receipts to utilise. It is also recommended that Executive delegate authority to acquire individual properties to the Corporate Director of Resources in consultation with the Corporate Director of Housing and Adult Social Services.

3.4.2 Additional resources will be required to undertake a large scale procurement programme. Based on the purchase of an anticipated additional 88 properties over the two years, the disposal of a small number of uneconomical properties and providing some additional support to the new build team we recommend that a conveyancer is recruited on a fixed term contract and is located within the team. The acquisition and disposal of the properties will be managed by the housing business plan manager but this will also require the support of one administrative officer.

4. **Implications**

4.1.1 **Financial implications**

SUMMARY

4.1.2 It is intended that the properties purchased will be held in the general fund for use as temporary accommodation.

4.1.3 As such we will be able to access general fund prudential borrowing in order to finance 70% of the purchase cost the remaining 30% of the purchase cost will be financed from RTB 141 receipts.

4.1.4 *Further information is set out in the exempt appendix at 4.1.4*

4.1.5 **ELIGIBILITY: RTB 141 Receipts**

Govt. eligibility criteria for retaining the receipts: receipts must be spent within 3 years from the date received & can contribute up to 30% of costs relating the increase in the supply of social housing.

4.1.6 The Council's current policy is to maximise the use of RTB 141 receipts in the delivery of new build however the HRA borrowing restrictions mean that we have to control/limit the expenditure incurred (number of new build schemes we can undertake), in order to manage the HRA cash flow.

4.1.7 The curtailing of our ability to spend in the HRA has in turn led to the accumulation of excess RTB 141 receipts.

4.1.8 However, using our receipts in the general fund to purchase properties for temporary accommodation enables us to make use of the Council's prudential borrowing powers which are not restricted by a borrowing cap.

4.1.9- *Further information is set out in the exempt appendix at 4.1.9 - 4.1.13*

4.1.13

4.1.14 Table B: below illustrates that this proposal is financially viable on an annual basis.

TABLE B

| | 50Units 2018-19 per Annum £000's | An EXTRA 38 Units = TOTAL 88 2019-20 per Annum £000's |
|--|--|---|
| RENT (at 85%) | -£690 | -£1,210 |
| RUNNING Costs (Management & Day to Day Repairs £2.75k) | £140 | £240 |
| Borrowing Costs (principle & interest) | £630 | £1,105 |
| Saving on the cost of Nightly booked | -£100 | -£175 |
| NET potential surplus | -£20 | -£40 |

4.1.15 **RISKS:** The most significant risk/uncertainty centres around the potential volatility of the housing market, this risk is mitigated to a very large extent because 30% of the purchase price is covered off by RTB 141 receipts so house prices would need to fall by more than 30% for the general fund to be left with a debt that exceeds the value of the property.

4.2 Legal implications

4.2.1 Under section 193 of the Housing Act 1996, the council must secure that accommodation is available for occupation for an applicant if they are satisfied that s/he is homeless, eligible for assistance and has a priority need, and are not satisfied that s/ he became homeless intentionally. The council may discharge that duty by securing accommodation owned by a third party or by securing that suitable accommodation provided by it is available for the applicant. In the latter case the council may acquire property under section 120 Local Government Act 1972 in order to fulfil its s193 duty. Such property falls to be accounted for in the General Fund rather than the Housing Revenue Account.

4.2.2 Right to buy receipts must be applied in accordance with the Local Authorities (Capital Finance and Accounting) Regulations 2003 (as amended) and guidance thereunder and the terms of any agreement under section 11(6) of the Local Government Act 2003 modifying the applicability of the regulations. The council entered into a s11(6) agreement with the Secretary of State for Communities and Local Government on 29 May 2012 (subsequently varied on 23 May 2013) pursuant to which the council is permitted to use right to buy receipts for the provision of social housing. In this context 'social housing' is residential accommodation that is made available for less than market rent to people whose needs are not adequately served by the commercial housing market. 'Rent' is defined to include payments under a licence to occupy accommodation.

4.2.3 Under the agreement, the council may use RTB receipts for the purchase of existing dwellings other than existing social housing dwellings. However, the contribution from RTB receipts must not exceed 30% of the purchase price.

4.3 Environmental implications

4.3.1 The proposed programme of property purchase will have positive environmental implications. This is because the properties purchased are likely to be maintained to higher environmental standards than they would have been had they remained in the private sector. All Islington Council properties are maintained to the Decent Homes standard whilst approximately 20% of properties in the private sector currently fall below this standard.

4.4 Resident Impact Assessment

4.1.1 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.

4.1.2 An Equality Impact Assessment was completed. The EIA identified that there would be no negative differential impacts. This decision was made because for each of the protected characteristic groups the proposed purchase programme had no adverse impact. However, in relation to age (both young and old), ethnicity, poverty and disability the impact of the strategy in terms of increasing the supply of social housing in Islington will have a positive impact. This is because residents from these protected characteristics groups are more likely to be in housing need in Islington.

5. Conclusion and reasons for recommendations

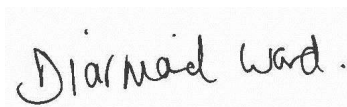
5.1 This report recommends that Executive approval is sought for a programme of buying properties for sale in Islington and in the Greater London area at a scale that is affordable and represents value for money for the council. This programme could deliver a number of benefits including delivering more desperately needed genuinely affordable housing in the longer term, reducing costs for the general fund, maximising use of excess RTB receipts and raising standards of temporary accommodation.

Appendices: Exempt Appendix

Background papers: None

Final report clearance:

Signed by:



Executive Member for Housing and Development

Date: 5/6/2018

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Report of: Executive Member for Housing and Development

| Meeting of: | Date | Ward |
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| Executive | 14 June 2018 | Bunhill |

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SUBJECT: BUILDING GENUINELY AFFORDABLE HOUSING IN EC1 - USE OF RIGHT TO BUY RECEIPTS

1. Synopsis

- 1.1 This report provides an update on the proposed partnership development with the City of London Corporation (CoLC) to provide additional primary school places to meet the respective local authority's statutory duties and to build social rented homes as part of the development.
- 1.2 The council owns the site of the former Richard Cloudesley School (RCS) and the CoLC owns the adjacent garages and Adult Education Centre (AEC) that forms part of the Golden Lane Estate. It is intended that the former RCS site is transferred to the CoLC on commencement of the development.
- 1.3 Until the summer of 2017, the former RCS site was temporarily occupied by the New River College whilst its Dowrey Street site was re-built. Since then the building has been secured whilst design and construction proposals were developed.
- 1.4 The development has now been approved by both the Islington and the CoLC Planning Committees subject to GLA referral, planning conditions being met and Section 106 agreement signed. The scheme was presented to the GLA on 16th April 2018. The GLA report is drafted for approval by the Mayor and due for sign off on 15th May 2018. The planning permission will be issued on receipt of a Directors undertaking that the CoLC enter into the S106 agreement immediately following the transfer of the RCS site to the CoLC. It is anticipated that the Section 106 agreement will be in place by or shortly after the date of the Executive meeting.
- 1.5 The council, as local planning authority, required substantial changes to the residential development which has significantly increased its cost. This report seeks approval to the Council making of a contribution to the cost of the residential development from its Right to Buy (RTB) receipts.

