



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 - Islington Town Hall on **28 November 2019 at 7.00 pm.**

Enquiries to : Philippa Green
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Despatched : 20 November 2019

Membership

Councillor Richard Watts
Councillor Janet Burgess MBE
Councillor Kaya Comer-Schwartz

Councillor Andy Hull

Councillor Una O'Halloran
Councillor Asima Shaikh
Councillor Diarmaid Ward
Councillor Claudia Webbe

Portfolio

Leader of the Council
Executive Member Health and Social Care
Executive Member for Children, Young People and Families
Executive Member Finance, Performance and Community Safety
Executive Member for Community Development
Executive Member for Inclusive Economy and Jobs
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. Other Matters

G. 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.

H. Exclusion of the 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.

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 16 January 2020

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London Borough of Islington

Executive - 17 October 2019

Minutes of the meeting of the Executive held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 17 October 2019 at 7.00 pm.

Present: **Councillors:** Watts, Burgess, Comer-Schwartz, Hull, O'Halloran, Shaikh, Ward and Webbe

Councillor Richard Watts in the Chair

649 APOLOGIES FOR ABSENCE

None.

650 DECLARATIONS OF INTEREST

None.

651 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the meeting on 17 October 2019 be agreed as a correct record and the Chair be authorised to sign them.

652 CONSULTATION OUTCOME AND DECISION ON THE PROPOSED CLOSURE OF THE DROVERS CENTRE

Cllr Burgess introduced the report. The Executive noted that Age UK had confirmed that they would be ceasing to provide services from the centre and that the building is no longer fit for purpose and the cost of repairs and ongoing maintenance was prohibitive. The options set out in the report were discussed and a number of questions were asked by members of the public. Cllr Burgess reiterated the council's commitment to work with service users to ensure that they are supported through any transition of services.

RESOLVED:

2.1 That the summary and detailed findings from the Consultation on the proposed closure of the Drovers Centre be noted;

- 2.2 That the closure of the Drovers Centre with services ending at the end of January 2020 and planning to commence on the alternative uses of the site be agreed.

Reason for decision – The provision of services via the Drovers Centre is not sustainable and there are alternative ways of meeting the needs and interests of service users from the extensive range of community activities and meeting places that are available in the local area.

Other options considered – as specified in the report.

Conflicts of interest/dispensations granted – none.

653 FINANCIAL POSITION AS AT 31 AUGUST 2019

RESOLVED:

- 2.1 That the forecast revenue outturn for the General Fund of an overall underspend of (-£0.237m) compared to a forecast overspend of (+£0.504m) in the previous month be noted.
- 2.2 That management action is required over the course of the financial year to bring forecast overspends back to within agreed cash limited budgets where possible be noted.
- 2.3 That the breakdown of the forecast General Fund outturn by individual variance at Appendix 1 and by service area at Appendix 2 be noted.
- 2.4 That the schedule of additional budget risks that are not included in the current forecasts be noted. That there is an ongoing financial assessment of these risks, which will be reported in future months, be noted.
- 2.5 That the latest position on the earmarked corporate transformation reserve be noted and that the £0.562m allocation from the reserve to support migration to a new telephony platform be agreed.
- 2.6 That the HRA forecast is a net break-even position be noted.
- 2.7 That the latest capital position and key capital variances with forecast capital expenditure of £120.356m in 2019/20 against the 2019/20 capital budget of £145.250m be noted.
- 2.8 That it be noted that the capital programme is actively under review to establish whether project milestones and deliverables are reflected in the financial profiles of the existing 3-year programme, and that this will be consolidated into the capital programme in the mid-year (Month 6) report to the Executive.

- 2.9 That, subject to the recommendations in the "Buying New Council Homes" report being agreed by the Executive, a 2019/20 HRA property acquisition capital budget of £13.500m, offset by £23.595m slippage in the 2019/20 New Build programme budget (a net reduction of £10.095m to the 2019/20 New Build programme capital budget) be agreed.

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

Other options considered – none.

Conflicts of interest/dispensations granted – none.

654 RESPONSIVE REPAIRS SCRUTINY - RECOMMENDATIONS FROM THE HOUSING SCRUTINY COMMITTEE

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.

Conflicts of interest/dispensations granted – none.

655 BUYING NEW COUNCIL HOMES

RESOLVED:

- 2.1 That the success of the current property acquisition programme which has resulted in an additional 60 new homes for homeless families since the programme commenced in July 2018 be noted.
- 2.2 That the removal of the cap of £6m expenditure per annum for the HRA property acquisition programme agreed in October 2014 be agreed, subject to the Director of Housing being satisfied that the year's acquisition programme is necessary to meet housing need; and the Section 151 Officer being satisfied each year that the budget provision and programme are affordable for the council and represents value for money.
- 2.3 That it be noted that the HRA property acquisition programme will be ongoing subject to annual budget provision being made available and approved by the Council.

2.4 That in order to facilitate the extension of the HRA property acquisition programme in 2019-20, the necessary budget virements will be recommended for approval by the Executive in October 2019 as part of the financial monitoring report be noted.

2.5 That the existing HRA acquisition programme, approved in October 2014, be extended to include the purchase of housing properties within the Greater London area for temporary accommodation or general needs housing be agreed.

Reason for decision – to help meet housing need in the borough.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

656 PROCUREMENT STRATEGY FOR ELECTRICAL TESTING, SERVICING AND ASSOCIATED REMEDIAL WORKS

RESOLVED:

2.1 That the procurement strategy for Electrical Testing, Servicing and Associated Remedial Works be approved, as outlined within the report, be agreed.

2.2 That authority be delegated to the Corporate Director of Housing to award the contract, in consultation with the Executive Member for Housing and Development.

Reason for decision – to ensure the safety of electrical installations.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

657 REGENERATION OF RETAIL AREAS - EXECUTIVE MEMBERS RESPONSE TO THE RECOMMENDATIONS FROM THE ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE

Cllr Watts proposed an amendment to the wording of the recommendation; to clarify that the Executive Member's response was to be agreed by the Executive, rather than noted.

The recommendation as amended was agreed.

RESOLVED:

2.1 That the Executive Member's response to the Environment and Regeneration Scrutiny Committee's recommendations on regeneration of retail areas be agreed.

Reason for decision – to respond to the recommendations of the Environment and Regeneration Scrutiny Committee.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

FUTURE ISLINGTON YOUTH OFFER

RESOLVED:

2.1 That the procurement strategy for Soapbox youth space as outlined in this report be approved.

2.2 That authority to award the contract be delegated to the Corporate Director of People in consultation with the Executive Member for Children, Young People and Families be agreed.

2.3 That the extension of the existing two contracts for Lift and Platform (one contract) and Rose Bowl (one contract) be approved as outlined in the report be agreed.

Reason for decision – to ensure service continuity and improvement.

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

Conflicts of interest/dispensations granted – none.

659

AIR QUALITY STRATEGY

Cllr Webbe introduced the report. Air quality had a significant impact on local residents, particularly those with long term conditions, and the issue was taken very seriously by Islington Council. Cllr Webbe summarised the key aspects of the strategy and how these would help to improve air quality in the borough.

RESOLVED:

2.1 That the changes to the draft Strategy and Action Plan, as a result of the public consultation and as set out in paragraph 3.8, be noted.

2.2 That the new Air Quality Strategy and Action Plan 2019-2023, as set out at Appendix 1 of the report, be agreed.

Reason for decision – to reduce harmful emissions and thereby mitigate their adverse impact on the health of residents.

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

Conflicts of interest/dispensations granted – none.

660 **APPROVAL OF THE FINSBURY PARK TO Highbury Fields
CYCLEWAY**

Cllr Webbe introduced the report. The Executive noted that the Council had declared a climate emergency and the development of new cycleways was an important aspect of promoting sustainable transport and that cycleways provide safer routes for both cyclists and pedestrians.

RESOLVED:

2.1 That the results of the consultation be noted.

2.2 That the Finsbury Park to Highbury Fields Cycleway be approved as at Appendix B, incorporating the following amendments:

(i) Stepped cycle tracks along Drayton Park

(ii) Arvon Road School Street permit area to be extended to incorporate the resident permit holders impacted by the proposed right turn ban from Horsell Road to Drayton Park.

2.3 That authority be delegated to the Corporate Director of Environment and Regeneration, in consultation with the Executive Member for Environment and Transport, to make any further minor amendments to the scheme as are considered necessary in the light of further traffic surveys and any issues emerging during detailed design.

Reason for decision – to encourage environmentally sustainable methods of transport.

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

Conflicts of interest/dispensations granted – none.

661 **ADOPTION OF WASTE REDUCTION AND RECYCLING PLAN**

Cllr Webbe advised that the Waste and Recycling Plan was part of the council's response to the climate crisis. The plan would support residents to reduce their waste, reuse and recycle.

RESOLVED:

2.1 That the changes to the draft Waste Reduction and Recycling Plan following public consultation be noted.

2.2 That the Waste Reduction and Recycling Plan 2018-2022 be adopted.

2.3 That the summary version of the Waste Reduction and Recycling Plan, attached as Appendix 2 and submitted to the Mayor of London in a spreadsheet format to facilitate monitoring of impact and performance, be agreed.

Reason for decision – to respond to the Environment and Climate Emergency.
Other options considered – none other than as specified in the report.
Conflicts of interest/dispensations granted – none.

662 ALTERNATIVE RESOURCING ARRANGEMENTS

RESOLVED:

2.1 That an extension to the use of the LGRP framework agreement for permanent and interim staff be approved, as outlined in the report.

2.2 That the award of call-off contracts, if permanent or interim staff are required and agreed, not exceeding £10m in the aggregate to suppliers on the LGRP framework agreement from the initial pilot, be approved.

2.3 That the use of the LGRP framework agreement be approved as the Council's default agreement where staff are required and that route is most advantageous.

2.4 That the Chief Executive, Corporate Directors and the Chief Finance Officer (acting individually) be authorised to award call-off contracts, if staff are required, not exceeding £10m in the aggregate, to suppliers on the LGRP framework agreement from the initial project.

Reason for decision – to ensure that the council is able to appoint staff appropriate to meet the organisation's needs.
Other options considered – none other than as specified in the report.
Conflicts of interest/dispensations granted – none.

663 BUYING NEW COUNCIL HOMES - EXEMPT APPENDIX

Noted. See Minute 655 for details of the decision.

664 PROCUREMENT STRATEGY FOR ELECTRICAL TESTING, SERVICING AND ASSOCIATED REMEDIAL WORKS - EXEMPT APPENDIX

Noted. See Minute 656 for details of the decision.

MEETING CLOSED AT 7.40 pm

CHAIR



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

Meeting of	Date	Ward(s)
Executive	28 November 2019	All
Delete as appropriate	Exempt	Non-exempt

BUDGET MONITORING 2019/20 MONTH 6

1. SYNOPSIS

- 1.1 This report presents the forecast outturn position for 2019/20 as at 30 September 2019. Overall, there is a forecast General Fund underspend of (-£0.634m) compared to a forecast underspend of (-£0.237m) in the previous month.
- 1.2 The Housing Revenue Account (HRA) is forecast to break-even over the year.
- 1.3 It is forecast that £144.853m of capital expenditure will be delivered in 2019/20 against the existing 2019/20 capital budget of £148.412m.
- 1.4 The latest delivery tracker ('RAG' rating) of agreed 2019/20 savings shows that of the £13.775m of savings in 2019/20, £12.595m are either on track to be delivered or have been replaced with deliverable alternatives. Only £1.180m is flagged as at risk of delay or non-delivery.

2. RECOMMENDATIONS

- 2.1. To note the forecast revenue outturn for the General Fund (**Table 1**) of an overall underspend of (-£0.634m) compared to a forecast underspend of (-£0.237m) in the previous month. (**Section 3**)
- 2.2. To note that management action is required over the course of the financial year to bring forecast overspends back to within agreed cash limited budgets where possible. (**Paragraph 3.2**)
- 2.3. To note the breakdown of the forecast General Fund outturn by individual variance at **Appendix 1A** and by service area at **Appendix 2**.

- 2.4. To note the schedule of additional budget risks that are not included in the current forecasts. There is an ongoing financial assessment of these risks, which will be reported in future months. **(Paragraph 3.3 and Appendix 3)**
- 2.5. To agree to resolve the structural budget issues in the Environment and Regeneration budget by allocating a permanent budget adjustment of up to £2.707m from the corporate contingency budget. **(Paragraph 4.4 and Appendix 1B)**
- 2.6. To note the latest position on the earmarked corporate transformation reserve and to agree the new £0.620 allocation from the reserve to continue to progress the discovery phase of the Enterprise Resource Planning project. **(Paragraphs 5.4-5.5 and Table 2).**
- 2.7. To note that the HRA forecast is a net break-even position. **(Table 1 and Appendix 2)**
- 2.8. To note the latest capital position and key capital variances with forecast capital expenditure of £144.853m in 2019/20 against the existing 2019/20 capital budget of £148.412m. **(Section 7, Table 3, and Appendix 4)**
- 2.9. To note the capital budget increases since month 5 relating to earmarked grant funding now profiled in the capital programme and to agree the following capital budget changes required to fully incorporate the current year expenditure profiles in the approved programme **(Paragraphs 7.4 to 7.13):**
 - 2.9.1. A £1.000m increase to the current year capital programme to incorporate the 49-59 Old St scheme in the capital programme (funded from capacity within the existing capital financing budget);
 - 2.9.2. A capital virement from previously reported slippage in the Housing directorate (-£0.909m) to the Bunhill II scheme in the Environment and Regeneration directorate (+£0.833m) and the 49-59 Old Street scheme in the Resources directorate (+£0.076m) in order to reflect current year expenditure profiles (no impact on the overall resources available for the Housing capital programme);
 - 2.9.3. An allocation of £4.088m from the Carbon Offset Fund (Section 106) to the Bunhill II scheme in the Environment and Regeneration directorate, subject to agreement by the Affordable Energy Board and the Borough Investment Panel;
 - 2.9.4. A capital virement (net nil within the People directorate) from the forecast underspend on the school expansion schemes contingency budget (-£1.067m) to the Central Library scheme (+£1.067m);
 - 2.9.5. A capital virement from the remaining forecast underspend in the People directorate (-£0.633) to the 49-59 Old Street scheme in the Resources directorate (+£0.633m).
- 2.10. To note that the overall increase in the capital programme, funded as set out above and from additional external income, is subject to agreement by Council on 5 December 2019 in a separate report. **(Paragraph 7.3)**
- 2.11. To agree the drawdown of £1.793m from the 'capital reserve' (an earmarked revenue reserve) for the forecast revenue costs of the 49-59 Old Street project. **(Paragraph 7.14)**

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 1A** and a breakdown by General Fund and HRA service area in **Appendix 2**.

Table 1: 2019/20 General Fund and HRA Forecast Over/(Under)Spend

	Month 6 £m	Month 5 £m	Change £m
<u>GENERAL FUND</u>			
Chief Executive's Directorate	0.064	0.064	0
Environment and Regeneration	2.749	2.732	0.017
Housing	0	0	0
People	(1.145)	(0.750)	(0.395)
Public Health	0	0	0
Resources Directorate	(0.026)	0.003	(0.029)
DIRECTORATE TOTAL	1.642	2.049	(0.407)
Corporate Items	(2.276)	(2.286)	0.010
GROSS OVER/(UNDER) SPEND	(0.634)	(0.237)	(0.397)
<u>HOUSING REVENUE ACCOUNT</u>			
NET (SURPLUS)/DEFICIT	0	0	0

- 3.2. All services have agreed cash limited budget allocations and therefore take responsibility for delivering a balanced budget unless a detailed business case is developed and approved for an allocation from the corporate contingency budget. Management action is therefore required over the course of the financial year to bring forecast overspends back to within agreed cash limited budgets where possible.
- 3.3. A schedule of additional budget risks that are not included in the current forecasts is provided at **Appendix 3**. There is an ongoing financial assessment of these risks, which will be reported in future months.

4. GENERAL FUND

Chief Executive's Directorate (+£0.064m)

- 4.1. The Chief Executive's directorate is forecasting a (+£0.064m) overspend, the same as the previous month, with the key variances and changes summarised in **Appendix 1A**.