2. Recommendations

- 2.1 To agree to make up to a £7.0m contribution from the RTB receipts to the CoLC contributing towards the cost of the housing element of the development. In doing so the council will be entitled to:
- Nominate in perpetuity to 50% of the total number of homes in the development (33 out of 66 homes as set out in the Head of Terms agreement).
 - Receive a 50% share of the income from the office space provided in the new development. Commercial revenue.
- 2.2 To authorise the Director of Housing and Adult Social Services in consultation with the Director of Law and Governance and Corporate Director of Resources to negotiate and agree the terms of the grant agreement for the contribution from RTB receipts with the CoLC.
- 2.3 To note that, subject to the approval of the GLA, the CoLC will be required to use the GLA grant of £3.96m previously allocated to the housing element of the development to fund a new social housing scheme(s) within Islington to which the council will have a minimum of 50% of nomination rights based on habitable rooms
- 2.4 To agree the proposal to provide a license to the CoLC to enable asbestos removal, soft strip and demolition of the existing buildings on the site.

3. Background

- 3.1 In November 2013, the Executive agreed the principle of a joint development of the RCS site and adjoining AEC site with the CoLC to provide additional nursery and 1 Form Entry (FE) primary school and social housing.
- 3.2 Through the Joint Project Board (established in November 2013 and comprising officers from both authorities), and following detailed negotiations, Heads of Terms for the development and Heads of Terms for the lease to the academy body were produced. They included the requirements imposed by the Education Funding Agency (EFA) as a condition of providing funding to meet the cost of construction of the 1 FE primary school and nursery. In November 2014, the Executive agreed to proceed with transfer of the RCS site to the CoLC and authorised relevant officers to negotiate and agree the final terms for the disposal and development of the site in accordance with the principles set out in the Heads of Terms.
- 3.3 Subsequently, in March 2015 the EFA indicated that it would only approve the CoLC's application for funding for the school if its capacity was increased to 2 forms of entry. The previously agreed Heads of Terms were revised to reflect this change and in January 2017 the Executive approved the revised development.
- 3.4 The development process is being managed by the CoLC. In order to satisfy planning requirements for active street frontage and commercial units, the CoLC has had to make significant design changes to the residential element of the development. Those required changes, together with the delay in construction, has considerably increased the estimated construction cost of the housing element. This has meant that there is a significant shortfall in the available funding for the housing element. In order that the housing development may proceed, it is proposed that the council agree to make a financial contribution from its RTB receipts to the CoLC towards the cost of the housing element. The contribution would be capped at £7m and, in any event, would not exceed 30% of the cost of the construction of the social rented units as per RTB funding requirements. Originally the funding for the housing element included a GLA grant of £3.96m. However, the council is precluded from making a contribution from its RTB receipts where the new social rented housing is also being funded by a GLA grant. Accordingly, the council's financial contribution would replace the GLA grant which, subject to GLA approval, the CoLC would use to fund a social housing scheme(s) in Islington to which the council would have a minimum of 50% nomination rights.

- 3.5 The social housing element will be owned and managed by the CoLC and the homes will be initially let on introductory tenancies which are then either terminated, extended or become secure tenancies at the end of the introductory period. The council has negotiated nomination rights in perpetuity to 50% of the new homes. The entire development will be for social rented housing whereas most residential development is a mix of private, shared ownership and social rented housing. Planning would require the maximum reasonable amount of affordable housing on a development which would lead to anything from 10-50% affordable housing. Of that maximum reasonable amount, 70% would be for social rented housing. Through this agreement with the CoLC the council will secure a greater number of homes for social rent. The CoLC has also agreed that 70% of the council's nomination rights will be to family sized accommodation (2 bedrooms plus).
- 3.6 On 1st March and 26th March 2018 respectively, the Council's and the CoLC's Planning Committees resolved to grant planning permission for the development including 66 new homes for social rent and the 2FE primary school and nursery. Planning permission will be issued to the CoLC once the Corporate Director has provided a letter of undertaking stating that the CoLC will enter into the section 106 planning agreement.
- 3.7 Transfer of the RCS site to the CoLC will only take place once the CoLC confirms to the Council that it has necessary funding in place to undertake the development. The CoLC has procured a main contractor for the development but the contractor's firm price for carrying out the development will not be known until end of June 2018. Furthermore, the Education Funding and Skills Agency (EFRSA) (formerly EFA), is unlikely to make a final decision on the level of funding it will provide for the school development until mid-September 2018.
- 3.8 Given the delay in securing planning permission, it is proposed that the Council grants a licence to the CoLC in order to allow asbestos removal, soft strip and demolition of the existing buildings on the site in advance of the site being transferred to the CoLC. This will enable construction works to start and finish earlier, which is particularly important in relation to the school part of the development which is required to be completed no later than summer 2020.

4. Implications

4.1 Legal

- 4.1.1 The Council's agreement dated 29 May 2012 (amended on 23 May 2013) with the Secretary of State for CLG made under s11 (6) of the Local Government Act 2003, permits the council to use retained RTB receipts for the provision of social housing, that is low cost rental accommodation as defined in s68 (1) (A) of the Housing and Regeneration Act 2008. If a retained receipt is not used within 3 years it has to be paid to the Government together with interest.
- 4.1.2 The agreement permits the council to pay retained RTB receipts to another body to provide the social housing provided that the council does not hold a controlling interest in that body and the social housing provided by that body is for the benefit of the council. Social housing will be for the benefit of the council if either it is situated in Islington or, if not, the council has nomination rights. The proposed housing development is wholly within Islington. Accordingly, the council may make a financial contribution of up to 30% of the build cost of social rented units from its retained RTB receipts to the CoLC (section 1 Localism Act 2011).
- 4.1.3 The council is precluded from spending RTB retained receipts on new social housing where the cost of that housing is funded wholly or partly by grant from the Home and Communities Agency or the Greater London Authority. In this regard, it is noted that the CoLC will apply the GLA grant by to another of its social housing schemes within Islington to which the council will have nomination rights subject to receiving consent from the GLA.
- 4.1.4 In deciding whether to make a financial contribution from its retained RTB receipts to the CoLC towards the cost of the social housing element of the development, the Executive must comply with the principles of administrative law. This means that the Executive must reach a reasonable decision after taking into account all relevant considerations and disregarding irrelevant considerations.

4.1.5 Relevant considerations include:

- (1) The information set out in this report;
- (2) If the making of the contribution is not agreed, then there is a very significant risk that the social housing element of the development would not proceed as it would not be financially viable through not being fully funded. In this regard, it should be noted that the housing development comprises 66 units, all of which will be let on local authority tenancies at a social rent with no cross subsidy from market sales;
- (3) The council will lose nomination rights to 33 new build units if the housing development does not proceed and income (£75k pa (estimate)) from the commercial units;
- (4) If the housing development is unable to proceed, it changes the basis on which the council agreed to transfer the RCS site to the CoLC for nil monetary consideration. The non-monetary consideration comprised a new primary in an area where there is projected need for additional places, nurse class and 8 two-year-old places plus the housing nomination rights;
- (5) If the social housing development were not to be built through lack of funding, and therefore the land transfer does not proceed, there is risk that the Secretary of State may nevertheless seek to use his powers in the Academies Act 2010 to acquire the site from the council for nil consideration for the purposes of an academy;
- (6) The financial advice is that it is highly unlikely that the council will be able to fully utilise its RTB 141 receipts on new build housing and as such there is no opportunity cost arising from making a contribution of up to £7m from those receipts to the CoLC.

4.2 Financial

4.2.1 The current estimated cost of the building (located within Islington) that will accommodate 66 social residential units (providing the Council with 50% nomination rights in perpetuity), a basement and commercial space totals £25m.

4.2.2 This scheme was originally deemed financially viable by the CoLC when it was supported by £3.960m GLA grant (a maximum of £60k per residential unit) and costs were estimated at £21m.

4.2.3 However, the £4m increase in costs (arising in large part as a result of complying with Islington Council Planning requirements) now renders the financial viability, using GLA grant, untenable.

4.2.4 In order to secure the delivery of this 100% social rented build project, the report recommends using the Council's retained RTB 141 receipts to support the funding of this scheme.

4.2.5 It should be noted that the Government restrictions on the use of these RTB receipts means that;

- They can only be used to fund up to 30% of the costs directly associated with social rented builds (i.e. not commercial build costs), on the other hand the use of the basement is linked to providing facilities for the residential units and as such should satisfy the rules on eligibility;
- They cannot be used in conjunction with other sources of public funds such as GLA grant.

4.2.6 It is estimated that the commercial build costs will total around £1m, hence the remaining £24m would attract RTB receipt funding, up to a maximum of 30%, in order to protect the Council from escalating costs this RTB receipt contribution has been capped at a maximum of £7m.

4.2.7 Under our current New Build programme & with existing HRA debt cap/borrowing restrictions it is highly unlikely that we will be able to fully utilise our RTB receipts and as such there is no opportunity cost arising from passing these receipts on to the CoLC.

4.2.8 In addition it is estimated that the commercial space will generate income of around £150k per annum. Under the agreement 50% (around £75k per annum) is payable to the Council (to the General Fund).

4.2.9 Finally, the intention is to try and recycle the GLA grant foregone within other CoLC schemes in Islington.

4.3 Environmental

4.3.1 There are no environmental implications arising from the recommendations in this report. Any capital development would need to be in accordance with the council's relevant environmental policies.

4.4 Resident Impact Assessment

4.4.1 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.

4.4.2 A Resident Impact Assessment has been carried out and indicates no potential differential impact through the implementation of this proposal. New social housing and admission to school places would be in accordance with relevant council policies. There will continue to be a series of public meetings held throughout the development period.

5. Reason for recommendations

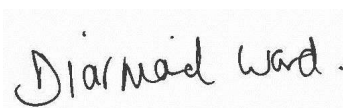
5.1 The recommendations provide a unique opportunity for the council to address two of its key priorities, namely, additional, good quality homes for social rent and the provision of good quality school places to meet basic need. The majority of homes allocated to the council will be 2 bedrooms or more, therefore, the development will be meeting the boroughs priority need for family sized homes. The license for early works mitigates the risk of the school not being finished on time and the development will provide an ongoing income stream through the rental income from commercial space.

Appendices: None

Background Papers: None

Final report clearance:

Signed by:



Executive Member for Housing and Development

Date: 25 May 2018

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Report of: Executive Member for Housing and Development

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SUBJECT: PROCUREMENT STRATEGY FOR NEW BUILD CONSTRUCTION AND REFURBISHMENT WORKS

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of New Build Construction and Refurbishment Works in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 It is recommended that a four-year framework agreement is established to facilitate the construction of new homes and external/internal refurbishment works and to also cover construction of other capital projects including community centres, libraries, health centres and other similar capital projects. The primary focus of the framework agreement will be new build homes and refurbishment but it will be available to all Council directorates who have a need to employ construction contractors for other types of capital build projects as mentioned above. The individual service department will be responsible for all aspects of any appointments they draw down from the framework agreement and will get the necessary sign off from the respective Corporate Director for the service area.
- 1.3 It is anticipated that undertaking internal or external refurbishment simultaneously with newbuild works will deliver economies of scale in usage of heavy plant, resources, preliminaries and other associated costs. In addition, by coordinating new build and refurbishment there will be less disruption for our residents and a more coordinated approach to general works and new build.

2. Recommendations

- 2.1 To approve the procurement strategy for Islington's New Build and Construction Framework as outlined at paragraph 3.1.
- 2.2 To delegate authority to the appropriate Corporate Directors to award contracts under the new framework agreement without limitation as to value.

3. Background

3.1 Nature of the service

One of the Council's key strategic goals is to deliver more homes. Islington's Housing Strategy is being developed with ambition to increase the number of affordable homes across the borough.

Previous experience, lessons learned and knowledge and thorough market research has informed this strategy and established that procuring our own framework agreement is the best route to market.

To deliver a programme of this size and complexity, the Council needs to employ a sufficient number of contractors to deliver the Council's New Build Programme to meet the specific requirements we have as a council.

The framework agreement will support further mini-competitions and direct call-off contract for separate lots for the following value bands. The bands have been set by using industry data and benchmarking from other frameworks.

Lot 1 - £ 0 - £5M

Lot 2 - £ 5M - £15M

Lot 3 - £ 15M +

To enable competition within each band a minimum of four contractors will be selected for each band. Each contractor will be selected for their suitability.

Performance KPIs will be set within the framework agreement and these will be regularly measured to ensure performance standards and expectations are met, and costs continue to represent value for money. In addition, regular and ad hoc review meetings will be held with contractors to consider performance issues and action taken as appropriate.

3.2 Estimated Value

Contracts awarded under the framework agreement will be primarily funded through the Council's approved New Build Budgeted Resources.

The average annual value of the contracts to be awarded pursuant to the framework agreement is estimated to be £150m with a total estimated value of £600m for the life of the framework (4 years). As this is a framework agreement, there is no guaranteed volume or value of work. Our estimate also takes into account an increase in the programme if the framework agreement is accessed for anon housing building projects.

The projected spend (at budget setting 2018-19) for the current New Build Programme is; 18/19 £86m, in 19/20 £89m and in 20/21 £50m.

The Council via the Housing Strategy group is currently exploring different ways in which the New Build programme can be expanded. The Council is in discussion with the Ministry of Housing, Communities and Local Government (MHCLG) regarding funding. Permission is being sort to retain Right to Buy (RTB) receipts beyond the three-year cap for spending RTB receipts. In addition, Islington is seeking permission to extend the borrowing cap to enable the building of more homes. Reduction in rent setting within the Housing Revenue Account (HRA) has been lifted and it is hoped that, in future, the HRA will be able to make contributions to the future new build programme.

In addition to RTB receipts, a large proportion of our funding is from the sale of new build private homes which helps cross subsidise the genuinely affordable housing. Private sale receipts will continue to cross subsidise the new build programme.

Consideration is being given to the disposal of our smaller owned sites which would generate additional resources to build new homes.

Any reduction in resources will inevitably mean that fewer new homes will be built. However, there is a strong commitment to build as many genuine affordable homes as we can with the resources available.

3.3 **Timetable**

The current framework agreement expires on 6 September 2018. Our programme is for the new framework to be in place by May 2019

Anticipated key dates:

Advert to be published in July 2018

Selection Process and Invitation to Tender – October 2018

Contract award - April 2019

Commencement of framework agreement – May 2019

Interim arrangements will need to be put in place after the expiry of the current framework. This will be a combination of individual standalone procurements or access via a third party external framework agreement.

3.4 **Options appraisal**

Our new framework agreement for New Build Construction and Refurbishment works will cover most circumstances. However, there will be circumstances where the New Build Team will want to procure contractors competitively using different methods such as via OJEU or by accessing other OJEU procured external Framework agreements through third party buying consortiums. It is acknowledged that if a contract is procured through competitive tenders or via another available framework, this will be treated as a new procurement and will be subject to the Council's governance procedures regarding the procurement strategy and award of the contract.

The New Build Team has previously engaged contractors using other established framework agreements, namely City West Housing Trust and Homes and Communities Agency Multidisciplinary Panel and Notting Hill Housing Trust. Appointment of contractors on other framework agreement has always been with the agreement of Strategic Procurement.