Environment and Regeneration (+£2.749m)

- 4.2. The Environment and Regeneration directorate is forecasting a (+£2.749m) overspend, an increase of (+£0.017m) since the previous month. The key variances and changes behind this net overspend are set out in **Appendix 1A**.
- 4.3. The management actions being taken to control this position include:

- 4.3.1. Regular monitoring of spend and income trends across the department to enable effective decisions to be taken;
- 4.3.2. Extensive work being undertaken within Street Environmental Services (SES) to control and monitor staff related spend, particularly around sickness absence management;
- 4.3.3. On-going work to drive through service changes to deliver delayed savings.
- 4.4. The directorate seeks a decision to resolve the structural budget issues (detailed in **Appendix 1B**) contributing to this overspend position by allocating a permanent budget adjustment of up to £2.707m from the corporate contingency budget. The directorate will then consider options to reduce the remaining forecast overspend.

Housing (Break-Even, unchanged since previous month)

- 4.5. The Housing General Fund is forecast to break-even, after the use of (-£0.735m) one-off grant funding carried forward from prior years in earmarked reserves. This position is summarised in **Appendix 1A**.
- 4.6. The Housing General Fund budget has decreased by £0.498m since month 5, relating to a budget virement to corporate items for the borrowing costs of the temporary accommodation acquisitions programme.

People (-£1.145m)

- 4.7. The new People directorate (comprising Children's, Employment and Skills and Adult Social Services) is forecasting a (-£1.145m) underspend, a decrease of (-£0.395m) since previous month. The key variances and changes are set out in **Appendix 1A**.

Children's, Employment and Skills - General Fund (-£0.395m), Schools (-£3.416m)

- 4.8. Children's, Employment and Skills is forecasting a (-£0.395m) underspend compared to a break even position the previous month. The Children's, Employment and Skills budget has increased by £0.150m since month 5, relating to a budget virement from corporate items for contract inflation held corporately at 2019/20 budget setting.
- 4.9. The Dedicated Schools Grant (DSG) is forecasting an underspend of (-£3.416m or -1.7%). Most of this (-£3.416m) relates to prior year contingency balances being managed on behalf of Schools Forum to either manage cost pressures in relation to high needs and provision for 2 year olds, or because of volatility in the implementation of a national funding formula for 3 and 4 year olds. This is offset by forecast DSG cost pressures relating to early years Special Educational Needs and Disability (SEND) following a significant increase in applications in the summer term. Underspends and overspends against the DSG are managed through Schools Forum.

Adult Social Services (-£0.750m)

- 4.10. Adult Social Services is forecasting a (-£0.750m) underspend, a stand still position compared to the previous month.
- 4.11. This position includes the use of one-off resources totalling (-£4.224m), including Social Care Grant, Improved Better Care Fund (Stabilising the Social Care System), Winter

Pressures Funding, Direct Payments Surplus and (-£1.587m) funding carried forward from 2018/19 in earmarked reserves.

Public Health (Break-Even, unchanged since previous month)

- 4.12. Public Health is funded via a ring-fenced grant and forecast to break-even with no material variances from budget.

Resources Directorate (-£0.026m)

- 4.13. The Resources directorate is forecasting a (-£0.026m) underspend, an improvement of (-£0.029m) since the previous month, with the key variances and changes detailed in **Appendix 1A**. This includes the provisional use of one-off funding carried from 2018/19 in earmarked reserves (-£0.450m). It is expected that either Property Services or the Resources directorate as a whole will put in place a strategy to contain the current forecast overspend and therefore this one-off funding will not be called upon.

Corporate Items (-£2.276m)

- 4.14. The forecast for corporate items is a (-£2.276m) underspend, a decrease of (+£0.010m) since the previous month, with key variances and changes set out in **Appendix 1A**. The corporate items budget has increased by £0.348m since month 5. This is due to a £0.498m budget virement from Housing for the borrowing costs of the temporary accommodation acquisition programme, offset by a £0.150m budget virement to Children, Employment and Skills for contract inflation held corporately at 2019/20 budget setting.
- 4.15. The corporate items forecast currently assumes that the agreed 2019/20 cross-cutting savings (totalling £1.380m) are fully deliverable and that service cash limits will be adjusted accordingly.
- 4.16. This position is before taking into account the corporate contingency budget. The recommended contingency allocation of £2.707m to structural budget issues in the Environment and Regeneration directorate will reduce the 2019/20 corporate contingency budget from £5.080m to £2.373m. Any remaining balance of the 2019/20 contingency budget at the end of the financial year will be carried forward to future years, providing much needed financial resilience over the medium term.

5. SAVINGS DELIVERY

- 5.1. All savings projects are owned by nominated service leads and monitored monthly by Departmental Management Teams. All projects are also reviewed monthly by the Corporate Programme Management Office to ensure they are on track, that any savings associated are deliverable and that emerging risks and issues are identified. Services are then supported corporately with any remedial action necessary to get projects back on track, or establish where savings may no longer be deliverable and replacements are needed.
- 5.2. The latest delivery tracker ('RAG' rating) of agreed 2019/20 savings shows that, of the £13.775m savings programme in 2019/20, £12.595m is either on track to be delivered or has been replaced with deliverable alternatives where they were undeliverable. Only £1.180m is flagged as at risk of delay or non-delivery.
- 5.3. The agreed 2019/20 budget includes cross-cutting savings totalling £1.380m that have still to be formally allocated across services. It is currently assumed that these cross-

cutting savings are fully deliverable in 2019/20 and that service cash limits will be adjusted accordingly.

- 5.4. To enable the delivery of agreed savings, there is a corporate transformation reserve to provide required investment funding over the medium term. **Table 2** below summarises the latest position on this reserve.

Table 2: Corporate Transformation Reserve

	£m
Balance as at 31 March 2019	10.448
Budgeted 2019/20 transfer to reserve	5.000
2019/20 allocations	(3.119)
Balance as at Month 6	12.329

- 5.5. The 2019/20 allocations from the corporate transformation reserve include an additional £0.562m to continue to progress the discovery phase of the Enterprise Resource Planning project (bringing the total amount allocated to date to this project to £0.800m). This requires Executive approval as it is above the £0.500m threshold for officer approval.

6. HOUSING REVENUE ACCOUNT

- 6.1. The forecast variance on the Housing Revenue Account, before transfers to HRA reserves, is a net underspend of (-£0.600m). This relates to additional income from rents as well as underspends on repairs and maintenance and general management costs. These are offset by making additional provision for bad debts as shown in **Appendix 2**. As this is a ring-fenced account, any underspends go into HRA balances to be used in future years, resulting in a net break-even position.

7. CAPITAL PROGRAMME

- 7.1. It is forecast that £144.853m of capital investment will be delivered in 2019/20 against the existing 2019/20 capital budget of £148.412m. This is set out by directorate in **Table 3** below and detailed in **Appendix 4**, which also includes the provisional capital programme for 2020/21 and 2021/22.

Table 3: 2019/20 Capital Programme Month 6 Forecast

Directorate	2019/20 Budget	2019/20 Spend To Date	2019/20 Forecast Outturn	Forecast Capital Variance
	£m	£m	£m	£m
Environment and Regeneration	17.259	6.178	22.719	5.460
Housing	114.171	40.045	104.076	(10.095)
People	14.007	5.711	13.374	(0.633)

Directorate	2019/20 Budget	2019/20 Spend To Date	2019/20 Forecast Outturn	Forecast Capital Variance
Resources	2.975	1.165	4.684	1.709
Total	148.412	53.099	144.853	(3.559)

7.2. As at the end of month 6, £53.099m of capital expenditure had been spent against the existing 2019/20 capital budget of £148.412m.

7.3. The paragraphs below cover the outcome of the mid-year review of the capital programme and the capital budget changes required to fully incorporate the current year expenditure profiles in the approved programme. The overall increase in the capital programme as a result of these changes is subject to agreement by Council on 5 December 2019 in a separate report.

Environment and Regeneration

7.4. Since month 5, £0.187m of the leisure capital programme has been re-profiled from 2020/21 to 2019/20 to reflect latest expenditure profiles.

7.5. As reported in previous months, the Combined Heat and Power scheme ('Bunhill II') has been under review. The expected project cost (to partial completion, expected to be 21 January 2020), is now £16.311m (including prior year expenditure), which is £6.486m above the agreed total scheme budget of £9.825m. The variance against budget results from additional costs for project delays, changes to project scope, and changes to the technical solution (£5.2m); materials, services & approvals (£0.6m) and establishing a robust contingency (£0.8m).

7.6. The expected project cost includes a contingency of £0.810m. This represents 34% of the remaining planned expenditure on the project and is based on a refreshed set of quantified and weighted risks. This level of contingency is supported by all of the Council's professional advisors, but will be tightly managed and only expensed as required.

7.7. The forecast expenditure profile of the additional budget requirement is £5.460m in 2019/20 and £1.026m in 2020/21. It is recommended that the 2019/20 capital budget for this scheme is increased by the required £5.460m. The sources of funding for this budget increase are £4.088m from the Carbon Offset Fund (a form of Section 106 funding, subject to agreement by the Affordable Energy Board and the Borough Investment Panel); £0.539m forecast additional external income from the scheme; and £0.833m from previously reported Housing slippage (General Fund element) on the current year new build capital programme. The additional budget requirement in 2020/21 (£1.026m) will be factored into the revised capital programme to be included as part of the 2020/21 budget report.

Housing

7.8. The Housing capital programme has been updated to reflect the now agreed 2019/20 HRA property acquisition capital budget of £13.500m, offset by £23.595m previously reported slippage in the 2019/20 new build programme budget. This represents a £10.095m reduction in the 2019/20 new build programme capital budget. It is recommended that £0.909m of this slippage on the current year new build programme (General Fund) is vired

to the Bunhill II scheme in the Environment and Regeneration directorate (£0.833m) and the 49-59 Old Street scheme in the Resources directorate (£0.076m) and the remainder is profiled in 2020/21 pending a full review of financial profiles as part of 2020/21 budget setting. This is a current year budget adjustment to reflect expenditure profiles and does not affect the overall resources available for the new build programme.

People – Children’s, Employment and Skills

- 7.9. The Children’s, Employment and Skills capital programme is forecasting an underspend of £1.700m in 2019/20. This represents the forecast balance on the school expansion schemes contingency budget.
- 7.10. The Central Library has been undergoing a refurbishment to enable a new project to run in the building. Phase 1 work has been completed with Phase 2 out to tender. In total, a capital budget of £1.067m is required, of which £0.500m will be funded from external contributions and existing budgets and £0.567m will be funded from capacity within the existing capital financing budget. It is recommended that the required capital budget for this scheme is created by way of a £1.067m capital virement from the forecast underspend on the school expansion schemes contingency budget (net nil within the People directorate). This leaves a remaining forecast capital underspend of £0.633m in the People directorate.
- 7.11. Since month 5, the provisional Children’s, Employment and Skills capital programme for 2020/21 and 2021/22 has been updated to include the following earmarked capital grant funding that was not included at 2019/20 budget setting (**Table 4** below).

Table 4: Additional Education Grant Funding Profiled in 2020/21 and 2021/22

	£m
School condition grant	1.459
Basic need grant	2.595
Special provision fund 2018/19 to 2020/21	1.326
Total	5.380

Resources

- 7.12. Since month 5, a new earmarked grant funded project to replace the cladding on the flats that the Council owns on the Bridge School campus has been added to the 2019/20 capital programme.
- 7.13. The expected total capital cost of the project to renovate and upgrade 49-59 Old Street ready for commercial letting is £2.423m (£0.714m prior year expenditure plus £1.709m to be profiled in the current year capital programme). It is recommended that the current year capital programme is increased by £1.000m for this scheme (funded from capacity within the existing capital financing budget) and that the scheme budget is increased to the required £1.709m by way of a £0.633m capital virement from the remaining forecast underspend in the People directorate and £0.076m previously reported Housing slippage (General Fund element) on the current year new build capital programme.

- 7.14. The 49-59 Old Street project includes forecast revenue costs of £1.793m in 2019/20. This is funded from the existing 'capital reserve' (an earmarked revenue reserve) and it is recommended that this is now drawn down to the Resources directorate revenue budget.

8. IMPLICATIONS

Financial Implications

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

Legal Implications

- 8.2. 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 (section 28 Local Government Act 2003; the Council's Financial Regulations 3.7 to 3.10 (Revenue Monitoring and Control)).
- 8.3. The Executive may agree an increase in the capital programme of up to £1m and alterations of up to £1m to departmental allocations. Full council approval is required where the increase or alteration exceeds £1m (Financial Regulations 4.19, 4.22 and 4.24).

Environmental Implications and contribution to Zero Net Carbon by 2030:

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

Resident Impact Assessment

- 8.5. 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.
- 8.6. A resident impact assessment (RIA) was carried out for the 2019/20 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 1A – General Fund Revenue Monitoring by Individual Variance
- Appendix 1B – Environment and Regeneration Structural Budget Pressures
- Appendix 2 – Revenue Monitoring by Service Area
- Appendix 3 – Additional General Fund Budget Risks
- Appendix 4 – Capital Monitoring 2019/20 to 2021/22

Background papers: None

Final report clearance:

Signed by:		20 November 2019
	Councillor Andy Hull Executive Member for Finance, Performance and Community Safety	Date

Responsible Officer:

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Legal Implications Author:

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Appendix 1: 2019/20 General Fund Revenue Monitoring by Individual Variance - Month 6