3.5 **Key Considerations**

Employment and Training

Islington Council is committed to supporting residents into employment, especially those who are disadvantaged in the labour market. Increased training and employment outcomes will be pursued by building in these requirements at the commencement of any procurement, commissioning strategy or process.

Given the scale of this procurement strategy there is further work to be done to describe and quantify the employment and training opportunities we would expect residents to benefit from. A statement of employment and training requirements (such as skilling up residents on new construction practices) will be drafted and supplied as part of the tender process documentation. Ensuring that local employment is given a substantive weighting in terms of scoring will also be a key consideration.

An indication of the scale of employment we would expect from a procurement of this size would be, 1 apprenticeship for every ten units of residential and employment opportunities to last for a minimum duration 52 weeks. The winning bid will need to demonstrate assurance to the Council's commitment to supporting residents into employment.

New homes

The majority of new homes being built in the New Build Programme are much needed family sized homes charged at social (council) rent. The sites for new homes and other associated works are often areas with anti-social behaviour problems or are dilapidated buildings such as garages and poor quality housing. These issues can be addressed through the delivery of the new homes projects which will improve the quality of living standards for our residents.

New homes are built to a very high standard and often surpassing national standards. Our aim is to reduce carbon emissions and promote higher standards of sustainable design. New Homes to be built in relation to this strategy will be designed to develop sustainable communities through which the standard of living in those areas is improved. New social rented homes will be affordable for existing tenants and those in need of housing – particularly providing better accommodation for families in overcrowded conditions as well as encouraging under-occupiers to release family sized homes.

Relevant impact assessments will be completed as part of this procurement including a full risk/opportunity assessment, resident impact assessment, environmental impact assessment and health and safety impact assessment.

Social Value and other considerations

The Council should be able to achieve a significant amount of social benefit and value through this procurement. As part of the evaluation process bidders will be asked to include a response of the social value they can achieve. The social value question will require bidders to consider their economic, environmental and social plans for delivery.

Social value will be included as an award criterion within the tender process. In order to derive the maximum social benefit from the contract and the supply chain, the bidders will be asked to set out what they can offer from a menu of options that the council have achieved from other contractors in the past. This includes offers relating to apprentices and training, equal opportunities, investment of profit in charitable causes identified by Islington and corporate social responsibility offers or any other proposals they would like to put forward. The London Living Wage will be a condition of the contract being entered into, as far as is legally permitted.

The development will deliver a number of benefits that meet the Council's corporate objectives including:

- Making Islington fairer, by providing high quality facilities and services available to the community, with particular focus on provision for vulnerable residents.
- Tackling the housing shortage, by building new affordable homes and in particular new council homes.
- Delivering good services on a tight budget, by carefully managing the project to contain costs and utilising the receipts from open market sales to pay for the development without recourse to additional council funding.
- Creating a good quality of life, by providing well designed and modern public leisure, health and nursery facilities, and improved public spaces.

All new build development is expected to bring further social benefits, including S106 contributions towards improvements in the vicinity of and environmental improvements to the public realm within and around the redevelopment site.

All new build development is designed in accordance with the council's detailed planning requirements and in accordance with the Employer's requirements to address the social and environmental sustainability of the development proposals.

There are no TUPE implications relating to this procurement.

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. The first stage is Selection Criteria through a Selection Questionnaire (SQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ 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 SQ requirements as specified in the advertisement are then invited to tender (ITT). The second stage is the ITT which is forward 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. The proposed award criteria are 60% Qualitative and 40% cost. This split for selecting the contractors to be appointed to the Framework is a tried and tested formula applied to ensure that selection is focused on contractors that offer high quality whilst offering good value for money. This balance is necessary to ensure that we procure good quality contractors that are competitive but that we also attract them to the Framework. Where direct call-offs are proposed these will be managed on a business case basis and linked to Framework position and score.

All tenders procured through an OJEU compliant framework agreement will be conducted in the relevant stages outlined by the contract. All contracts will be based on the following qualitative and cost criteria:

Qualitative:

- Commitment to the design principles
- Programme
- Methodology

Cost:

- Proposed Preliminaries
- Overhead and Profit
- Pre-Construction fee proposal to participate in the second stage tender process

Qualitative

A key driver for the evaluation of all contractors will be their ability to deliver high quality buildings. The complexity of the different uses we have within the new build programme will require experienced contractors with excellent project management and construction expertise.

Cost

It is essential that contractors provide the Council with best value, and they can show that they are experienced at keeping construction projects on budget while adhering to an agreed construction timetable.

The approach to assessment of price will be to score bidders against the cheapest price offered for the commercial element of the first stage tender. Bidders will be scored against the lowest price bid and awarded points proportionately as they diverge from that. Any divergence from the anticipated costs of the redevelopment will affect the council's ability to maximise affordable housing on the redevelopment site; it is therefore critical that the council seeks the best price, alongside assurances through the tender process that the tenderer has experience of delivering projects to budget.

3.7 **Business Risks**

There is a risk that the Council will not be able to secure appropriate contractors for this framework agreement but this is seen as a low risk.

Our current timetable to establish a new framework agreement will result in a six-month gap between the old framework agreement expiring (September 2018) and the new framework commencing (February 2019). The new build team has previously operated without a framework agreement and the options available to procure any contracts during this period will primarily allow the use of Third Party frameworks through consortiums that the Council has access to as an interim measure. Time permitting the project may lend itself to a traditionally tendered scheme allowing for the necessary OJEU period. The New Build team will manage the time between frameworks to determine the best options to procure the relevant scheme. Delay in the procurement process should not delay the New Build Programme.

The period of the framework agreement will be four years. Over that period, it would be diligent to review the appointed contractors to ensure standards are being met. If contractors fall below our standards on quality or if contractors do not have the capacity to take on our projects, having a contingency of using other frameworks will allow officers to select the best contractor to meet our specific requirements at the time and avoid under performance issues with contractors towards the end of the four-year framework agreement.

It is important that we have access to specialist contractors not on our framework agreement. Having access to other frameworks will allow us to use specialist contractors. Currently we are considering building over existing buildings and this will require contractors with this experience.

The framework agreement gives the opportunity to continue with the successful progression of the Council's New Build Programme. The new framework agreement will replace the current one which expires on 6 September 2018. Dividing the framework agreement into Lots based on value, should attract locally based small and medium businesses to bid for inclusion onto the framework.

- 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 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 | The provision of contractors services in connection with the Council's New Build Programme See paragraph 3.1 |
| 2 Estimated value | The average annual value of the contract is estimated to be £150mpa, with a total estimated value of £600m for the life of the contract. As this is a framework agreement, there is no guaranteed volume or value of work. |
| 3 Timetable | Anticipated key dates: Advert to be published in Mid July 2018 ITT to be published in October 2018 Contract award April 2019 Commencement of framework agreement May 2019 See paragraph 3.3 |
| 4 Options appraisal for tender procedure including consideration of collaboration opportunities | This will be a Council framework agreement procured using the two stage restrictive procedure. 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 |

| | |
|--|--|
| 6 Evaluation criteria | 60% quality and 40% price. See paragraph 3.6 |
| 7 Any business risks associated with entering the contract | There is a risk that the Council will not be able to secure appropriate contractors but this is seen as a low risk. See Paragraph 3.7 |
| 8 Any other relevant financial, legal or other considerations. | See paragraph 3.8 |

4. Implications

4.1 Financial Implications

There is no minimum level of work that is required to be allocated to any of the contractors within the framework hence the Council's financial position is protected.