Directorate / Service Area	Sub-Heading	Description of Over/(Under) Spend	Forecast Over/(Under) Spend Month 6	Forecast Over/(Under) Spend Month 5	Month to Month Change	% of Directorate Net Budget Over/(Under) Spent
			£m	£m	£m	%
CHIEF EXECUTIVE'S DIRECTORATE						
Chief Executive's Office	Chief Executive's Office	Overspend on consultancy costs.	0.170	0.170	0.000	14.8%
Chief Executive's Office	Chief Executive's Office	Underspend on salaries.	(0.076)	(0.076)	0.000	(6.6%)
Communications and Change	Communications and Change	Underspend on running costs.	(0.030)	(0.030)	0.000	(2.6%)
Total Chief Executive's Directorate			0.064	0.064	0.000	5.6%
ENVIRONMENT AND REGENERATION						
Planning and Development	Development Control	Lower levels of development control income due to lower levels of economic activity	0.174	0.189	(0.015)	1.1%
Planning and Development	Building Control	Lower levels of building control income due to lower levels of economic activity	0.188	0.188	0.000	1.2%
Planning and Development	Building Control	Net overspend on employee costs	0.080	0.000	0.080	0.5%
Planning and Development	Development Control	Overspend forecast on consultant costs	0.065	0.000	0.065	0.4%
Public Protection	Development Control	Overspend forecast on advertising and printing costs	0.042	0.000	0.042	0.3%
Public Protection	Local Land Charges	Decline in Local Land Charges income	0.163	0.163	0.000	1.0%
Public Protection	Various	Redundancy and pension strain costs.	0.182	0.184	(0.002)	1.2%
Public Realm	Greenspace & Leisure	Income pressures within parks events	0.372	0.000	0.372	2.4%
Public Realm	Greenspace & Leisure	Additional supervision costs as a result of barbeques	0.050	0.000	0.050	0.3%
Public Realm	Greenspace and Leisure	Various	0.000	0.117	(0.117)	0.0%
Public Realm	Highways and Energy Services	Lower level of income from the advertising concession contract	0.200	0.200	0.000	1.3%
Public Realm	Highways and Energy Services	iCo income pressure as a result of income generated being accounted for elsewhere	0.200	0.200	0.000	1.3%
Public Realm	Highways and Energy Services	Unachievable street lighting Wi-Fi concession income	0.165	0.160	0.005	1.1%
Public Realm	Highways and Energy Services	Pressure around the lease arrangement for one of the depots	0.000	0.085	(0.085)	0.0%
Public Realm	Street Environmental Services	Additional staff costs due to higher levels of sickness and the levels of cover required for this operating model	0.693	0.425	0.268	4.4%
Public Realm	Street Environmental Services	Additional staff costs due to changes in refuse collection service	0.500	0.500	0.000	3.2%
Public Realm	Street Environmental Services	Shortfall in Commercial Waste income	0.500	0.250	0.250	3.2%
Public Realm	Street Environmental Services	Delays in fleet replacement due to ULEZ considerations	0.400	0.400	0.000	2.6%
Public Realm	Street Environmental Services	Driver grade uplift to reflect additional supervision duties due to Operator ('O') licence requirements	0.120	0.120	0.000	0.8%
Public Realm	Street Environmental Services	ULEZ on non compliant council vehicles	0.150	0.100	0.050	1.0%
Public Realm	Street Environmental Services	Anticipated fuel savings offset by higher pump prices	0.100	0.100	0.000	0.6%
Public Realm	Street Environmental Services	Shortfall in bulky waste income	0.080	0.080	0.000	0.5%
Public Realm	Street Environmental Services	One-off abortive costs associated with service re-design	0.022	0.022	0.000	0.1%
Public Protection	Various	Higher levels of income achieved across enforcement, pest and animal services	(0.283)	(0.256)	(0.027)	(1.8%)
Public Protection	Various	Net employee costs across the division	(0.277)	(0.204)	(0.073)	(1.8%)
Public Protection	Various	Underspend on running expenses budgets throughout the division	(0.017)	(0.040)	0.023	(0.1%)
Public Realm	Greenspace & Leisure	Salary underspends due to vacancies	(0.201)	0.000	(0.201)	(1.3%)
Public Realm	Greenspace & Leisure	Additional income on sports related activities	(0.119)	0.000	(0.119)	(0.8%)
Public Realm	Greenspace & Leisure	Improved forecast on external income within the Tree Service	(0.048)	0.000	(0.048)	(0.3%)
Public Realm	Greenspace & Leisure	Net underspend throughout the division	(0.040)	0.000	(0.040)	(0.3%)
Public Realm	Fleet & Depots	Forecast to underspend due to spend controls	(0.033)	0.000	(0.033)	(0.2%)
Public Realm	Highways and Energy Services	Higher levels of highways related income	(0.603)	(0.251)	(0.352)	(3.8%)
Public Realm	Highways and Energy Services	Additional income within the Energy Service	(0.076)	0.000	(0.076)	(0.5%)
Total Environment and Regeneration			2.749	2.732	0.017	17.5%
HOUSING						
Temporary Accommodation	Pressure	Temporary Accommodation (Nightly Booked/PSL)	0.258	0.000	0.258	2.9%
Temporary Accommodation	Pressure	Islington Lettings	0.184	0.000	0.184	2.1%
Temporary Accommodation	Pressure	Bad Debt	0.058	0.000	0.058	0.7%
Temporary Accommodation	Underspend	Staffing/Other	(0.034)	0.000	(0.034)	(0.4%)
Housing Needs	Pressure	Legal Costs	0.224	0.000	0.224	2.6%
Housing Needs	Pressure	SHPS	0.214	0.000	0.214	2.4%
Housing Needs	Underspend	Staffing/Other	(0.072)	0.000	(0.072)	(0.8%)
Housing Strategy and Development	Underspend	Reassessment of Planning Enabling Role	(0.066)	0.000	(0.066)	(0.8%)
Housing Administration	Underspend	Staffing/Other	(0.031)	0.000	(0.031)	(0.4%)
Temporary Accommodation	Pressure	Demand led and structural pressures in temporary accommodation. This includes a new payment by results service to relieve and prevent homelessness for single and childless couples with moderate support needs and who fall below the priority threshold.	0.000	0.830	(0.830)	0.0%
Homelessness	One-off Income	Use of carried forward prior year grants in earmarked reserves.	(0.735)	(0.830)	0.095	(8.4%)
Total Housing			0.000	0.000	0.000	0.0%
PEOPLE						
Youth and Communities	Crime and Youth Offending	Reduced numbers on remand has continued from last year, indicating that a significant underspend could occur again this year. However, this is a demand led budget, and a small increase in activity can have a large impact on the budget, therefore only a very cautious estimate of the potential underspend is being reported at this stage.	(0.050)		(0.050)	(0.1%)
Youth and Communities	Crime and Youth Offending	In addition to the above variance, the one-off contingency budget for remand is unlikely to be required in 2019/20	(0.300)		(0.300)	(0.3%)
Youth and Communities	All	Staff vacancies in Youth and Communities	(0.030)		(0.030)	(0.0%)
Youth and Communities	Play and Youth	Essential building maintenance costs across the youth and play estate	0.020		0.020	0.0%
Safeguarding and Family Support	Children in Need	Staff vacancies in the Children in Need provider service	(0.095)	(0.095)	0.000	(0.1%)
Safeguarding and Family Support	Children in Need	Direct payments - increased recovery of unused funds	(0.050)	(0.050)	0.000	(0.1%)
Safeguarding and Family Support	Children in Need	Emergency Duty Team - increasing number of Approved Mental Health Professional Assessments in line with demand	0.045	0.042	0.003	0.1%
Safeguarding and Family Support	Children Looked After	Contact Service - increased levels of court directed Children Looked After contact services	0.006	0.021	(0.015)	0.0%
Safeguarding and Family Support	Placements	Supported Accommodation - impact of delay to new pathway coupled with an upward movement in 16+ activity. There was an increase in the 16+ cohort during 2018/19 that if sustained will lead to an overspend against this budget.	0.416	0.310	0.106	0.5%
Safeguarding and Family Support	Placements	Increase in particularly complex children being placed in joint funded specialist provision	0.521	0.330	0.191	0.6%
Safeguarding and Family Support	Placements	Residential (regulated) - recent increase in demand for high cost residential placements	0.277		0.277	0.3%
Safeguarding and Family Support	Placements	Reduced activity in the fostering service in relation to both in-house foster carers and Independent Fostering Agencies	(0.273)		(0.273)	(0.3%)
Safeguarding and Family Support	Placements	Underspend against In-house permanency budgets	(0.112)		(0.112)	(0.1%)
Safeguarding and Family Support	Placements	Drawdown of placements contingency budget	(0.500)	(0.500)	0.000	(0.6%)
Learning and Schools	Early Years	Staff vacancies	(0.050)	(0.050)	0.000	(0.1%)
Learning and Schools	Early Years	Forecast underspend against the holiday hunger budget now the programme is complete for 2019/20 as the Easter holidays fall in the next financial year	(0.109)		(0.109)	(0.1%)
Learning and Schools	SEN Transport	Forecast balance against the one-off SEN transport contingency budget	(0.100)		(0.100)	(0.1%)
Learning and Schools	School Uniform Grant	Increase in demand from eligible pupils for the Council's school uniform grant.	0.018		0.018	0.0%
Learning and Schools	Universal Free School Meals	The reduction in the number of children not eligible for statutory free school meals is expected to be maintained in 2019/20	(0.050)	(0.050)	0.000	(0.1%)
Partnerships and Service Support	Laycock Professional Development Centre	Loss of income following the overrun of works to address subsidence	0.045	0.045	0.000	0.1%
Partnerships and Service Support	Service Support	Forecast staffing underspend against the directorate management budget	(0.050)	(0.050)	0.000	(0.1%)

Appendix 1: 2019/20 General Fund Revenue Monitoring by Individual Variance - Month 6

Partnerships and Service Support	Cardfields	Reduction in schools funding, repayment of corporately funded capital works, forecast shortfall in income and urgent maintenance costs	0.034	0.055	(0.021)	0.0%
Employment, Skills and Culture	Arts Service	Staffing pressure offset by rental income from Dingley Place	(0.008)	(0.008)	0.000	(0.0%)
Total Children's, Employment and Skills			(0.395)	0.000	(0.395)	(0.4%)
Adult Social Care	Adult Social Care	Legal costs	0.000	0.067	(0.067)	0.0%
Adult Social Care	Underspend	Contract negotiations	(0.750)	(0.750)	0.000	(1.1%)
Integrated Community Services	Re-profiled Savings	Assistive technology	0.280	0.280	0.000	0.4%
Integrated Community Services	Pressure	Memory and Cognition and Physical Disabilities Support Placements	0.665	0.000	0.665	1.0%
Integrated Community Services	Pressure	Mental Health Placements	0.556	0.000	0.556	0.8%
Integrated Community Services	Underspend	Substance Misuse Placements	(0.150)	0.000	(0.150)	(0.2%)
Integrated Community Services	Underspend	Improved assessment of client contributions	(0.500)	0.000	(0.500)	(0.7%)
Integrated Community Services	Underspend	Staffing Vacancies	(0.180)	0.000	(0.180)	(0.3%)
Integrated Community Services	Reablement	Reablement overspend	0.280	0.280	0.000	0.4%
Integrated Community Services	Pressure	S117 reimbursement costs	0.105	0.000	0.105	0.2%
Integrated Community Services	Demographic funding	Application of demographic funding	(1.000)	0.000	(1.000)	(1.4%)
Integrated Community Services	Pressure	Reduced room hire and increased sessional fees	0.000	0.059	(0.059)	0.0%
Integrated Community Services	Undelivered Savings	Adult Social Care case reviews	0.710	0.710	0.000	1.0%
Learning Disabilities	Pressure	Placements overspend (net of management action)	0.990	1.188	(0.198)	1.4%
Strategy and Commissioning	Re-profiled Savings	Adult Social Care transformation	1.500	1.500	0.000	2.2%
Strategy and Commissioning	Re-profiled Savings	Previous MTFS savings	0.268	0.268	0.000	0.4%
Strategy and Commissioning	Re-profiled Savings	Advocacy	0.035	0.035	0.000	0.1%
Strategy and Commissioning	Re-profiled Savings	Age UK	0.035	0.035	0.000	0.1%
Strategy and Commissioning	Pressure	Community equipment	0.000	0.051	(0.051)	0.0%
Strategy and Commissioning	Underspend	Underspend in intermediate care	(0.098)	(0.249)	0.151	(0.1%)
Adult Social Care	One-off Income	Social Care Grant, Improved Better Care Fund (Stabilising the Social Care System), Winter Pressures Funding, Direct Payments Surplus and 2018/19 Carry Forward in earmarked reserves	(3.496)	(4.224)	0.728	(5.0%)
Total Adult Social Services			(0.750)	(0.750)	0.000	(1.1%)
Total People			(1.145)	(0.750)	(0.395)	(0.7%)
PUBLIC HEALTH						
No material variances.			0.000	0.000	0.000	
Total Public Health			0.000	0.000	0.000	
RESOURCES DIRECTORATE						
Accommodation and Facilities	Business Rates	Reduction in costs relating to rationalisation of buildings	(0.379)	(0.378)	(0.001)	(0.9%)
Accommodation and Facilities	Commercial Property	Commercial income has been budgeted to rise significantly. However, practical issues have meant that the development project at Old Street has taken longer than anticipated and a delay in achieving full income growth.	1.107	1.201	(0.094)	2.7%
Financial Management	Corporate Audit Fee	Re-negotiation of contract with a new supplier	(0.064)	(0.064)	0.000	(0.2%)
All	Vacancy Management	Vacancy management across the directorate	(0.240)	(0.201)	(0.039)	(0.6%)
All	One-off Income	Use of 2018/19 carry forward in earmarked reserves for various service specific and transformation projects	(0.450)	(0.555)	0.105	(1.1%)
Total Resources Directorate			(0.026)	0.003	(0.029)	(0.1%)
DIRECTORATE TOTAL			1.642	2.049	(0.407)	
CORPORATE ITEMS						
Housing Needs	NRPF	Uncontrollable pressure due to the Council's statutory, yet unfunded, duty to provide a safety net to vulnerable migrants with No Recourse to Public Funds (NRPF) and European Economic Area nationals	0.691	0.698	(0.007)	(0.3%)
Corporate Projects	Corporate Projects	Unbudgeted support costs for various corporate projects	1.056	0.400	0.656	(0.5%)
Corporate Financing Account	Corporate Financing Account	The Council continues to follow a successful Treasury Management Strategy of shorter-term borrowing at low interest rates, whilst the corporate financing budget for interest costs and debt repayment is currently based on the average long term cost of borrowing. This means that corporate financing costs in 2019/20 are significantly less than than budgeted. Combined with unbudgeted investment income, this is currently forecast to lead to an underspend in the corporate financing account of £3.873m	(3.873)	(3.234)	(0.639)	1.7%
Levies	Levies	Underspend on corporate levies budget compared to the estimate before the start of the financial year	(0.150)	(0.150)	0.000	0.1%
Total Corporate Items			(2.276)	(2.286)	0.010	1.0%
GROSS TOTAL			(0.634)	(0.237)	(0.397)	

Appendix 1B: Environment and Regeneration Structural Budget Issues

Issue	Narrative	£m
EXTERNAL PRESSURES		
Lamp Post WIFI concession	Project has not been delivered to business plan assumption	0.160
Fuel cost increases	Fuel prices of both petrol and diesel have had significant market price increases. Increases in fuel efficiency of the fleet has mitigated this to a 10% increase in costs.	0.100
Land Charges	Environmental regulations have decrease land charges income by 20%.	0.100
Total External Pressures		0.360
UNAVOIDABLE COSTS		
Employees	Staffing budgets are insufficient to deliver the current front-line service within the refuse, recycling and street cleansing service.	0.945
Christmas Lights	Previously externally funded. Total cost offset by some contributions from businesses.	0.150
Depot Lease	This is a new pressure relating to the annual lease cost following expiry of existing arrangements.	0.085
Barbeques	Cost of additional supervision in parks in the warmer months incurring additional costs within the parks patrol service.	0.062
Planning & Development Income	Reduced economic activity impacting on levels of planning and building control income	0.250
Highways income	Income relating to iCo company already accounted for within other service budgets	0.200
Bulky Waste	Lower levels of income that anticipated	0.080
Total Unavoidable Costs		1.772
POLICY CHOICES NOT DELIVERABLE		
Finsbury Square	Greater use of the Square for events has not proved feasible at the frequency required to generate this level of income	0.275
Ice Rink	This project failed to develop into a feasible winter event	0.200
Schools / Charities Waste	Charges for schools agreed at a lower level and charities continue to receive a free service	0.100
Total Policy Choices Not Deliverable		0.575
GROSS TOTAL		2.707

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Appendix 2: 2019/20 Revenue Monitoring by Service Area - Month 6