The Report recommends a framework approach as one that delivers the best combination of price & expedient delivery.

The new build programme budget over the next 3 years stands at £225m this is likely to increase to around £300m-£350m over the 4-year life of the framework.

The estimated value of the framework totals £600m which allows for growth in the new build programme and for the framework to be used elsewhere within Housing & by other Council departments

4.2 Legal Implications

The Council has the power to provide housing accommodation by building houses on land acquired for held for that purpose or by converting buildings into houses (section 9 Housing Act 1985). The council is also empowered to provide buildings and other facilities needed to deliver its functions Accordingly, the Council may establish a framework of contractors to take forward the housing new build programme and other building projects on behalf of the Council and enter into framework agreements with those contractors.

The estimated value of the procurement for new build housing exceeds the financial threshold (£4,551,413 for public works contracts) for the full application of the Public Contracts Regulations 2015. Accordingly, the procurement of the new build framework will need to be advertised in OJEU and conducted in accordance with the requirements of the 2015 regulations relating to the restricted procedure and framework agreements.

Contractors may be procured to deliver building projects other than through the new build framework. In such circumstances, the provisions in the Procurement Rules regarding approval of the procurement strategy and award of the contract will need to be followed.

4.3 Environmental Implications

The main long-term environmental implications of this contract relate to the design of the dwellings, both in terms of materials used and the energy efficiency of the new buildings. The council will require that any new homes in the Programme are built to a minimum standard and compliant with Part M of the Building Control regulations.

The contractors employed will also have their own environmental impacts related to the work, such as energy usage and waste generation.

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.

Council officers on the project team and the appointed multi – disciplinary design team have and continue to take into consideration these key equality opportunities in formulating the design proposals for Islington's New Build programme. The design proposals of all our schemes are subject to ongoing consultation meetings with the local stakeholder group and members of the community. The feedback received at these meetings are taken into account when progressing the design proposals to address any negative impacts of the redevelopment on residents.

5. Reasons for recommendations

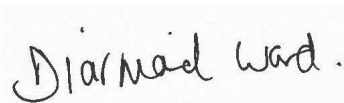
- 5.1 The Council is committed to providing high quality new homes in terms of design, in- use performance and long-term sustainability and energy efficiency creating places that are genuinely affordable places to live for residents in housing need and helping them tackle the cost of living. Any organisation wishing to work with the Council on its new homes programme must therefore be committed to and able to demonstrate they have the necessary track record, including relevant experience, skills and capacity to deliver our objectives on complex inner city sites.
- 5.2 The current contractor framework agreement expires in September 2018. The procurement of a new framework agreement is paramount to continue the benefit of allowing the quick appointment of contractors with the expertise and capacity to assist in delivering the New Homes Programme.

Appendices: None

Background Papers: None

Final report clearance:

Signed by:



Executive Member for Housing and Development

Date: 25 May 2018

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

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SUBJECT: PROCUREMENT STRATEGY FOR LIFT MAINTENANCE IN HOUSING AND PUBLIC BUILDINGS

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of a new contract for Lift Maintenance in Housing and Public Buildings in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The Council's Property Services department currently manages one housing lift maintenance contract serving the whole borough for Housing. The Council's Financial Operations and Customer Services department also manages a separate contract for lift maintenance in public buildings. The intention is to procure and award a new single lift maintenance contract for both housing and public buildings.

Although it is not a statutory requirement, lift maintenance and repair is an essential service, which facilitates ease of access for our residents and visitors to our housing and public buildings.

2. Recommendations

- 2.1 To approve the procurement strategy for Lift Maintenance in Housing and Public Buildings as outlined in this report.
- 2.2 To delegate authority to award the contract to the Corporate Director of Housing and Adult Social Services in consultation with the Executive Member for Housing and Development.

3. Background

3.1 The Council would like to procure one contractor to deliver borough-wide maintenance to existing lift stock within housing estates and public buildings

The current individual contracts in place both expire on 31 March 2019. All options to extend them have been fully utilised.

The Council wishes to ensure continuity of lift maintenance beyond the expiry of contracts and therefore needs to secure a contractor to manage lift maintenance from 1 April 2019. Any break in service is not an option for the council. All lifts must be maintained so they are in continuous service.

Lifts that are out of action have considerable impact on both residents and visitors to our public buildings who rely on lifts to increase ease of accessibility. Poorly maintained lifts are liable to increased breakdowns, failures and overall costs.

The contract will have an operational team that oversees day-to-day repair works including quality of work, costings, residential/service user access etc. and this will include a monthly operational meeting. There will be a contract officer that will oversee contractual matters, including performance and dealing with any escalated operational matters. This will include higher-level "core" meetings that will occur quarterly, or at a frequency set as required.

This re-procurement also gives the Council the opportunity to achieve greater value for money for the Council and its residents by improving levels of performance through a rewritten specification.

3.2 Estimated Value

The aggregate value of this contract is £7,366,000 (£920,000 per annum), based on a contract term of 96 months (24+24 +24 +24). The Housing element of the contract will be funded from the Housing Revenue Account (HRA). Leaseholders will be recharged therefore consultation will be undertaken as required by The Commonhold and Leasehold Reform Act 2002. For Public Buildings the budget will be provided from existing budgets held by the Financial Operations and Customer Service Division.

The housing lift repairs contract budget was £836,000 .00 per annum for 2016/17 and 2017/18. The expenditure for 2016/17 was £778,000 and for 2017/18 was £737,000.

The budget for 2018/2019 has been set at £870,000. This takes into account inflation, larger repairs required not previously undertaken and allows for additional sites for any new build properties.

The public buildings lift repairs budget was £50,000 for both 2016/17 and 2017/18 and expenditure for both years was on budget. The budget for 2018/19 is £43,000, However if anticipated spend of £50,000 is materialised, the small shortfall is expected to be contained within the overall General Fund (GF) Building Repairs budgets.

3.3 Timetable

The Council intends to advertise the Open Tender on via the Official Journal of the European Union on 6 September 2018, with estimated contract award in January 2019. The contract start date will be 1 April 2019. A formal Procurement Project Plan has been finalised covering all the key stages in the process.

A two-stage consultation process (section 20) has been factored into the timetable The first consultation (notice of intention) will take place upon approval of this procurement strategy and the second consultation will take place at the award stage (notification of proposal) within the procurement process.

3.4 Options appraisal

A competitive tender process, using an external framework and the option of insourcing have all been considered.

The schedule of rates within available frameworks are not fit for purpose and do not meet Islington's specific requirements and so this option is not suitable.

Insourcing allows the Council to have full control over the services delivered, however it is not considered a viable option at this time. The Council does not employ any staff with the required specialist skills and does not have the equipment required to deliver this service. It would require significant investment and time to purchase the equipment required, source a parts supply chain and train and/or employ staff to deliver the services, as well as the length of time required to facilitate it. A larger specialist contractor can also provide the flexibility to deal with unpredicted surges in work and provide full 24-hour service.

Collaboration with neighbouring authorities was considered within the options appraisal. However, this option is not suitable as service delivery models did not meet Islington requirements.

Procurement via a competitive tendering process will deliver the best overall value whilst meeting service needs.

A number of options were considered as to how the tender could best be packaged to achieve best value and service delivery arrangements. The following options were reviewed;

A single main contractor with a second contractor engaged on a retainer – This would enable the instant availability of an alternative contractor should the main contractor fail. Procurement and legal advice was sought on this option. However, this arrangement could be expensive and potentially not provide the best value for the Council in regards to price as the offer to the market has no tangible value and the retainer contractor may never be used. Using this option may limit market interest and the number of suppliers willing to bid.

Two contractors serving borough based on a geographical split – This would make available a second contractor in event one contractor is underperforming. However, this could lead to differences in price and service quality for residents depending on which contractor was providing their service. This could be mitigated by regular rotation of the areas served. However, this contract does not lend itself to rotation as it is essential that the contractor builds a firm understanding of the assets. It is also administratively time consuming in respect of system changes that would need to be made for every rotation.

Appointment of a single contractor has been decided as the best option. This would avoid disparity in service and price. Robust operational and contract monitoring arrangements will be implemented to facilitate the effective management of the successful contractor.

3.5 **Key Considerations**

There will be key social value clauses contained within the contract terms including offering a minimum number of apprenticeship opportunities, work experience placements, job shadowing and training opportunities. The contract also facilitates improved access to properties and public buildings for residents and service users, especially for those with specific access requirements such as wheelchair users and mobility impairments.

An Environmental Impact Assessment has been completed. Environmental considerations for this contract include:

CO2 emissions from vehicle use and the contractor should optimise travel routes to minimise the number of journeys taken. Maintenance schedules should be planned in order to minimise travel and the resulting impact on congestion. Contractors should be encouraged to use LPG and environmentally friendly fuel sources for vans. By having one contract for lift maintenance for both Housing and Public Buildings it may be possible to reduce transport emissions and congestion.

The Contractor will be required to adhere to requirements of the Council's HSE Code of Conduct for contractors and appropriate legislation. The contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable. The Contractor will

have a duty of care to ensure that any waste disposal is done in accordance with waste hierarchy and appropriate legislation. All environmental, health and safety precautions are to be observed while operatives are working with Hydraulic oil, and on completion of work old oil should be transported to a licensed contractor to be disposed of safely and should never be stored on site.

London Living Wage will be a requirement of the contract terms. The current market pays above London Living Wage for lift engineers.

Best value is considered within the terms and conditions for the Lift contract, especially with regard to community benefits such as apprenticeship schemes and training opportunities.

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. Selection criteria will look at the history and experience of the tenderers' organisations and award criteria will be "forward looking" to assess how the tenderers will deliver the service.

Best Value forms part of the tender 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 MEAT (the Most Economically Advantageous Tender). The award criteria will be set at 60% cost and 40% quality.

The cost criteria will consist of the National Housing Federation (NHF) Schedule of Rates (SORs) and Bespoke SORs, which the contractors will submit prices for against individual items.

The quality criteria amounting to 40% is made up as follows, subject to review:

Proposed approach to resourcing, mobilisation and delivery of the contract – 10%

Ability to meet volumes and timescales – 5%

Proposed approach to quality management – 5%

Proposed approach to customer services – 5%

Proposed approach to equality – 5%

Proposed approach to health and safety – 5%

Proposed approach to social value – 5%

These headings will be further defined in the tender documentation, forming a series of questions that will allow us to assess proposed service delivery in the above areas. A key aim of the evaluation will be the assessment of tenderers' ability to adequately resource the contract and deliver a high quality, responsive and proactive lift repair and maintenance service within specified response times, including responding to emergency repairs and situations, e.g. persons trapped in lifts.

3.7 **Business Risks**

Although there is no statutory requirement to provide lifts, once provided the Council must ensure it complies with appropriate health and safety (Health and Safety at Work Act 1974) and other relevant legislation and ensures the safe operation of the lifts.

The Lifting Operations and Lifting Equipment Regulations 1998 provide that regular inspections at statutory intervals take place on all lifting equipment including passenger lifts. Regular maintenance and servicing is essential to ensure that lifts provided by the Council meet the standards to pass these regular inspections. Failure to properly maintain and regularly service the lifts provided may also invalidate the Councils insurance in this regard.

Many residents' are reliant on lifts for both themselves and their visitors to access their properties and the wider community including Islington's public buildings. Failure to keep lifts in good working order would result in vulnerable residents being unable to leave or access their homes or the essential services they require. Leaseholders pay service charges for lift repairs and maintenance and expect lifts to be constantly operational. There are significant reputational risks if our lifts are not

properly maintained. These risks will be mitigated by ensuring a Lift Repairs and Maintenance contract is procured within the given timescales to ensure continuous delivery of the necessary service.

The key risks identified with this procurement are:

| Risk | Likelihood | Impact | Priority | Mitigation |
|--|------------|--------|----------|---|
| Procurement is unsuccessful with no suitable supplier tendering or being identified | Low | High | Medium | Interim emergency measures will be sought and plans to re-procure put in place |
| The successful tenderer pulls out of the contract prior to start of the contract | Low | High | Medium | Interim emergency measures will be sought and plans to re-procure put in place |
| Delays to the procurement process result in limited mobilisation time for new supplier | Medium | High | High | A project plan is in place and the Project procurement team need to ensure agreed key milestones are met. |

- 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.
- 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 | Lift repairs and servicing to residential properties, blocks and to public buildings. See paragraph 3.1 |
| 2 Estimated value | The estimated value per year is £920,000. The agreement is proposed to run for a period of 24 months with an optional extension of 24 months. See paragraph 3.2 |
| 3 Timetable | Open Tender Advert – 6 September 2018 Shortlisting – October 2018 Award – January 2019 Contract Start – 1 April 2019 See paragraph 3.3 |
| 4 Options appraisal for tender procedure including consideration of collaboration opportunities | A competitive tender process has been selected. See paragraph 3.4 |

| | |
|--|---|
| 5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications | London Living Wage and social benefit clauses will be included as part of the contract terms. Best value is considered as part of the specification, award criteria and delivery of the service. There may be TUPE implications. See paragraph 3.5 |
| 6 Evaluation criteria | The award criteria will be split at 70% cost and 30% quality. The award criteria price/quality breakdown is described more particularly within the report. See paragraph 3.6 |
| 7 Any business risks associated with entering the contract | Failure to provide services that leaseholders pay for and impact on vulnerable residents being unable to access or leave their homes or access essential services within the community. Impact on vulnerable persons needing to access Islington public buildings. See paragraph 3.7 |
| 8 Any other relevant financial, legal or other considerations. | See paragraph 4. |

4. Implications

4.1 Financial implications

The maintenance of lifts in Housing is funded by the Council's HRA Repairs Budget (£32.03m in 2018/19). The current budget allocation for Lift Maintenance is £870,000 per annum.

The maintenance of lifts in public buildings is funded by the Council's GF Building Repairs Fund budget (£1.38m in 2018/19). The current budget allocation for Lift Servicing is £43,000 per annum. If the anticipated £50,000 pa spend on lift maintenance in public buildings is materialised, there will be a budget shortfall of £7,000 pa. However, this small shortfall is expected to be contained within the overall BRF budget

It is anticipated that the current budget provisions (both HRA and GF) will continue to be available in the foreseeable future to support lift repair and maintenance work. The cost of this contract will therefore be contained within the 2018/19 HRA Housing Repairs and GF Building Repairs Fund budgets.

4.2 Legal Implications

The council has powers to carry out lift maintenance services in public buildings 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 is responsible for undertaking the repair, maintenance and improvement of its housing properties and installations therein (Part 2 of the Housing Act 1985). The Council has powers to enter into such contracts 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 £2 million using revenue money and over £5 million using capital money (council's Procurement Rule 16.2).

The proposed contract is a contract for services. The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £181,302.00 for service contracts. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The council's Procurement Rules also require contracts over

the value of £181,302.00 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.