GENERAL FUND						
Directorate / Division	Original Budget	Current Budget	Forecast Outturn	Forecast Over/(Under) Spend Month 6	Forecast Over/(Under) Spend Month 5	Month to Month Change
	£m	£m	£m	£m	£m	£m
CHIEF EXECUTIVE'S DIRECTORATE						
Chief Executive's Office	0.052	0.052	0.146	0.094	0.094	0.000
Communications and Change Strategy and Change*	1.069	1.099	1.069	(0.030)	(0.030)	0.000
	0.832	0.000	0.000	0.000	0.000	0.000
Total Chief Executive's Department	1.953	1.151	1.215	0.064	0.064	0.000
ENVIRONMENT AND REGENERATION						
Directorate	0.154	0.154	0.154	0.000	0.000	0.000
Planning and Development	1.297	1.453	2.001	0.548	0.377	0.171
Public Protection	4.531	4.656	4.424	(0.232)	(0.153)	(0.079)
Public Realm	9.414	9.414	11.847	2.433	2.508	(0.075)
Total Environment and Regeneration	15.396	15.677	18.426	2.749	2.732	0.017
HOUSING						
Temporary Accommodation (Homelessness Direct)	2.292	1.794	1.526	(0.268)	(0.294)	0.026
Housing Needs (Homelessness Indirect)	1.456	1.456	1.821	0.365	0.391	(0.026)
Housing Benefit	0.880	0.880	0.880	0.000	0.000	0.000
Housing Strategy and Development	0.133	0.133	0.067	(0.066)	(0.066)	0.000
Housing Administration	1.008	1.008	0.977	(0.031)	(0.031)	0.000
Voluntary and Community Services (VCS)	2.616	2.950	2.950	0.000	0.000	0.000
Total Housing	8.385	8.221	8.221	(0.000)	(0.000)	(0.000)
PEOPLE						
Youth and Communities	6.040	5.578	5.218	(0.360)	0.000	(0.360)
Safeguarding and Family Support	41.332	43.292	43.527	0.235	0.058	0.177
Learning and Schools	25.385	27.238	23.531	(3.707)	(2.364)	(1.343)
Partnership and Service Support	3.600	5.986	6.015	0.029	0.050	(0.021)
Strategy and Planning	0.079	0.108	0.108	0.000	0.000	0.000
Employment, Skills and Culture	5.322	5.436	5.428	(0.008)	(0.008)	0.000
Health Commissioning	0.930	0.930	0.930	0.000	0.000	0.000
Less Projected Ring-Fenced Schools Related Underspend	0.000	0.000	3.416	3.416	2.264	1.152
Total Children's, Employment and Skills	82.688	88.568	88.173	(0.395)	0.000	(0.395)
Adult Social Care	(6.288)	(6.522)	(11.684)	(5.162)	(4.906)	(0.256)
Integrated Community Services	27.399	28.136	29.873	1.737	1.329	0.408
Learning Disabilities	27.316	28.279	29.269	0.990	1.188	(0.198)
Strategy and Commissioning	21.168	19.470	21.155	1.685	1.639	0.046
Total Adult Social Services	69.595	69.363	68.613	(0.750)	(0.750)	0.000
Total People	152.283	157.931	156.786	(1.145)	(0.750)	(0.395)
PUBLIC HEALTH						
Children 0-5 Public Health	3.689	3.619	3.619	0.000	(0.045)	0.045
Children and Young People	1.434	1.529	1.530	0.001	0.040	(0.039)
NHS Health Checks	0.383	0.330	0.252	(0.078)	(0.065)	(0.013)
Obesity and Physical Activity	0.735	0.735	0.718	(0.017)	(0.017)	0.000
Other Public Health	(19.635)	(19.015)	(18.918)	0.097	0.203	(0.106)
Sexual Health	5.965	5.388	5.387	(0.001)	(0.047)	0.046
Smoking and Tobacco	0.468	0.338	0.336	(0.002)	(0.040)	0.038
Substance Misuse	6.961	7.076	7.076	0.000	(0.029)	0.029
Total Public Health	(0.000)	0.000	0.000	0.000	0.000	(0.000)
RESOURCES						
Directorate	0.849	0.562	0.132	(0.430)	(0.553)	0.123
Digital Services and Transformation	12.705	12.956	12.959	0.003	0.002	0.001
Financial Management and Property	(0.821)	(0.647)	(0.261)	0.386	0.474	(0.088)
Financial Operations	19.718	20.825	20.819	(0.006)	(0.011)	0.005
Internal Audit	0.697	0.698	0.668	(0.030)	(0.025)	(0.005)
Law and Governance	3.941	4.181	4.170	(0.011)	(0.002)	(0.009)
Human Resources	1.883	1.492	1.644	0.152	0.195	(0.043)
Strategy and Change*	0.000	0.803	0.713	(0.090)	(0.077)	(0.013)
Total Resources	38.972	40.870	40.844	(0.026)	0.003	(0.029)
DIRECTORATE TOTAL	216.989	223.850	225.492	1.642	2.049	(0.407)

Appendix 2: 2019/20 Revenue Monitoring by Service Area - Month 6

Directorate / Division	Original Budget	Current Budget	Forecast Outturn	Forecast Over/(Under) Spend Month 6	Forecast Over/(Under) Spend Month 5	Month to Month Change
	£m	£m	£m	£m	£m	£m
CORPORATE ITEMS						
Other Corporate Items	(1.114)	(1.457)	(0.401)	1.056	0.400	0.656
Corporate Financing Account	(25.043)	(24.545)	(28.418)	(3.873)	(3.234)	(0.639)
Pensions	9.348	9.348	9.348	0.000	0.000	0.000
Levies	19.962	19.962	19.812	(0.150)	(0.150)	0.000
Transfer to/(from) Reserves	(4.207)	(11.337)	(11.337)	0.000	0.000	0.000
Specific Grants	(5.616)	(5.616)	(5.616)	0.000	0.000	0.000
Core Government Funding / Council Tax	(215.822)	(215.822)	(215.822)	0.000	0.000	0.000
No Recourse to Public Funds	0.423	0.537	1.228	0.691	0.698	(0.007)
Contingency	5.080	5.080	5.080	0.000	0.000	0.000
Total Corporate Items	(216.989)	(223.850)	(226.126)	(2.276)	(2.286)	0.010
GROSS TOTAL	0.000	0.000	(0.634)	(0.634)	(0.237)	(0.397)

*The Strategy and Change team has moved from the Chief Executive's Directorate to the Resources Directorate since the start of the financial year.

Appendix 2: 2019/20 Revenue Monitoring by Service Area - Month 6

HOUSING REVENUE ACCOUNT(HRA)					
Service Area	Current Budget	Forecast Outturn	Forecast Over/(Under) Spend Month 6	Forecast Over/(Under) Spend Month 5	Month to Month Change
	£m	£m	£m	£m	£m
Dwelling Rents	(165.684)	(166.684)	(1.000)	(1.000)	0.000
Non Dwelling Rents	(1.600)	(1.600)	0.000	0.000	0.000
Heating Charges	(2.684)	(2.684)	0.000	0.000	0.000
Leaseholders Charges	(12.730)	(12.730)	0.000	0.000	0.000
Other Charges for Services and Facilities	(5.380)	(5.380)	0.000	0.000	0.000
PFI Credits	(22.855)	(22.855)	0.000	0.000	0.000
Interest Receivable	(0.500)	(0.500)	0.000	0.000	0.000
Contribution from General Fund	(0.816)	(0.816)	0.000	0.000	0.000
Gross Income	(212.249)	(213.249)	(1.000)	(1.000)	0.000
Repairs and Maintenance	32.928	32.578	(0.350)	(0.350)	0.000
General Management	53.102	52.852	(0.250)	(0.250)	0.000
PFI Payments	43.964	43.964	0.000	0.000	0.000
Special Services	22.356	22.356	0.000	0.000	0.000
Rents, Rates, Taxes & Other Changes	0.590	0.590	0.000	0.000	0.000
Capital Financing Costs	16.426	16.426	0.000	0.000	0.000
Depreciation	35.003	35.003	0.000	0.000	0.000
Bad Debt Provisions	0.750	1.750	1.000	1.000	0.000
Contingency	1.100	1.100	0.000	0.000	0.000
Transfer to HRA Reserves	6.030	6.630	0.600	0.600	0.000
Gross Expenditure	212.249	213.249	1.000	1.000	0.000
Net (Surplus)/Deficit	0.000	0.000	0.000	0.000	0.000

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Appendix 3: Additional General Fund Budget Risks - Month 6

<p>Environment and Regeneration</p> <p>The directorate relies on around £50m of income across a range of services such as parking, leisure, commercial waste, planning & building control, licensing & enforcement and highways. These income streams are subject to external factors such as economic activity, customer behaviour and competition and a small change in these factors could potentially have a significant financial impact on the directorate's financial position.</p>
<p>Housing</p> <p>Early indications in 2019/20 suggest increasing client numbers and rising costs in the provision of temporary accommodation. If client numbers rise significantly this could add substantial costs in terms of procuring temporary accommodation. This trend has been exacerbated, as the General Fund's largest temporary accommodation housing provider (Notting Hill Genesis Housing) has ended many tenancies and increased charges, resulting in many clients needing to move into more expensive temporary accommodation and those remaining facing rent rises.</p> <p>Legal costs arising from new legal challenges can result in increased use of resources on court fees and barristers. This has grown month on month in 2019/20, primarily due to new HRA Act 2017 related legal challenges. The current forecast (£0.333m) is more than double the 2018/19 outturn.</p> <p>The benefit cap is reducing the disposable income available for those in larger properties, resulting in an increase in bad debt payments and write-offs as rents are not prioritised for payment.</p>
<p>People - Adult Social Services</p> <p>Unrealised savings (current and future years). The re-profiling of savings is offset by the one-off additional Adult Social Care funding.</p> <p>Transforming Care programme - which aims to reduce the commissioning of hospital beds for people with learning disabilities and/or autism with behaviour that challenges</p> <p>Demographic pressure above budget provision</p> <p>Provider handing back Homecare contract - approx. 3,251 hours per week. Cost is dependant on re-procurement route.</p> <p>Section 117 of the Mental Health Act 1983 places a duty on Health and Local Social Services Authorities to provide aftercare services for patients detained under Sections 3, 37, 45A, 47 or 48 of the same Act until the said authorities are satisfied that the person concerned is no longer in need of such services. Identification of service users previously unknown to the Council as being detained under Section 117 of the Mental Health Act and charged for care could result in a potential increase in reimbursement costs above the existing S117 provision.</p> <p>In 1999 a Judicial Review of 3 Local Authorities ruled that there is no right to charge for aftercare services provided under Section 117 of the Mental Health Act 1983. This was upheld by the Court of Appeal in July 2000.</p>
<p>People - Children's Employment and Skills (General Fund)</p> <p>SEN transport - potential further increases in cost if numbers increase.</p> <p>Secure welfare placements - increases in demand for secure welfare placements, due to children being at high risk of harm can cost up to £6k per week per young person.</p> <p>Remand - increases in numbers of young people placed on secure remand is £3.8k per week. Alternatives will always be offered to the court but if offences involve violence connected to knife crime remand is likely.</p> <p>Remand - potential reduction in Youth Justice Board remand grant funding in 2020/21 as allocations are lagged based on the previous year's activity</p> <p>Supported Accommodation (non-regulated placements) - increase in demand in the 18 plus cohort due to complexities of needs and risk concern, young people are not ready for their tenancy and continue to need higher level support.</p> <p>Residential (regulated) placements - recent increase in numbers of high cost residential placements</p> <p>Joint Agency Panel (JAP) - increase in children with complex needs being placed in joint funded specialist provision.</p>
<p>People - Children's Employment and Skills (DSG)</p> <p>High Needs – continued increase in numbers of pupils with Education, Health and Care Plans.</p>

Appendix 3: Additional General Fund Budget Risks - Month 6

High Needs funding risk - £0.433m of additional funding for 2018/19 and 2019/20 is only guaranteed by the ESFA until the end of the current spending review period ending on 31 March 2020.

Maintained Nursery Schools - £0.377m supplementary funding for maintained nursery schools is only guaranteed by the ESFA until the end of the current spending review period ending on 31 March 2020. Maintained Nursery Schools were disproportionately affected by the implementation of a national funding formula for early years by the DfE.

Resources

Digital Services is in its first year as a new entity. A significant degree of risk/uncertainty has been inherited from the Shared Digital transition – particularly in the area of contract commitments. Whilst there continue to be pressures to transform the technology environment to meet the needs of front line services, these are becoming well understood. For contracts, work is ongoing to understand the services, phasing and benefits of technology contracts with a view to rationalisation and stronger planning

Appendix 4: Capital Programme 2019/20 to 2021/22 - Month 6

Directorate/Scheme	2019/20							2020/21	2021/22	Total 2019/20 to 2021/22
	Original Budget	Budget Changes During the Year	Current Budget	Forecast Outturn	Forecast Variance	Expenditure to Date	2019/20 Budget Spent to Date	Budget	Budget	Budget
	£m	£m	£m	£m	£m	£m	%	£m	£m	£m
ENVIRONMENT AND REGENERATION										
Cemeteries	0.000	0.040	0.040	0.040	0.000	(0.020)	(50.1%)	0.000	0.000	0.040
Combined Heat and Power	0.000	(0.248)	(0.248)	5.212	5.460	1.338	(539.0%)	0.000	0.000	(0.248)
Energy Saving Council Buildings	0.390	0.015	0.405	0.405	0.000	0.000	0.1%	0.000	0.000	0.405
Greenspace	0.395	1.346	1.741	1.741	0.000	0.740	42.5%	0.000	0.000	1.741
Highways	1.400	0.731	2.131	2.131	0.000	0.327	15.3%	1.400	1.400	4.931
Leisure	0.475	0.210	0.685	0.685	0.000	0.512	74.7%	0.288	0.375	1.348
Other Environment and Regeneration	0.000	0.020	0.020	0.020	0.000	0.000	0.0%	0.000	0.000	0.020
Planning and Development	0.000	0.588	0.588	0.588	0.000	0.165	28.1%	0.000	0.000	0.588
Recycling Improvements	0.000	0.158	0.158	0.158	0.000	0.218	137.9%	0.000	0.000	0.158
Special Projects	0.000	0.141	0.141	0.141	0.000	0.034	24.0%	0.000	0.000	0.141
Traffic and Engineering	5.354	1.468	6.822	6.822	0.000	0.756	11.1%	4.500	2.500	13.822
Fleet	1.999	2.778	4.777	4.777	0.000	2.109	44.1%	2.000	1.000	7.777
Total Environment and Regeneration	10.013	7.246	17.259	22.719	5.460	6.178	35.8%	8.188	5.275	30.722
HOUSING										
<i>Housing Revenue Account</i>										
Major Works and Improvements	25.000	0.000	25.000	25.000	0.000	13.723	54.9%	20.000	30.000	75.000
New Build Programme	63.168	(13.500)	49.668	41.799	(7.869)	15.310	30.8%	78.611	45.864	174.143
Temporary Accommodation	0.000	13.500	13.500	13.500	0.000	0.000	0.0%	0.000	0.000	13.500
<i>Housing General Fund</i>										
New Build Open Market Sales	12.878	0.000	12.878	10.652	(2.226)	3.902	30.3%	32.456	27.360	72.694
Temporary Accommodation	13.125	0.000	13.125	13.125	0.000	7.110	54.2%	0.000	0.000	13.125
Total Housing	114.171	0.000	114.171	104.076	(10.095)	40.045	170.2%	131.067	103.224	348.462
PEOPLE										
Central Foundation School Expansion	1.600	0.152	1.752	1.752	0.000	0.036	2.1%	0.120	0.000	1.872
Central Library	0.000	0.000	0.000	1.067	1.067	0.472	0.0%	0.000	0.000	0.000
Dowery Street/Primary PRU	0.000	0.135	0.135	0.135	0.000	0.000	0.0%	0.114	0.000	0.249
Early Years Capital	0.000	0.327	0.327	0.327	0.000	0.164	50.2%	0.550	0.000	0.877
School Electrical & Mechanical Schemes	0.000	1.491	1.491	1.491	0.000	0.611	40.9%	0.152	0.000	1.643
Highbury Grove School Expansion	1.470	0.955	2.425	2.425	0.000	1.664	68.6%	0.000	0.000	2.425
Libraries	0.000	0.048	0.048	0.048	0.000	0.010	20.9%	0.000	0.000	0.048
New River College Refurbishment	0.000	0.185	0.185	0.185	0.000	0.000	0.0%	0.000	0.000	0.185
Other Schools/Contingency	0.000	1.750	1.750	0.050	(1.700)	0.166	9.5%	2.595	0.279	4.624
Schools Devolved Capital Programme	0.000	0.400	0.400	0.400	0.000	0.000	0.0%	0.200	0.000	0.600
Special Provision Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.0%	0.884	0.442	1.326
School Condition Works	0.000	0.209	0.209	0.209	0.000	0.000	0.0%	0.000	0.000	0.209
Tufnell Park School Expansion	3.100	1.753	4.853	4.853	0.000	2.577	53.1%	0.750	0.250	5.853
School Window and Roof Schemes	0.000	0.430	0.430	0.430	0.000	0.012	2.7%	0.075	0.000	0.505
Youth	0.000	0.003	0.003	0.003	0.000	0.000	0.0%	0.000	0.000	0.003
Total People	6.170	7.837	14.007	13.374	(0.633)	5.711	40.8%	5.440	0.971	20.418
RESOURCES										
49-59 Old Street	0.000	0.000	0.000	1.709	1.709	1.097	0.0%	0.000	0.000	0.000
Cladding on flats	0.000	2.975	2.975	2.975	0.000	0.068	2.3%	0.000	0.000	2.975
Total Resources	0.000	2.975	2.975	4.684	1.709	1.165	39.2%	0.000	0.000	2.975
TOTAL CAPITAL PROGRAMME	130.354	18.058	148.412	144.854	(3.559)	53.099	35.8%	144.695	109.470	402.577

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Report of: Monitoring Officer, Acting Director of Law and Governance

Meeting of:	Date:	Ward(s):
Executive	28 November 2019	All

Delete as appropriate:		Non-exempt
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SUBJECT: The Local Government & Social Care Ombudsman finding of Fault Causing Injustice

1. Synopsis

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) has issued a report finding fault on the part of the council, causing injustice to the complainant. The LGSCO published their report, along with an accompanying press release, on 17 October 2019.
- 1.2 The LGSCO decision was made on 4 October 2019 and relates to the council's delays in taking action to trace Mrs X for outstanding business rates.
- 1.3 Mrs X complains that the council unreasonably delayed in sending a demand for business rates for 1 April 2000 to 31 March 2001, for which she considers she is not liable. Mrs X alleged that, as a result, she cannot challenge the council's decision that she is liable for the business rates as she no longer has the evidence to do so.
- 1.4 Upon completion of its investigation, the council found that Mrs X was liable for the debt. The council obtained a liability order in November 2001 for the years billed.
- 1.5 Mrs X made various complaints to council including:
 - a) As a result of the council's delays, she cannot challenge the decision that she is liable for business rates as she no longer has the evidence to do so.

- b) There was no liability for the debt, as she did not lease the premises at the time the debt arose.
- c) The council should reimburse legal fees as a result of her having to instruct a solicitor.

1.6 The council maintained that:

- a.) the onus is on the charge payer (Mrs X) to ensure all outstanding bills are paid for the property leased at the time in question prior to and at the time of departing.
- b.) Mrs X did not notify the council that she had left the property or provide a forwarding address which caused the delay in tracing her.
- c.) A charge payer is not entitled to take the position that their responsibilities no longer exist because they caused the delay in finding them by leaving the property without providing a forwarding address.
- d.) It is in the public interest for the council to protect, collect and maximise business rate collection.
- e.) Digital developments, including social media, have made it easier to trace debtors.
- f.) Mrs X could have made an application to the court to have the liability order set aside.

1.7 Mrs X complained to the LGSCO. Upon investigating Mrs X's complaint, the LGSCO found in her favour. Several recommendations were made to the council to address the finding of fault causing injustice.

1.8 The council has accepted the LGSCO's findings.

2. Recommendations

2.1 To note the contents of the LGSCO report dated 4 October 2019, a copy of which is attached as appendix one.

2.2 To note that the remedies recommended by the LGSCO have been accepted by the council.

2.3 To note the actions that will be taken by the council to implement the recommendations by the LGSCO.

2.4 To agree that a copy of this report and the Executive minutes will be sent to the LGSCO.

3. Background

3.1 The Ombudsman service was set up following the Local Government Act 1974. Key changes to the Act were included in the Local Government and Public Involvement in Health Act 2007 and the Health Act 2009. The Act sets out how the Ombudsman is organised, the Ombudsman's powers, and the restrictions on those powers. The main statutory functions for the Ombudsman are: to investigate complaints against councils and

some other authorities; to investigate complaints about adult social care providers from people who arrange or fund their adult social care (Health Act 2009); and to provide advice and guidance on good administrative practice. In June 2017, the Local Government Ombudsman's title was changed to the Local Government and Social Care Ombudsman.

- 3.2 All complaints result in a decision. The LGSCO issues these decisions, either by way of a statement of reasons for the decision or a report. If the LGSCO decides that the council has done something wrong and that this fault has caused an injustice to the complainant, the LGSCO will suggest what the council should do to put this right. Most complaints result in a decision in the form of a decision statement. If the LGSCO decide to issue a public report on a complaint, the LGSCO will tell the council in advance and the council will have an opportunity to comment on a draft of the report before it is finalised. In the case of complaints about the council, the outcomes of these complaints are reported to Members by way of (1) an annual report and (2) a six-monthly Monitoring Officer report to Audit Committee.
- 3.3 Additionally, where a complaint of fault (i.e. maladministration, service failure, or failure to provide a service) is upheld and a formal report (or public interest report) is to be issued, this must be considered by Executive (for executive functions).
- 3.4 It is rare for the council to receive a formal report. This is the second public interest report the council has received in at least five years.

4 Complaint Summary

- 4.1 In the 1990's Mrs X leased premises for her business and was charged business rates.
- 4.2 Mrs X was liable for business rates from 1 April 1995 and bills were issued each financial year in accordance with business rates law. In 2001, the Council received notification of an insolvency notice (Individual Voluntary Arrangement) against Mrs X. This meant that the business rates charged between 1 April 1995 to 10 April 1996 were written off and a new account created from 11 April 1996. The Council re-issued new bills for business rates for April 1996 to 2001 for the new account. The bills were not paid, therefore the Council issued a summons and obtained a liability order in November 2001. The debt was passed to bailiffs and was subsequently returned to the council as they were unable to trace her.
- 4.3 The council attempted to collect the debt again in January 2017. The council eventually traced Mrs X in May 2017 and sent a demand for 1 April 2000 to 31 March 2001 for the sum of £1038.20. This is 20% of the debt. The council decided to write off the debt for April 1996 to March 2000 as it considered it was unlikely it could collect the full amount owed.
- 4.4 Mrs X disputed the liability and instructed solicitors who notified the council that Mrs X did not occupy the premises for the period in question and the council could not pursue the debt as it arose more than six years ago. The council advised that it obtained a liability order, which meant that there was no time limit in which to pursue the debt. Mrs X paid the debt in November 2017. In May 2018, Mrs X made a complaint to the council about the decision to pursue the debt and sought reimbursement of her solicitor's fees.

- 4.5 The council considered the complaint at all stages of the complaints procedure and maintained that Mrs X remained liable for the debt as Mrs X had not provided evidence she had vacated the premises before 2001. Mrs X provided additional information including a letter dated June 1998 advising the council she moved from the premises in May 1997. The council considered the evidence Mrs X provided was not sufficient to show the termination of the lease.
- 4.6 After a further complaint from Mrs X in August 2018, stating she could not provide information as she no longer had the records, the council contacted the landlord who denied that they had terminated the lease.
- 4.7 The council considered Mrs X's complaint at stage two of its complaints procedure and responded in October 2018. The council said the landlords no longer held records for 2001 and did not accept liability for the business rates. The council also said it could amend the liability if Mrs X could provide proof she surrendered the lease.
- 4.8 Mrs X complained to the LGSCO. The LGSCO found the council to be at fault as it delayed action in tracing Mrs X between 2001 when the bailiffs returned her account and 2017. The LGSCO expressed the view that the council did not consider if it was reasonable and fair to collect the historical debt. The council delayed in responding to Mrs X at both stages of the complaints procedure.
- 4.9 The council is at fault as it delayed in taking action to trace Mrs X for outstanding business rates. As a result of the 16-year delay, she was placed at a significant disadvantage as she no longer has the evidence to defend her position that she had moved from the premises in 1997, and to challenge the council's decision that she was liable for the business rates.
- 4.10 The LGSCO states it is not appropriate for the council to reimburse Mrs X for legal fees as she could have pursued the matter with the council and made a complaint without instructing a solicitor.
- 4.11 The LGSCO recommended and the council agreed:
- a) To remedy the injustice to Mrs X by writing off the debt and reimbursing £1038.20 paid by Mrs X.
 - b) To make a payment of £100 to acknowledge the frustration and avoidable time and trouble caused to Mrs X.
 - c) In addition, to review its Council Tax and Business Rates Collection Policy to ensure it considers if it is fair to pursue a historical debt when the passage of time may prevent a person from being able to challenge the debt. The council should explain to the LGSCO the action it has taken to improve its practice in this area.
- 4.12 Following receipt of the draft LGSCO decision, Revenues and Technical Services has reimbursed Mrs X the £1038.20.
- a) A letter and a payment of £100 will be sent to Mrs X.
 - b) The Council Tax and Business Rates Collection Policy will be reviewed over the next three months and an update will be given to the LGSCO

5 Monitoring Officer Comments

- 5.1 Where the LGSCO completes an investigation s/he must prepare a report and send a copy to the complainant, the local authority and other parties relevant to the complaint, according to s30(1) of the Local Government Act 1974.
- 5.2 Where fault is found and a formal report is to be issued by the LGSCO, the Monitoring Officer is under an obligation to prepare a report for the Executive under s5A (for executive functions) of the Local Government and Housing Act 1989. The Executive is also under a duty by virtue of s31 (2) LGA 1974 to consider the report of the LGSCO.
- 5.3 The Head of Paid Service (Chief Executive) and s151 Officer are required to be consulted so far as reasonably practicable in the preparation of a maladministration report, s5A (5) the Local Government and Housing Act 1989. Both the statutory officers have been duly consulted.
- 5.4 The Monitoring Officer is also required to arrange for a copy of this report to be circulated to all members of the authority. The Executive agenda and papers are sent to all the council's members; accordingly, the circulation of this report complies with that requirement.
- 5.5 Further, the authority is under an obligation (s5A(6)(a) and (8)) to:
- (a) consider the report within 21 days of the report being sent to all members of the council; and
 - (b) as soon as practicable after the Executive has considered the report, the Executive must prepare a report which specifies: (1) what action, if any, the Executive has taken in response to the report, (2) what action, if any, the Executive proposes to take in response and when it proposes to take that action, and (3) the reasons for taking the action, or as the case may be, no action.
- 5.6 Copies of the Executive report on the action taken or proposed to take, must as soon as practical, be sent to each member of the authority and the authority's monitoring officer (s5A(9)). It must also be sent to the LGSCO within 3 months.
- 5.7 The local authority must give public notice in newspapers and such other ways as appear appropriate and copies of the report shall be available for inspection by the public for a period of three weeks (s30(4), (5) LGA 174).
- (a) The public notice was placed in the Islington Gazette on 24 October 2019 and Islington Tribune on 25 October 2019.
 - (b) The report was available for public inspection at the Town Hall, Upper Street, London and 222 Upper Street, London from 31 October 2019.
 - (c) The notice and report have also been published on the council's website, and
 - (d) Publication of the LGSCO's report as an appendix to this report ensures it remains in the public domain.
- 5.8 Where the LGSCO reports there has been fault resulting in injustice, the report shall be laid before the authority and it shall be the duty of the authority to consider the report and within 3 months of receipt (or such longer periods as the LGSCO may agree in writing), notify the LGSCO of the action which the authority has taken or proposes to

take, according to s31 of the Local Government Act 1974. This report to the Executive complies with the first part of this legal requirement. Sending a copy of the report and the Executive minutes to the LGSCO will comply with the second part of this legal requirement (provided Executive agrees the recommendations).

- 5.9 The council may incur expenditure as appears appropriate in making a payment to a person who has suffered injustice in consequence of maladministration or failure (s31(3) Local Government Act 1974). In addition, the council has the power to pay compensation or assist a person who has suffered injustice as a result of maladministration (s92 Local Government Act 2000).

6 Implications

6.1 Financial implications:

A total of £1038.20 has been reimbursed to Mrs X and £100 will be paid for avoidable time and trouble and frustration. Payments are funded directly by the service where the fault occurred. The element to be written off will be managed through collection fund budget and in regards to reimbursements the costs will be covered within the departmental budget.

6.2 Legal Implications:

The legal implications are set out in the body of the report, in particular the Monitoring Officer's comments at paragraphs 5.1. to 5.9

6.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

There are no environmental implications arising out of this report.

6.4 Resident Impact Assessment:

A resident impact assessment has not been carried out in relation to this LGSCO decision.

7 Reasons for recommendations

- 7.1 The council accepts the LGSCO findings and there is no reason not to follow the recommendations.
- 7.2 The Acting Director of Financial Operations and Customer Services has agreed the course of action. In response to the draft ombudsman report, the council sought Counsel's advice relating to the fairness of the collection of historical debt. It was recognised that there may be particular lessons in relation to evidence provided in this particular case, however the council remains of the opinion that it is fair to collect outstanding debt so long as the council has appropriate evidence to support it.
- 7.3 Compliance with the above recommendations ensures that the statutory requirements of the Local Government Ombudsman Act 1974 and Local Government Housing Act 1989 are met.

Appendices

- Report by the Local Government and Social Care Ombudsman dated 4 October 2019.

Final report clearance:

Signed by:

A handwritten signature in black ink, appearing to read 'P Fehler', is centered on a light gray rectangular background.

5 November 2019

Monitoring Officer, Acting Director of Law and Governance Date

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**Report by the Local Government and Social Care
Ombudsman**

**Investigation into a complaint against
London Borough of Islington
(reference number: 18 014 066)**

04 October 2019

The Ombudsman's role

For more than 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Key to names used

Mrs X The complainant

Report summary

Benefits and tax – Business Rates

Mrs X complains the Council unreasonably delayed in sending her a demand for business rates for 1 April 2000 to 31 March 2001 which she considers she is not liable for. As a result, Mrs X cannot challenge the Council's decision she is liable for the business rates as she no longer has the evidence to do so.

Finding

Fault found causing injustice and recommendations made.

Recommendations

To remedy the injustice caused, we recommend the Council:

- makes a payment of £100 to acknowledge the avoidable time and trouble and frustration caused to Mrs X;
- reimburses £1038.20 paid by Mrs X and in doing so writes off the debt; and
- reviews its Council Tax and Business Rates Collection Policy to ensure the Council considers if it is fair to pursue a historical debt when the passage of time may prevent a person from being able to challenge the debt. The Council should explain to us the action it has taken to improve its practice in this area.

The Council has accepted our recommendation to make a payment of £100 and reimburse £1038.20 paid by Mrs X and write off her debt.

The complaint

1. Mrs X complains that the Council unreasonably delayed in sending her a demand for business rates for 1 April 2000 to 31 March 2001 which she considers she is not liable for. As a result, Mrs X cannot challenge the Council's decision she is liable for the business rates as she no longer has the evidence to do so.

Legal and Administrative background

2. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
3. The law says we cannot normally investigate a complaint when someone could take the matter to court. However, we may decide to investigate if we consider it would be unreasonable to expect the person to go to court. (*Local Government Act 1974, section 26(6)(c), as amended*).
4. Mrs X had the right to apply to the court to have the liability order set aside. However, we have exercised our discretion to investigate Mrs X's complaint as it is not reasonable to expect her to apply to the court due to the potential costs in doing so. Furthermore, the delay by the Council in taking action to trace Mrs X means she has no realistic chance of being able to provide evidence to the court to challenge her liability for the debt.

How we considered this complaint

5. We produced this report after considering the information from Mrs X. We have also considered the Council's response to our enquiries and its policies.
6. We gave the complainant and the Council a confidential draft of this report and invited their comments. The comments received were taken into account before the report was finalised.

What we found

The Council's recovery policy

7. The Council's Council Tax and Business Rates Collection Policy provides it will collect all outstanding debts irrespective of age where they can be legally and practically recovered. A liability order must have been issued within six years of the bill being issued. The Council's policy states that there is usually a detailed record of the debt owed so it considers the customer would have had opportunities to challenge the liability at the time and would have been aware the debt remained unpaid.

What happened

8. In the 1990s Mrs X leased premises for her business. The Council charged business rates at the property.
9. In 2001 the Council issued a bill for business rates for April 1996 to 2001 to Mrs X. Mrs X did not pay the bill. The Council's records show it issued a

summons and obtained a liability order in November 2001. It then passed the debt to bailiffs to collect but they returned the debt as they were unable to trace Mrs X.