The contract 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

Environmental considerations for this contract include CO2 emissions from vehicle use and the contractor should optimise travel routes to minimise the number of journeys taken. Maintenance schedules should be planned in order to minimise travel and the resulting impact on congestion. Contractors should be encouraged to use LPG and environmentally friendly fuel sources for vans. By having one contract for lift maintenance for both Housing and Public Buildings it may be possible to reduce transport emissions and congestion.

The Contractor will be required to adhere to requirements of the Council's HSE Code of Conduct for contractors and appropriate legislation. The contractor should ensure that waste materials are kept to a minimum and that waste leaving sites is reused or recycled where practicable. The Contractor will have a duty of care to ensure that any waste disposal is done in accordance with waste hierarchy and appropriate legislation. All environmental, health and safety precautions are to be observed while operatives are working with Hydraulic oil, and on completion of work old oil should be transported to a licensed contractor to be disposed of safely and should never be stored on site.

The contractor will install energy saving replacement parts where possible and if compatible. Where complete renewals are required, then energy saving replacements will be considered.

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 was completed on 6th April 2018 and the summary is included below.

This procurement will not have any negative impact on any persons within the protected characteristics groups. The contract will have a positive impact on vulnerable groups as it is designed to ensure that lifts remain in service and working safely allowing residents to be able to continue to access and leave their homes. It also allows care services and other home assistance services to access resident properties. Vulnerable residents and visitors to the borough will also be able to continue to access Islington's public buildings. Diversity and equality are considered during the procurement. Potential service providers will be asked a scored question during the procurement process about how they will assess equality aspects of the service. It is a contractual requirement for service providers to work to Islington Council's policies and procedures where equality and diversity and an accessible service for all is factored into service delivery procedures.

5. Reason for recommendations

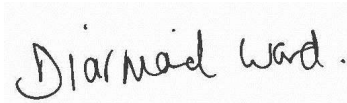
- 5.1 The council have a duty to provide lift repairs for both the housing estates and public buildings to keep them in safe working order. The current contract expires on 31 March 2019. The procurement of a new contract is required to ensure continuous provision of Lift Maintenance in housing and public buildings and will allow for a more strategic delivery of service making better use of council funds and resources.

Appendices: None

Background papers: None

Final report clearance:

Signed by:

A handwritten signature in black ink that reads "Diarmuid Ward." The signature is written in a cursive style and is centered within a light gray rectangular box.

Executive Member for Housing and Development

Date: 5/6/2018

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Report of: **Executive Member for Health and Social Care**

| Meeting of | Date | Ward(s) |
|------------|--------------|---------|
| Executive | 14 June 2018 | All |

| Delete as appropriate | Exempt | Non-exempt |
|-----------------------|--------|------------|
| | | |

SUBJECT: PROCUREMENT STRATEGY FOR A POSITIVE BEHAVIOUR SUPPORT (PBS) SERVICE FRAMEWORK AGREEMENT FOR PEOPLE WITH LEARNING DISABILITIES

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of a Positive Behaviour Support (PBS) Service Framework Agreement for People with Learning Disabilities in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The London Borough of Haringey is in the process of establishing a Positive Behaviour Support service for people with learning disabilities. A compliant OJEU process is being followed to establish the framework agreement. The contract notice on OJEU includes provision for other London Boroughs, including Islington, to join the framework agreement during its lifetime.

2. Recommendations

- 2.1 To approve the procurement strategy for a Positive Behaviour Support (PBS) Service Framework Agreement for People with Learning Disabilities as outlined in this report.
- 2.2 To delegate authority to award any subsequent contract award for a call-off from the framework agreement to the Corporate Director Housing and Adult Social Services in consultation with the Executive Member for Health and Social Care.

3. Background

- 3.1 **Nature of the service**
In line with the Haringey and Islington Wellbeing Partnership, the PBS framework agreement has been identified as an opportunity for collaborative working and further integration. This is due to the

common Transforming Care Partnership objectives and shared challenges of finding competent providers to meet the needs of service users who present the most complex and challenging behaviours.

The Transforming Care Programme (TCP) is a high profile national policy which has driven Haringey's implementation of this PBS service framework agreement. The objectives of the TCP are to:

- reduce the number of individuals in inpatient settings
- ensure that people with a learning disability and/or autism in hospital who could be supported in the community are discharged into a community setting as soon as possible
- put in place robust admission gateway processes, so that where an admission to hospital is considered for someone with a learning disability and/or autism, a challenge process is in place to check that there is no available alternative – and where an individual does need to be admitted, they have an agreed discharge plan from the point of admission
- ensure the development of the new service model to prevent new admissions and readmissions to hospitals.

Islington currently supports a growing number of people with complex needs and expects a long-term increase in numbers of people who display behaviours that challenge. Therefore, a mechanism is required to ensure that the needs of the people with the most complex and challenging behaviours, can be met in the most appropriate way while delivering value for money.

Haringey Council have initiated the commissioning of expert providers, onto a framework agreement and will use this framework agreement as the means to manage and maintain the quality of PBS provision in supported living settings.

Although, there is ongoing procurement activity in Islington relating to a Dynamic Purchasing System (DPS) for learning disability accommodation and support services (procurement strategy approved by Executive on 27 April 2017), Haringey's PBS framework agreement would offer the opportunity to work with providers who may offer additional skills relating to meeting the care needs of individuals who display complex and challenging behaviour.

In accordance with the Care Act 2014, Islington, like all local authorities, must continue to consider more flexible approaches to commissioning that help to create a market which is as responsive as possible to individual needs. Joining Haringey's PBS framework agreement would contribute towards achieving this.

3.2 **Estimated Value**

No additional costs will be incurred by joining the PBS framework agreement. Existing staffing resources in commissioning, assessment, and brokerage would be able to make use of the framework agreement without any additional work.

Funding is provided by the existing budget for Learning Disabilities. The estimated value will depend on how many contracts are called-off through the framework agreement. The current block contract arrangements for supported living have a value of just over £5 million per annum. The total spend on learning disability accommodation and support services, includes the block contracts and all spot purchase arrangements, is currently over £14 million per annum.

Savings to NHS England are possible where service users are enabled to move out of specialist secure facilities and into supported living. However, this is likely to be an additional cost to the Local Authority and CCG. Cost reduction is possible in the case of creating a supported living service which is at a lower cost than a residential spot placement.

The length of each individual contract is seven years. The framework agreement will last for four years. The table below shows an estimate of the total cost, assuming that each individual care package costs a total of £150k per year

| Year | Number of Service Users | Total Cost Per annum (Cumulative) |
|------|-------------------------|-----------------------------------|
| 1 | 4 | £150k x 4 = £600 k (£600k) |
| 2 | 8 | £1.2 m (£1.8m) |
| 3 | 12 | £1.8 m (£3.6m) |
| 4 | 16 | £2.4 m (£6.0m) |
| 5 | 16 | £2.4 m (£8.4m) |
| 6 | 16 | £2.4 m (£10.8m) |
| 7 | 16 | £2.4 m (£13.2m) |
| 8 | 12 | £1.8 m (£15.0m) |
| 9 | 8 | £1.2 m (£16.2m) |
| 10 | 4 | £600 k (£16.8m) |

Joining the framework agreement does not commit Islington to using it or to making a given number of placements through it, it simply provides an additional avenue for identifying a provider with the appropriate skills and experience to the meet the needs of some of our most complex individuals.

3.3 Timetable

The framework has now been established by Haringey and is available for use.