10. The Council attempted to collect the debt again in January 2017. It eventually traced Mrs X in May 2017 and sent a demand for 1 April 2000 to 31 March 2001 for the sum of £1038.20. This is 20% of the debt. The Council decided to write off the debt for April 1996 to March 2000 as it considered it was unlikely it could collect the full amount.
11. Mrs X contacted the Council as she disputed her liability for the debt. She then instructed solicitors to deal with the matter. The solicitors advised the Council that Mrs X did not occupy the premises for the period in question and the Council could not pursue the debt as it arose more than six years ago. The Council advised it had obtained a liability order which meant there was no time limit in which to pursue the debt.
12. Mrs X paid the debt in November 2017. In May 2018 Mrs X made a complaint about the Council's decision to pursue the debt. She also requested the Council reimburse her solicitor's fees.
13. The Council responded to Mrs X's complaint at stage one of its two stage complaints procedure in July 2018. In its response the Council said Mrs X had not provided evidence she had vacated the premises before 2001. It asked Mrs X to provide evidence she had terminated the lease at the premises. Mrs X provided additional information including a letter dated June 1998 advising the Council she moved from the premises in May 1997. The Council considered this was not sufficient to show the termination of the lease.
14. In August 2018 Mrs X made a further complaint and said she could not provide the information required to prove she had terminated the lease as she no longer had the records. The Council contacted the landlord who denied they had terminated the lease.
15. The Council considered Mrs X's complaint at stage two of its complaints procedure and responded in late October 2018. The Council said the landlords no longer held records for 2001 and did not accept liability for the business rates. The Council also said it could amend the liability if Mrs X could provide proof she surrendered the lease.
16. In response to our investigation the Council has said:
 - the onus is on the charge payer to ensure all outstanding bills are paid for the property that was leased at the time in question prior to and at the time of departing;
 - Mrs X did not notify the Council she had left the property or provide a forwarding address which caused the delay in tracing her;
 - a charge payer is not entitled to take the position that their responsibilities no longer exist because they caused the delay in finding them by leaving the property without providing a forwarding address;
 - it is in the public interest for the Council to protect, collect and maximise business rates collection;
 - digital developments, including social media, have made it easier to trace debtors; and

-
- Mrs X could have made an application to the court to have the liability order set aside.

Analysis

17. The Council is at fault as it delayed in taking action to trace Mrs X. The Council has said Mrs X caused the delay in tracing her as she did not provide a forwarding address. We acknowledge digital developments in recent years, including social media, will make it easier to trace debtors. But the Council did not take any action to trace Mrs X between 2001 when the bailiffs returned her account and 2017. The Council traced Mrs X within five months when it started tracing her in 2017. There were methods available to trace debtors in the early 2000s. So, on balance, we consider the Council would have quickly traced Mrs X had it taken action to do so when the bailiffs returned the account in 2001. The Council's delay of 16 years in taking action to trace Mrs X is excessive and poor administrative practice. This is particularly so as the Council aims to maximise the collection of business rates.
18. The Council has demonstrated it obtained a liability order in 2001 so it could collect the historical debt. But it did not consider if it was reasonable and fair to collect the debt. This is fault. The passage of time will inevitably make it difficult for a person to challenge the Council's decision that they owe a debt as evidence to support their challenge may no longer be available.
19. The Council's position is Mrs X could have applied to the court to have the liability order set aside. It also considers councils would be embarking on a parallel exercise to that of the courts if they considered whether it was fair and reasonable to enforce the liability order and collect the debt. We do not accept the Council's argument. Councils have discretion as to whether they should enforce a liability order. They risk fettering that discretion if they will never consider whether it is appropriate, fair and reasonable to enforce a liability order. Nor do we accept it would place an unreasonable burden on councils to consider if it is fair and reasonable to enforce a liability order for a historic debt.
20. Mrs X says she is not liable for the debt as she did not lease the premises at the time the debt arose. The Council's delay of 16 years in taking action to trace Mrs X placed her at a significant disadvantage as she no longer has records to defend her position that she had moved from the premises in 1997. The Council and Mrs X cannot obtain corroborating evidence as the landlord no longer has records to show who is liable due to the passage of time. So, the excessive delay by the Council in taking action to trace Mrs X means she does not have, and cannot obtain, evidence to show whether or not she is liable for the debt. It cannot be fair for the Council to collect the debt when its own delay has prevented Mrs X from being able to challenge it.
21. The Council wrote off 80% of the outstanding debt. An internal Council email dated 17 August 2018 states the Council wrote off 80% of the debt as it was unlikely to be able to collect this amount. In response to our enquiries the Council has variously said it exercised its discretion to only collect 20% once it could trace Mrs X and that its system would not allow it to raise a debt before April 2000. This evidence shows the delay in taking action to trace the debt has hampered the Council's ability to collect the full debt.
22. The Council's complaints procedure provides it will respond to stage one complaints within 21 calendar days and stage two complaints within 28 working days. The Council is at fault as it delayed in responding to Mrs X's complaint at both stages. These delays will have caused frustration to Mrs X.

-
23. The Council should remedy the injustice to Mrs X by writing off the debt and reimbursing £1038.20 paid by Mrs X. The Council should also make a payment of £100 to acknowledge the frustration and avoidable time and trouble caused to her. The Council has agreed to these remedies as it acknowledges there is some, although not conclusive, evidence Mrs X was not liable and it did not deal with the matter satisfactorily.
24. We recommended that the Council sends a written apology to Mrs X for the avoidable time, trouble and frustration caused by its unfair recovery of the debt. The Council has refused to apologise as it does not consider the recovery of the debt was unfair as Mrs X could have made an application to set aside the liability order. We remain of the view an apology is a reasonable and proportionate remedy. But we will not pursue this remedy in view of the Council's unwillingness to agree to this. We have concerns that such an apology would not be genuine nor freely given.
25. Mrs X wants the Council to reimburse her legal fees. We understand Mrs X was concerned by the Council's contact about the debt. But is not appropriate to recommend the Council reimburses Mrs X's legal fees as she could have pursued the matter with the Council and made a complaint without instructing a solicitor.

Conclusions

26. The Council is at fault as it delayed in taking action to trace Mrs X for outstanding business rates. As a result of the 16 year delay Mrs X no longer has evidence to challenge the Council's decision that she was liable for the business rates.

Recommendations

27. The Council must consider this report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its full Council, Cabinet or other appropriately delegated committee of elected members and we will require evidence of this. (*Local Government Act 1974, section 31(2), as amended*)
28. We welcome that the Council has now agreed to:
- Make a payment of £100 to Mrs X to acknowledge the avoidable time, trouble and frustration caused to her.
 - Reimburse £1038.20 paid by Mrs X and in doing so writes off the debt.
29. In addition to the requirements above the Council should:
- review its Council Tax and Business Rates Collection Policy to ensure the Council considers if it is fair to pursue a historical debt when the passage of time may prevent a person from being able to challenge the debt. The Council should explain to us the action it has taken to improve its practice in this area.

Decision

30. We have completed our investigation into this complaint. There was fault causing injustice to Mrs X. The Council should take the action identified in paragraphs 28 and 29 above to remedy that injustice.

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Report of: Executive Member for Inclusive Economy and Jobs

Meeting of	Date	Ward(s)
Executive	28 th November 2019	All
Delete as appropriate	Exempt	Non-exempt

Discretionary Rates Relief Scheme for 2020/2021 to 2022/23

1. Synopsis

- 1.1 This report sets out a proposed Discretionary Rate Relief Policy 2020-23, which includes the criteria that will be used to determine future Discretionary Rate Relief (DRR) awards.

2. Recommendations

- 1.2 To adopt the attached Discretionary Rate Relief Policy covering the period 2020-23 (Appendix 1).
- 1.3 To agree an annual limit to the value of Discretionary Rate Relief awards provided through this scheme at £1.36 million per annum throughout the period 2020/21 to 2022/23, representing £410,000 of foregone income per annum to the Council.
- 1.4 To approve the opening of applications for Discretionary Rate Relief in December 2019.

3 Background

- 1.5 Islington has an extensive range of independent charities, voluntary and community sector organisations and other not-for-profit organisations whose work is central to the Council’s ambition for a fairer Islington. Through their reach and responsiveness these organisations improve outcomes for residents across the council’s Corporate priorities and provide a social network integral to the Council’s early intervention and prevention ambitions.
- 1.6 By 2020, national government will have cut its core funding to Islington Council by 70% since 2010. These unprecedented cuts in public spending, coupled with rising costs, present enormous challenges to both the Council and local voluntary and community sector and not-for-profit partners.

- 1.7 As a “billing authority” Islington has the power to grant Discretionary Rate Relief (DRR) to organisations that meet certain criteria. Any relief granted is used to reduce the amount the organisation is required to pay in business rates. Powers granted under the Localism Act 2011 allow Councils to grant DRR in any circumstances where it feels fit having regard to the effect on the Council Tax payers of its area.
- 1.8 Discretionary Rate Relief is a key component of the Council’s support to the local voluntary and community sector and not-for-profit organisations, helping to ensure that key partners providing critical services to local residents, are financially viable.
- 1.9 The Council’s current Discretionary Rate Relief programme will end on the 31st March 2020. This programme currently sees £1.36 million of rate reliefs awarded to 227 properties occupied by 163 different organisations.
- 1.10 The council funds at least 30% of any Discretionary Rate Relief awarded, in 2019-2020 the ‘cost of funding’ was therefore in the region of £410k. This £410k represents business rates income the council would otherwise have collected and used in providing services to Islington residents.
- 1.11 The council remains committed to providing Discretionary Rate Relief and is proposing to retain a spending envelope of £1.36 million per annum for the award of Discretionary Rate Relief, representing approximately £410K of foregone business rates income for the Council.
- 1.12 The attached Discretionary Rate Relief Policy 2020-23 sets out the Council’s approach to providing discretionary rate relief to local charities and not-for-profit organisations for the period 1st April 2020 to 31st March 2023. The policy sets out the scope of the policy, eligibility, award criteria and application process.

4 Implications

Financial Implications:

- 1.13 DRR is awarded at the council’s discretion. However, under the current business rates retention scheme, the council bears 30% of the costs of discretionary rate relief, (with 50% and 20% borne by central government and the Greater London Authority respectively). Thus under the current spending plan of £1.36m discretionary rates relief, the council will forfeit approximately £410k worth of business rates income annually, which equates to £1.2m over the three-year periods as proposed.
- 1.14 Hence any increase in the overall costs of discretionary rate relief would represent a budget pressure for the council and would need to be offset by additional compensatory savings elsewhere. The relief awards in this report will be met through the existing arrangements within the collection fund.

Legal Implications:

- 1.15 The Council has a discretion to grant rate relief as set out in the policy. The policy provides guidelines as to the circumstances in which awards will be made and as to the total amount of awards that can be made, and permits a departure from those guidelines in exceptional circumstances.

- 1.16 The De Minimis Regulations (360/2012) on the provision of State Aid will apply as long as the amount of relief granted does not exceed €500,000 over 3 years. Decisions as to grant of DRR will be made with this threshold in mind and applicants will be required to declare if they are receiving state aid from any other source which might take them above this threshold.

Environmental Implications and Contribution to Zero Net Carbon by 2030:

- 1.17 There are no negative environmental implications associated with this policy proposal.
- 1.18 The policy sees the removal of Discretionary Rate Relief awards for car parking spaces in line with Islington's ambition to achieve net zero carbon emissions from the borough by 2030.
- 1.19 In addition, the application and assessment process will see the introduction of an assessment of organisations' contribution towards Islington's ambition to achieve net zero carbon emissions from the borough by 2030. This award criterion is anticipated to influence applicants to make positive changes towards the use of sustainable energy.

Resident Impact Assessment:

- 1.20 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
- 1.21 The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of services.
- 4.9 A Resident Impact Assessment screening has been completed (Appendix E). The policy supports all types of organisations in Islington and therefore is unlikely to directly impact on the protected characteristics.
- 1.22 Organisations recommended for DRR are particularly focussed on serving poor and vulnerable residents and those with protected characteristics. Many groups are based on council housing estates or located in deprived neighbourhoods. The criteria for DRR were drawn up specifically to support organisations that create a fairer Islington by delivering the commitments in Islington's corporate plan.

5 Conclusion and Reason for Recommendations

- 5.1 The council has a strong partnership with the voluntary, community and not-for-profit sector and values highly the role that local organisations play in meeting the needs of some of Islington's most disadvantaged communities.

Awarding discretionary rate relief to not-for-profit bodies or other organisations providing a community or social benefit is cost effective way of supporting local organisations delivering the commitments set out in our Corporate Plan.

Background papers: None

Appendices:

Appendix 1: Islington's DRR Policy 2020-2023

Appendix 2: Resident Impact Assessment

Final Report Clearance

Signed by:



14 November 2019

Councillor Asima Shaikh
Executive Member for Inclusive Economy and
Jobs

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Islington Council's Discretionary Rate Relief Policy 2020-23

Our policy for the application of Discretionary Rate Relief to charities and not-for-profit organisations

October 2019

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Charity and Not-for-Profit Discretionary Rate Relief Policy

1. Introduction

- 1.1. The Local Government Finance Act 1988 makes provision for local authorities to award certain reliefs. This policy relates to the discretionary powers of the Islington Council to award business rates relief under Section 44A, Section 47 and Section 49 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.
- 1.2. This policy document sets out the Council's approach to providing discretionary rate relief to local charities and not-for-profit organisations for the period 1st April 2020 to 31st March 2023. It outlines how we will use the Council's local discretionary powers to grant discretionary rate relief to organisations that meet the schemes criteria.
- 1.3. The policy recognises that public funds are not unlimited and that a proportion of the costs of any relief granted are borne by council tax payers. Therefore, one of the criteria for making an award under the scheme is ensuring that money invested in this way will result in economic and/or community benefit for residents.

2. Scope of this Policy

- 1.4. The Council's Charity and Not-for-Profit Discretionary Rate Relief policy covers Discretionary Rate Relief under which:
 - Up to **20% relief** can be awarded to registered charities and registered sports clubs that qualify for mandatory rate relief.
 - Up to **100%** relief can be awarded to organisations that do not qualify for mandatory relief, but who meet the eligibility criteria stipulated in this policy.

3. General Information

- 1.5. This policy has been agreed by the Council to ensure that:
 - There is a framework under which ratepayers applying for relief are treated in a fair, consistent and equal manner.
 - The overall interest of the Council Tax payers of the borough is safeguarded by ensuring that funds are allocated and used in the most effective and economic way.
- 1.6. The Council will consider each individual case in accordance with the criteria set out in this policy. Consideration may be given to extenuating circumstances falling outside the stated criteria, providing they meet the general principles of the scheme.

- 1.7. In accordance with the Council's Constitution an Executive Director may determine discretionary rate relief applications which fall outside the scope of this approved Policy under exceptional circumstances.
- 1.8. Discretionary Rate Relief is not a matter of right; the Council is entitled through this policy to determine different levels of relief according to the nature and circumstances of individual organisations and the benefits they deliver to the wider community of Islington.
- 1.9. The Council's ability to grant Discretionary Rate Relief may be limited by other factors, such as for example, state aid rules.
- 1.10. Recipients of relief are required to notify the Council immediately of any changes of circumstances which may have an impact upon the award granted.
- 1.11. The Discretionary Rate Relief scheme covered by this policy is funded wholly by the Council foregoing income. The Council will set a limited threshold for the level of income that it will forego each financial year for the award of all Discretionary Rate Relief. This scheme will provide £1.36 million of Discretionary Rate Relief Awards per annum throughout the duration of this policy. Only in wholly exceptional circumstances, will awards that take the overall level of relief awarded above this level, be considered, regardless of whether applications meet the criteria set out in this policy.

4. Maximum Awards

- 1.12. This Council can grant the following levels of relief to organisations applying for Charity and Not-for-Profit Discretionary Rate Relief:

- **Up to 20% Top Up Discretionary Rate Relief for Registered Charities and Registered Amateur Sports Club:**

Charity Top Up Relief of up to 20 per cent can be awarded on premises occupied by organisations in receipt of Mandatory Rate Relief, including:

- Registered Charities (registered with the Charity Commission) for premises which are wholly or mainly used for charitable purposes.
- Registered Community Amateur Sports Clubs (CASC) registered as such under the Corporation Tax Act 2010, for premises wholly or mainly used for the purpose of the club, or for the purpose of the club and other CASCs.

This is because the Local Government Finance Act 1998 (LGFA) requires Local Authorities to grant 80% Mandatory business rate relief reduction to businesses meeting the conditions above.

- **Up to 100% Discretionary Rate Relief for Charities and Not-for-Profits:**

Islington council will consider awarding Discretionary Rate Relief of up to 100% on premises occupied by certain organisations or institutions that do not qualify for Mandatory Rate Relief, but that meet the criteria in this scheme, including:

- Properties occupied by organisations or institutions that are not-for-profit, and whose main objects are charitable or otherwise philanthropic.
- Properties occupied by not-for-profit sports or social clubs or societies, or other organisations for the purpose of recreation.
- Other organisations meeting the policy criteria that the Council believes should receive relief having regard to the interests of persons liable to pay council tax.

1.13. The sum available for awards of Discretionary Rate Relief is fixed annually for the duration of this programme. In each round of applications, priority will be given to organisations with the lowest rateable values. However, the number of organisations benefiting and the value of any awards made will be dependent on the number of applications received.