3.4 Options appraisal

Options considered:

1. To continue with current arrangements of a mixture of block contracts and spot purchasing.

Block contracts restrict the degree of responsiveness and personalisation that can be achieved. This means that service users who require PBS plans, in many cases, find that the environment of a supported living scheme, where they have to share communal spaces, is not the right place for them to achieve positive outcomes. The current block contract arrangements, therefore, do not allow the council to meet the goals of the Care Act which requires care markets to be shaped to respond to need and offer choice and control to customers. Furthermore, due to the nature of the needs of service users who display challenging behaviour, it is more often than not, unsuitable for them to live in a supported living scheme with other service users. This is because their behaviours are likely to impact detrimentally on other service users who live in the scheme. The PBS framework agreement will allow bespoke accommodation and support service to be designed for the individual in a way which will give them as much choice as possible while ensuring that value for money is achieved.

2. Using the Tri-Borough (Waltham Forest, Enfield and Hackney) Supported Living Framework Agreement

Islington have access to the framework agreement, but it does not meet all of Islington's commissioning and procurement needs. The providers on the framework agreement do not offer the specialist skills needed for the most complex service users in Islington.

3. Make use of the Haringey PBS framework agreement.

This framework agreement will give Islington Council the opportunity to access highly qualified and experienced providers of Positive Behaviour Support. This option will mean that care manager can call upon a pool of providers to establish bespoke supported living services for highly complex service users, rather than approaching expensive out of borough residential facilities, on a spot purchase basis. Although it is unlikely to lead to any cashable savings, it is expected to avoid the need for high cost residential placements. The providers on the framework agreement have experience of facilitating discharge from long stay hospitals and secure treatment units and have the capacity to meet the anticipated demand in Islington.

3.5 **Key Considerations**

The Care Act 2014 states that local authorities must shape the local market to offer people with care and support needs a diverse and vibrant range of provision.

This PBS framework agreement will ensure that we have highly qualified specialist providers who are able to offer the option of supported living in the community to service users who would otherwise be destined to living residential facilities, learning disability long stay hospitals or secure assessment and treatment units.

Integrating people with learning disabilities into the community is a key requirement of the Transforming Care Programme and Valuing People Now. The service will also have a positive social impact on the lives of the people using the service as it will support individuals in making choices about their future, and where possible, enable individuals to remain living at home with the minimum number of interventions necessary for independence.

Social value has been defined as 'the additional benefit to the community from a commissioning and procurement process over and above the direct purchasing of goods, services and outcomes'. Providers of this service will be expected to pay due and positive consideration to the employment needs within their local community when recruiting and selecting staff. The provider must consider how their recruitment processes support the local economy, its demographic composition and its social and environmental wellbeing. Providers will be encouraged to involve Customers and carers in staff recruitment, quality assurance and service review processes.

Currently the local service provision for this type of care and support is dominated by a limited number of service providers. This has its own associated risks if these providers go into administration, or if there are issues related to quality and/or safeguarding.

Agreeing packages through this framework agreement has the potential to contribute to local savings targets given that packages will be funded at 80% of the true cost, with the remaining funding coming from social investment. In addition, through implementing behaviour management strategies etc., providers are incentivised to reduce the level of support required over time. In the long term, i.e. at the end of the seven-year contract, the support package required should be significantly reduced.

A requirement for providers to pay the London Living Wage will be included as a condition of any call-off contract awarded by Islington Council.

As this framework agreement will be used to establish new supported living services, TUPE will not need to be a consideration.

3.6 **Evaluation**

This tender has been conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage was a Selection Questionnaire (SQ) which established whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ 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 SQ requirements as specified in the advertisement were then invited to tender (ITT). The second stage is forwards-looking using award criteria. All suppliers who are successfully accepted onto the framework agreement following the selection stage are automatically invited to tender for every support package we issue. Bids are evaluated on the basis of the tenderers' price and ability to deliver the services as set out in the evaluation criteria in order to determine the most economically advantageous offer.

The framework agreement award criteria is 70% quality and 30% cost. Having 30% of the score based on cost, puts the emphasis on the quality of the PBS provision but still allows for some price based competition on the hourly rates submitted.

3.7 Business Risks

The block contracting arrangements currently in use, have historically given providers some financial stability in terms of business planning, however, when the contracts are due for tender, there are substantial risks for local providers, where the majority of their business has been tied in with the council. The council could potentially purchase packages of care from providers through the PBS framework agreement on an individual rather than block purchase basis. This offers providers the potential for new business.

The seven-year length of each contract is a potential risk as the needs of the individual may change significantly over the period of time, meaning that the PBS service is no longer needed. However, this is unlikely as only the most complex service users would be considered for this framework agreement.

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.

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 | Positive Behaviour Support Service Framework Agreement for people with learning disabilities See paragraph 1.1 |
| 2 Estimated value | The framework agreement is proposed to run for a period of four years. The framework agreement has an estimated value of less than £2.4m per annum of Islington Council spend. See paragraph 3.2 |
| 3 Timetable | See paragraph 3.3 |
| 4 Options appraisal for tender procedure including consideration of collaboration opportunities | The outcome of an options appraisal is included in this report See paragraph 3.4 |
| 5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications | A requirement to pay LLW will be included as part of the contract. TUPE will not apply. See paragraph 3.5 |
| 6 Evaluation criteria | The price/quality split will be 30% price and 70% quality/outcomes See paragraph 3.6 |
| 7 Any business risks associated with entering the contract | There are some business risks but these are low and manageable. See paragraph 3.7 |
| 8 Any other relevant financial, legal or other considerations. | See paragraph 4 below |

4. Implications

4.1 Financial implications

There are no direct financial implications arising from the introduction of the PBS Service Framework. This is based on the expectation that new packages will be commissioned within the current cash envelope allocated.

The PBS service framework is expected to contribute to the achievement of the departmental MTFS savings.

There is a financial risk linked to the Transforming Care Programme however, this should be mitigated where appropriate with CCG partners. 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

4.2 Legal Implications

The Council has a duty to make arrangements for providing residential accommodation and care for persons who by reason of illness and disability are in need of care and attention which is not otherwise available to them (section 21 National Assistance Act 1948 (as amended)). The Care Act 2014 also provides the council with duties and powers to meet the needs for care and support of eligible adults (sections 18 and 19). The Council has power to 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 £2,000,000 (Procurement Rule 14.2).

The social care services being procured are subject to the light touch regime (Light Touch Services) set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £615,278.00. The value of the proposed contract is above this threshold. The council's Procurement Rules for Light Touch Services require competitive tendering for contracts over the value of £500,000. Using a framework that has been properly established by another local authority in accordance with the Regulations and with advertisement in the Official Journal of the European Union (OJEU) will satisfy the council's obligation to comply with the Regulations as well as the council's Procurement Rules.

Call off contracts may be awarded in accordance with the contract conditions set out in the framework agreement, subject to the tender providing value for money for the council.

4.3 Environmental Implications

No negative impacts are expected.

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 has been completed. This proposal is not expected to discriminate or have negative impacts on people with protected characteristics. All those people affected will

have learning disabilities and many will have additional needs, disabilities and/or other protected characteristics. Procuring services through the PBS framework agreement will help to ensure services are designed around individual needs and preferences, including needs and preferences which are related to protected characteristics.

5. Reason for recommendations

- 5.1 There is an increasing need in the borough for supported living accommodation for people with a learning disability who display complex and challenging behaviour. The PBS framework agreement will offer access to a range of support providers who are able to meet the needs of these individuals.

Appendices: None

Background Papers: None

Final report clearance:

Signed by:

Janet Burgess

25 May 2018

Executive Member for Health and Social Care

Date:

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