1.14. Leisure facilities operated by Greenwich Leisure Ltd (GLL) in the borough will receive Discretionary Rate Relief, regardless of the number of applications received in recognition of the unique role played by these facilities in meeting the health and social needs of council tax payers in the borough.

5. Eligibility

1.15. Applicants must fulfil all of the following criteria for any application for Discretionary Rate Relief to be considered (evidence may be required):

- The relevant premises must be in the borough of Islington.
- The organisation must be directly liable for the rates on the property.
- The organisation's registered address must be within Islington.
- The organisation must be a not-for-profit organisation such as a charity, unincorporated association, community interest company, cooperative society, or a charitable company (i.e. an organisation that is registered with the charity commission whose purpose is something other than making private profit for directors, members or shareholders).
- 75% or more of the primary beneficiaries of the organisation's services must be Islington residents.
- The organisation must adhere to the Equality Act 2010 to legally protect people from discrimination in the workplace and in the wider society.
- All of the organisation's employees must be paid the London Living Wage as a minimum, and must review this annually.
- The organisation must not be subject to investigation by a relevant regulator, which may include the Charity Commission, Ofsted or Care Quality Commission.
- The organisation must have filed up-to-date accounts with the appropriate national authority at the time of application, where relevant.

1.16. Not all charities and not-for-profit organisations will qualify for Charity and Not-for-Profit Discretionary Rate Relief, though may qualify for Mandatory Rate Relief. The following organisations or premises will not be considered for Discretionary Rate Relief regardless of their status:

- Profit making organisations
- Administration offices for national charities
- Overseas aid organisations
- Charity shops and cafes operated by national charities or associated organisations
- Housing Associations
- Private schools, colleges, nurseries or schools that are not within the Islington family of schools
- Buildings used for worship or promotion of religious belief
- Organisations operating a restrictive membership policy for which a fee is payable
- Empty properties
- Car parking spaces

6. Assessment Criteria

1.17. Providing you meet the minimum criteria outlined above we will assess your application for Discretionary Rate Relief using the following scoring criteria. All criteria will carry equal weighting.

Criteria	Criteria Points
1. Council Priorities	1.1 How well your charitable objects or the aims set out in your constitutions align with the council's corporate priorities as set out in 'Building A Fairer Islington – Our Commitment 2018-22' .
2. A Fairer Islington	2.1 How well the services that you provide serve the needs of sections of the community experiencing social or economic exclusion and groups protected under the Equality Act 2010
3. Net zero carbon emissions from the borough by 2030.	3.1 How your organisation is supporting Islington's ambition to have net zero carbon emissions from the borough by 2030.

1.18. In assessing your responses, our scores will score your questions using the framework below. We will require a minimum score of three or above for all criteria in order to recommend applications for a discretionary rate relief award.

Score	Response Assessment
0	There is no response to the question
1	An attempt has been made to respond, but does not meet requirements/solution does not cover any essential points

2	The response/solution partially meets requirements (covers some essential points)
3	The response/solution meets requirements (covers all essential points, may have included clear examples)
4	The response/solution exceeds requirements (covers more than the essential points, giving clear examples)
5	The response/solution will add significant value (covers more than the essential points, giving clear thorough examples to illustrate how value will be added)

1.19. The following limits to awards will apply to Discretionary Rate Relief applications by hereditaments:

Rates Bill (Net of reliefs)	Cost to the Council	Indicative Levels of Funding
Up to £67,000	Up to £20,100	Organisations will normally be awarded Discretionary Rate Relief of up to 100% of their outstanding rates bill.
Over £67,000	Over £20,100	Awards will be proportionate to the level of local benefit which may be less than 100% discretionary rate relief on their outstanding rates bill

7. Duration of Awards

- 1.20. Awards made after the billing year has started will commence from the date on which they are received unless there are extenuating circumstances for the award to commence from an earlier date within that billing year.
- 1.21. General discretionary relief awards are fixed awards made for the period covered by this policy 1st April 2020 to 31st March 2023.
- 1.22. The Local Government Finance Act 1988 requires that the local authority give 12 months' notice for the withdrawal of Discretionary Rate Relief. This notice will be given alongside the award of relief to successful applicants where applicable.

8. Applications Process

- 1.23. Applications must be made by the registered ratepayer using the Council's standard forms which are available on the Council website at:

<https://www.islington.gov.uk/business/business-rates/rates-reduction-and-relief>

- 1.24. The application must be made by a person with the authority to act on behalf of the applying organisation. The Council may ask for evidence that the person

making the application is entitled to act in that capacity. There will be two application rounds per year, with deadlines in December and June each year. Details will be advertised on the Council's website.

- 1.25. Applications must explain the purpose and activities of the organisation, providing details of the charitable objects, or organisational purpose as set out in the organisation's constitution or articles of association, clearly showing how that organisation supports or will support the Council's priorities.
- 1.26. Applicants are required to supply supporting information with their application as detailed in the application form. If any organisation fails to provide information/evidence within the required time limits, their application will not be considered.
- 1.27. If an organisation is unable to provide any of the above, then a detailed explanation outlining your reason(s) must be provided. In some circumstances we may decide that it is necessary to visit the rated property to assist the decision process.
- 1.28. Business Rates are still due and payable as previously billed during the application process and until a final decision has been advised. Any overpayment will be refunded.
- 1.29. Applicants will be notified in writing of the outcome of their application once a decision has been made.

9. Applications for Retrospective Periods

- 1.30. Discretionary Rates Relief will not normally be awarded in respect of any day prior to the day that an application is received. However, in exceptional circumstances consideration may be given to awarding rate relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier.
- 1.31. No consideration shall be given to an award for a retrospective period where the Council is not able to verify to its satisfaction that the circumstances giving rise to the application pertained for that period.

10. Circumstances that may prevent an award being made or result in an award being terminated

- 1.32. Where the organisation's business premises include the running of a commercially operated bar serving alcohol this must be incidental to the main purpose of the organisation to qualify for relief. Running a bar in itself is not a reason for declining relief, but a club which is primarily a commercial bar is unlikely to qualify.
- 1.33. In addition to the circumstances above under which no award will be made under this scheme; awards will be terminated early under the following circumstances:

- The organisation ceases from activities which the Council deems to meet the above eligibility criteria. The organisation is required to advise the Council of any such change as soon as possible in writing.
- The organisation ceases trading.

11. Review/Reconsideration process

1.34. Discretionary Rate Relief is awarded entirely at the discretion of the local authority so there is no formal right of appeal. However, applicants dissatisfied with the authority's decision may request that their application be reviewed/reconsidered under the following circumstances:

- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available; or
- There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.

1.35. Any such request should be made in writing to the Head of Communities and must be received by the Council within 4 weeks of the date the decision letter is sent. Late appeals will not be considered. The Head of Communities decision will be final.

1.36. All review requests must state the reason for the request and include any supporting evidence.

1.37. Where an application is refused either initially or following a review, further applications will not be considered unless:

- The use of the property changes
- The objectives of the organisation changes
- There have been other material changes that may affect the Council's decision

12. Conditions

1.38. All organisations will be expected on request to:

- Make available annual accounts or financial statements
- Provide evidence of activity over the past year
- Demonstrate plans for services and activities over the coming year
- Provide evidence that all employees are paid the London Living Wage as a minimum

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Resident Impact Assessment

Initial Screening of Islington’s, Discretionary Rate Relief (DRR) scheme for 2020 to 2023



Contents

1. Introduction and context
2. Initial Screening
3. The proposal
4. Equality Impacts
5. Socio-economic, safeguarding and Human Rights impacts
6. Summary: key findings of the RIA

1. Error! Reference source not found.Introduction and context

A Resident Impact Assessment (RIA) is a way of systematically and thoroughly assessing policies against the Council’s responsibilities in relation to the Public Sector Equality Duty, Human Rights and Safeguarding.

It will detail which residents are expected to be affected by the policy and the expected impact in relation to:

- The [Public Sector Equality Duty](#),
- Safeguarding responsibilities; and
- Human Rights legislation, specifically with regard to Article 3 (Inhuman Treatment) and Article 8 (Right to Private Life)

2. Initial Screening

a) Title of new or changed policy, procedure, function, service activity or financial decision being assessed:	Discretionary Rate Relief scheme 2020/21 to 2022/23
b) Department and section:	Housing, Homes and Communities
c) Name and contact details of assessor:	John Muir, Head of Communities john.muir@islington.gov.uk

- d) Date initial screening assessment started: 01/08/2019
- e) Describe the main aim or purpose of the proposed new or changed policy, etc. and the intended outcomes: To reduce the financial burden in business rates for the organisations that meet the DRR criteria
- f) Can this proposal be considered as part of a broader Resident Impact Assessment? For example it may be more appropriate to carry out an assessment of a divisional restructure rather than the restructure of a single team. No
- g) Are there any negative equality impacts as a result of the proposal? Please complete the table below:

Protected characteristics	1. Will the proposal discriminate?	2. Will the proposal undermine equality of opportunity?	3. Will the proposal have a negative impact on relations?	What evidence are you using to predict this impact?
Age	No	No	No	Described in Section 3
Disability	No	No	No	Described in Section 3
Gender reassignment	No	No	No	Described in Section 3
Marriage and civil partnerships ¹	No	N/A	N/A	Described in Section 3
Race	No	No	No	Described in Section 3
Religion/belief	No	No	No	Described in Section 3
Pregnancy and maternity	No	No	No	Described in Section 3
Sexual Orientation	No	No	No	Described in Section 3
Sex/gender	No	No	No	Described in Section 3

¹ Only the requirement to have due regard to the need to eliminate unlawful discrimination in employment should be considered.

h) Please list any opportunities in the proposal for fostering good relations for any of the protected characteristics.	This the policy seeks to balance any loss of income against the benefits/outcomes that will be delivered by the organisations supported by granting discretionary relief. The benefits/outcomes assessed are based on criteria that directly relate to the priorities of the council. These priorities include support to organisations that deliver benefits and outcomes for all of Islington's residents and outcomes that reduce inequalities
i) Is the proposal a strategy that lays out priorities in relation to activity and resources and likely to have a negative socio-economic impact on residents?	No
j) Do you anticipate any Safeguarding risks as a result of the proposal?	No
k) Do you anticipate any potential Human Rights breaches as a result of the proposal?	No

3. Summary: core findings of the RIA

- a) Who will the **proposal** mainly impact? Please provide bullet points summarising the key impacts below:
- Organisations in the voluntary and community services sector and other not-for-profit organisations providing social value to Islington's residents and community
- b) What are the **equality impacts** of the proposal? Please provide bullet points below.
- None
- c) What safeguarding **risks** have been identified? Please provide bullet points below.
- None
- d) What are the potential **Human Rights breaches**? Please provide bullet points below.
- None
- e) **Monitoring:** what issues should be monitored, i.e. during and after implementation of this policy/change?

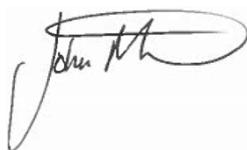
Issue to be monitored	Responsible person or team
The nature of any appeals against the operation of the schemes	

Please sign and date below to confirm that you have completed the Resident Impact Assessment in accordance with the guidance and using relevant available information. (A signature must also be obtained from a Service Head or higher. If this is a Corporate Resident Impact Assessment it must be signed by a Corporate Director).

Staff member completing this form:

Head of Service or higher:

Signed:



Signed: _____

Date: 01/09/2019

Date: 18/10/2019

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Report of: Executive Member for Children, Young People and Families

Meeting of:	Date:	Ward(s):
Executive	28 November 2019	All

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SUBJECT: Exclusion from School – Response to the report of Children’s Services Scrutiny Committee

1. Synopsis

1.1 In June 2019, Executive received a report from the Children’s Services Scrutiny Committee which examined the use and impact of fixed period and permanent exclusion from both primary and secondary school in Islington. The scrutiny report proposed fourteen recommendations that will enable more children and young people to remain in mainstream education. This report proposes actions to be taken in response to the recommendations.

2. Recommendations

- 2.1 To welcome the findings of the Exclusion from School Scrutiny Review
- 2.2 To agree the responses to the review as set out in Section 4 of this report.
- 2.3 To agree that officers report back on progress to the Children’s Services Scrutiny Committee in one year’s time.

3. Background

3.1 Between July 2018 and April 2019, the Children’s Services Scrutiny Committee conducted a review of fixed period and permanent exclusion from both primary and secondary school. In carrying out the review the Committee met with young people, parents, head teachers, council officers and others to gain a balanced view. The Committee also considered relevant data, guidance and other documentation. Overall the Committee was satisfied with

the range of support services available. However, the Committee concluded that Islington's exclusion rate is too high, that the significant variation of exclusion rates across Islington's schools is not justified and that further focused work with the highest excluding schools is needed. The Committee emphasised that exclusion is a fairness issue that is having a real impact on young people and their families.

4. Response to the Scrutiny Committee recommendations

Helping our schools to prevent exclusions and support young people at risk of exclusion

4.1 Recommendation 1: Schools should be encouraged to make referrals at the earliest opportunity to support services such as Educational Psychology, CAMHS, the New River College outreach service and Early Help services.

Improving the range, quality of and access to services for children and young people with Social, Emotional and Mental Health needs is one of three priorities under children's services Special Educational Needs and Disabilities (SEND) Strategy 2018-20.

An objective of the strategy is that by 2020, Islington will have a fully integrated whole system social, emotional and mental health offer, delivered through a system delivered beyond traditional health settings with a central front door and a strong focus on early intervention and prevention. Implementation has been in two stages:

- **Stage one:** implementation of an expanded SEMH emotional wellbeing pathway, including Barnardo's (new contractual relationship); Emotional Wellbeing Workers (new roles); Social Prescription (Third Sector / Universal Services pilot); online counselling (Kooth – new service) as well as Child and Adolescent Mental Health Services (CAMHS) and Early Help (live from June 2019).
- **Stage two:** full integration of CAMHS and the emotional wellbeing pathway within the Children's Services Contact Team (CSCT) (live from September 2019).

A review of Early Help services is also underway with a view to improving the quality and timeliness of support families receive, thereby improving outcomes for children and families. The project will remodel the current early help offer to enable different roles, functions and support that better meet families' needs earlier and in ways that are more effective and coordinated.

Similarly, work is underway to rationalise referral routes to school support services, including New River College out-reach. Instead of making separate referrals to different services, Schools will use a single referral route through to a multi-disciplinary team of support service representatives, who will determine the most appropriate response to the School, based on a principle of 'no wrong referral'.

An intended outcome of all of the above is streamlined (and therefore quicker) school and family access to the right service for the right child at the right time. Earlier intervention will support the prevention of escalation that may result in disengagement and exclusion from school, as well as other risks.

4.2 Recommendation 2: Schools should be further encouraged to make best use of the whole-school transformation programmes offered by CAMHS, Educational Psychology, and the New River College outreach services.

The following whole-school programmes have been developed in Islington and are available to all of our schools:

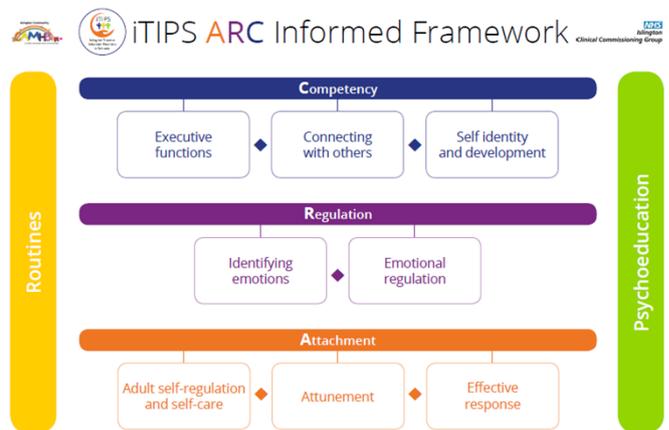
Islington Mental Health and Resilience in Schools (iMHARS)

The iMHARS framework helps schools understand the seven aspects (components) of school life that can support and contribute to pupils’ positive mental health and resilience. The seven components were created from a wide body of evidence and have been developed and tested in Islington schools. The framework can be used in schools to audit support in place to meet the needs of vulnerable pupils, and preventative measures for all pupils. 52% of Islington schools have used the iMHARS framework to improve practice and develop a whole-school approach to mental health. This includes 24/47 primary, 6/11 secondary and 4/6 special schools.



Islington Trauma Informed Practices in Schools (iTIPS)

This project that aims to help schools embed a whole-school trauma strategy. Each iTIPS school has a 'champion' from Islington CAMHS and the EP service to train staff and support the development of the approach, which draws from the ARC (Attachment, Regulation and Competency) framework. iTIPS has been piloted in two phases (2017-2019) and currently includes eleven primary schools, two secondary schools and New River College.



Further roll-out of these programmes will be directed towards schools with higher levels of exclusion.

Mental Health Support Teams ‘Trailblazer’

Additionally, in June 2019 Islington was successfully awarded ‘Trailblazer’ status as part of a national NHS and schools in England initiative to provide trained mental health support. Trailblazer sites will test how the development of Mental Health Support Teams (MHSTs) can work with schools, local authority and other services to improve earlier identification

and intervention, thereby reducing waiting times for specialist NHS mental health services. MHSTs will be based in and near schools. Islington will develop two teams, North and South of the borough, so that every child in an Islington school will have access to a MHST. The MHSTs will:

- Build on support already in place e.g. school counsellors, nurses, educational psychologists, voluntary sector, programmes such as iMAHRS and iTIPs
- Support children and young people with mild to moderate mental health issues e.g. exam stress, behavioural difficulties or friendship issues
- Help children and young people with more severe needs to access the right support, and provide a link to specialist NHS services

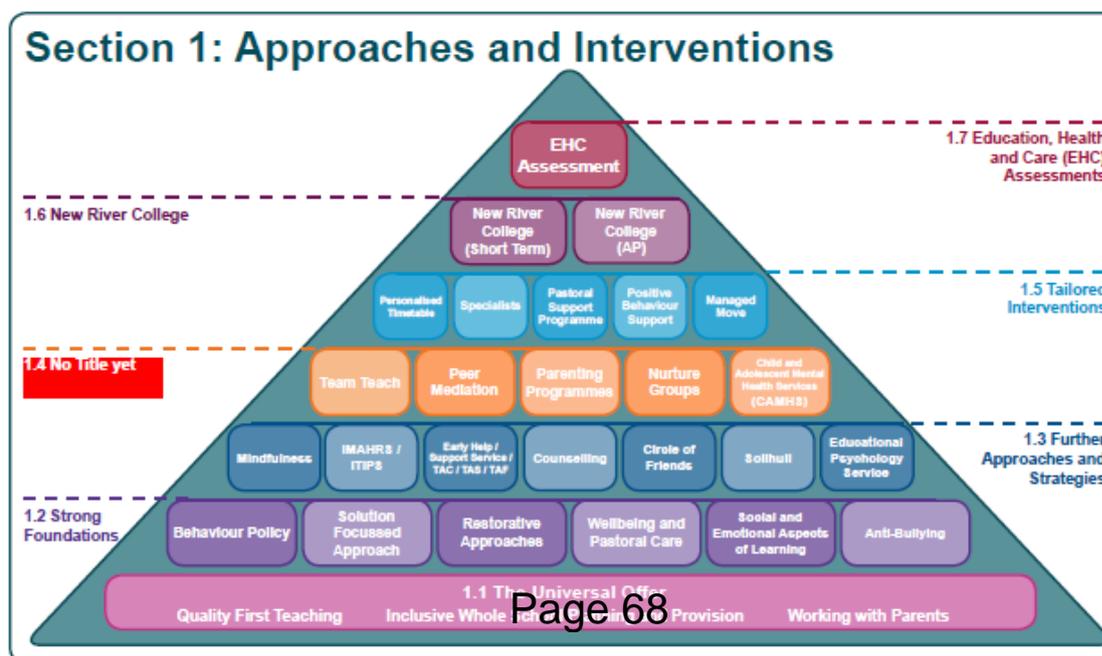
The Department for Education will also fund training for senior mental health leads in each school in the MHST area to ensure a 'whole school' approach to mental health and wellbeing. All Islington schools will be supported and encouraged to participate.

4.3 Recommendation 3: Officers in Pupil Services and School Improvement should encourage schools to closely link their Behaviour Management and Special Educational Needs functions.

Social, Emotional and Mental Health (SEMH) is identified as one of four areas of need in the governments statutory SEN Code of Practice. It is also one of three priorities under Childrens Services Special Educational Needs and Disabilities Strategy 2018-20. Consequently, it will remain an area of focus for regular support and development forums, including the SEN Co-ordinators, Designated Safeguarding Leads, Deputy Head teachers and Head teachers.

In response to recommendations from the Scrutiny Review, Officers have also developed an interactive Behaviour Handbook for Islington schools, to sit alongside SEND Support handbooks and other materials available through iMARHS and iTIPs programmes. The purpose of the Handbook is to give information to assist with the early identification and planning of consistent support for children and young people with SEMH. It is informed by existing good practice in Islington as well as the latest DfE guidance on SEMH and SEND.

SEN Support in Islington – Behaviour Handbook



The Handbook will be launched to schools in October 2019, and demonstrated at a SEND Exhibition of Good Practice for Islington Head teachers and SENCOs to be held at the Town Hall in November 2019.

4.4 Recommendation 4: Officers in Pupil Services and School Improvement should encourage and support all schools to form Behaviour and Attendance Partnerships.

Officers from Pupil Services and School Improvement, will further research different Behaviour and Attendance Partnership models in operation across the country and their impact, and present evidence to Head teachers for further consideration.

4.5 Recommendation 5: School governors should receive training on how they can help to shape their school's culture and ethos, their role in the exclusion process, and how they can scrutinise school behaviour policies and practices.

Two presentations have already taken place for all Chairs of Governors (May and September 2019) on fixed term and permanent exclusion, the recommendations of the Scrutiny review and Governors role in developing an inclusive school ethos. Further training sessions for all Governors are planned for November 2019.

4.6 Recommendation 6. To ensure that all school staff are well equipped to support young people at risk of exclusion, officers in the Children, Employment and Skills directorate should explore how information on pupil needs can be shared widely between support services and school staff whilst meeting confidentiality requirements.

Evidence from a number of Local Authorities suggests that 'Team Around the School (TAS)' is an effective framework for enabling information-sharing.

TAS is a local network consisting of schools and other family support services that meet on a regular basis to have a shared conversation about children and young people that they may be worried about and that early help and intervention may stop concerns escalating.

In local areas where the model is well-established, Schools and services report that the approach:

- Strengthens local/partner relationships and networks by providing the infrastructure for agencies to work together to improve outcomes for children, young people and their families
- Ensures more efficient deployment of multi-agency resource
- Ensures a solutions-focussed approach
- Provides a support network for frontline staff
- Prevents a 'refer on' culture

- Ensures all partners hold appropriate level of risk
- Ensures consistent application of effective support
- Enables sharing of good practice and consistency of service delivery
- Helps to align early help with school improvement
- Helps to provide support to families that is outcome driven
- Can prevent a child or young person requiring complex/acute support in the future.

The TAS approach is currently followed by some, but not the majority of Islington schools, and adoption is currently reliant on the views and experience of individuals within schools and support agencies.

People Services directorate will therefore consult on, develop and promote an Islington 'Team Around the School' approach for schools and support services. This would be supported by guidance on how successfully to operate a TAS. The model would be underpinned by the 'Seven Golden Rules of Information Sharing' as set out in advice from HM Government¹.

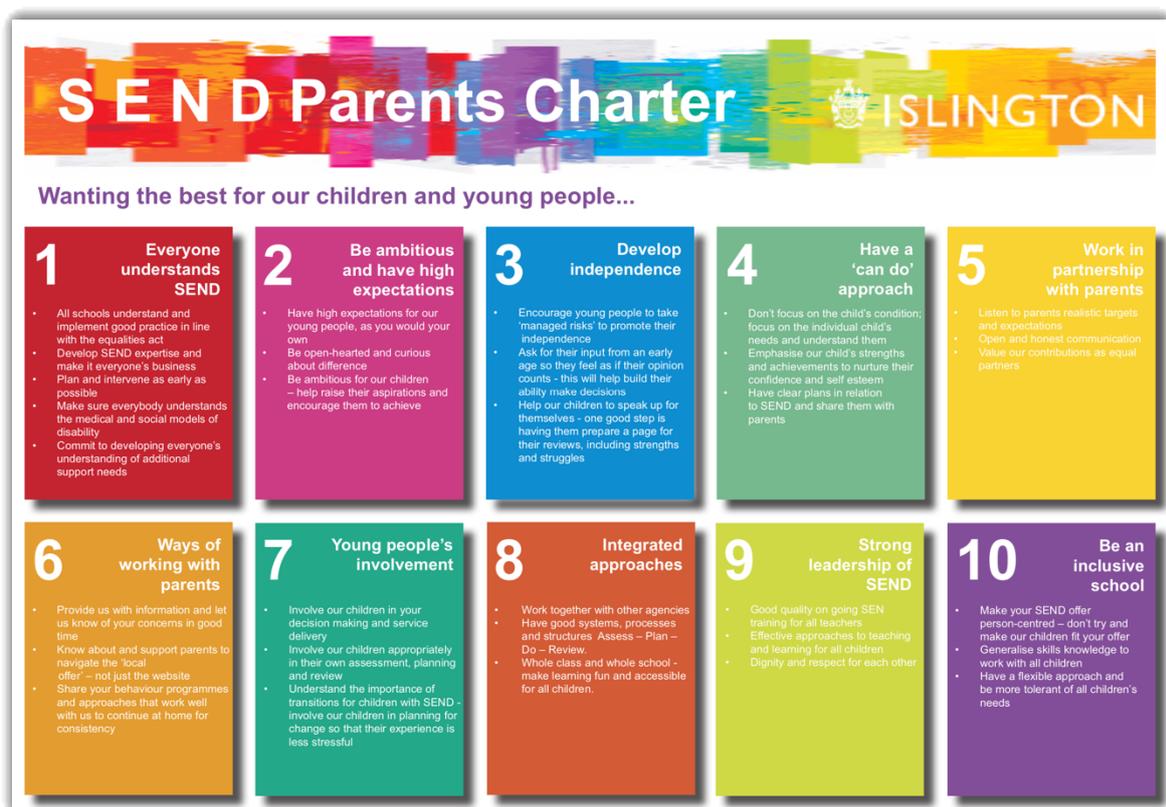
Developing best practice in our schools

4.7 Recommendation 7: Officers in Pupil Services and School Improvement should use the Committee's findings to produce a Good Practice Guide for schools.

See 'Behaviour Handbook', as detailed in 4.3 above.

4.8 Recommendation 8: A 'Charter for Inclusion' should be developed with Islington Schools and New River College to affirm their commitment to supporting Islington's young people to stay mainstream education.

Work to improve support, achievement and progress of children and young people with additional needs is a priority of Islington's current SEND Strategy. As part of this work, Islington parents of children with SEND developed a SEND Parents Charter, which all schools have been asked to sign up to.



A new Ofsted Education Inspection Framework for schools, has been introduced from September 2019. As part of the new school inspection regime, Inspectors will want to see how well SEND is embedded. They will also talk to classroom and subject teachers as well as SEND Coordinators and observe practice for reasonable adjustment and differentiation in the classroom when making this judgement.

Inspectors will want to see that the school:

- Is ambitious for all pupils with SEND
- Identify, assess and meet the needs of pupils with SEND
- Adapt the curriculum (i.e. across all subjects) so that it is relevant to all pupils' needs and starting points
- Involves parents and carers in deciding how best to support pupils with SEND, and
- Includes pupils with SEND in all aspects of school life

A 'Charter for Inclusion' will provide a good response to the Parent's Charter, Ofsted and the Scrutiny Committee recommendation, and Officers will work with Islington schools and New River College to develop this.

Supporting children and young people excluded from school

4.9 Recommendation 9: Officers in the Children, Employment and Skills directorate should review the feasibility of attaching a named social worker to New River College.

¹ Information Sharing - Advice for practitioners providing safeguarding services to children, young people, parents and carers (July 2018), HM Government

As part of Early Help Review outlined in paragraph 4.1, officers will consult with New River College on the best model of delivering support to children and young people who attend the College and their families.

4.10 Recommendation 10: To remove the stigma associated with attending a pupil referral unit, officers in the Children, Employment and Skills directorate should work with New River College to widely promote the successes of its pupils.

Officers will continue to promote the successes of pupils at New River College, and this will be overseen by the Director of Learning and Schools Management Team.

Additionally, the national Timpson Review of Exclusion from School calls for the Department for Education to promote the role of Alternative Provision (which includes Pupil Referral Units) by:

- Promoting the role of AP in supporting mainstream and special schools to deliver effective intervention and recognising the best AP institutions as teaching schools so that they can share best practice across the wider system
- Supporting AP Schools to attract the staff they need
- 'Significantly improving and expanding' AP buildings and facilities, with the 'right level of capital funding' as a priority for the spending review
- Renaming Pupil Referral Units (PRUs) to 'reflect their role as both schools and places to support pupils overcome barriers to engaging in education' and also help to remove **'the stigma attached to being educated in these settings'**.
- Better understand and act on the current challenges with the workforce in AP, by backing initiatives to support its development.

4.11 Recommendation 11: Officers in the Children, Employment and Skills directorate should engage with neighbouring authorities and schools in neighbouring boroughs close to the borough boundary, making them aware of this review and the support that is expected for pupils who are Islington residents.

A copy of the Review has been shared with neighbouring Local Authorities alongside an extract from Islington's local 'advice, support and expectations' document and contact details of our Pupil Services and School Improvement Services, should they have any concerns about an Islington resident that cannot be addressed through services normally available to all children and young people at that school.

Supporting parents and carers (Recommendation 12)

- 4.12 In response to evidence received during the review, officers have already implemented the following service changes:
- (a) The council now provides more comprehensive information on independent sources of support available to parents and carers on its website and in the initial letter which is sent to parents and carers informing them of their child's permanent exclusion from school.
 - (b) Officers have asked Islington Law Centre to hold free parent workshops on the exclusions process. The first session was held in November 2018.
 - (c) Islington Law Centre has offered to hold a series of monthly drop-in sessions, at no cost to the council, for parents and carers seeking independent advice on issues arising from their child's exclusion.

Urging Central Government to act in the best interests of young people

4.13 Recommendation 13: Islington Council should lobby for national policy changes that would support children to remain in mainstream education

A number of recommendations for Ofsted and the Department for Education are included in the Timpson Review. Officers will ensure that Islington continues to respond fully and robustly to any consultations that flow from these recommendations.

4.14 Recommendation 14: Officers in the Children, Employment and Skills directorate should report back to the Children's Services Scrutiny Committee on the findings of the national School Exclusions Review led by Edward Timpson CBE, and detail if it is possible to implement its recommendations locally.

A report and the findings of the Timpson Review was presented to Children's Services Scrutiny Committee in June 2019, and the following actions are included in an action plan alongside those identified above:

- To review and update information about exclusion in the SEND Local Offer
- To routinely share real-time data on exclusion and other moves out of education with Islington Safeguarding Children Board
- To ensure social workers are notified alongside parents when a Child in Need is moved out of their school, or involved in any processes around decisions to exclude
- To ask all Governing bodies to review information on children who leave their schools
- To provide an analysis of data on exclusion and children who leave their school to both primary and secondary Securing Education Boards² to ensure an understanding of how such activity feeds into local trends.

5. Implications

5.1 Financial implications:

All of the recommendations are being implemented within existing budgets with the exception of part of recommendation 2 where June 2019 Islington was successfully awarded 'Trailblazer' status as part of a national NHS and schools in England initiative to provide trained mental health support. The Trailblazer funding is being provided by NHS England for 2019/20 and 2020/21 (£160k and £588k respectively). £19k of this funding in 19/20 and £76k in 20/21 will come to the Council, with the rest going to the CCG.

5.2 Legal Implications:

Governing bodies must have regard to Statutory guidance on the exclusion of pupils from local-authority-maintained schools, academies and pupil referral units and the principal legislation to which this Guidance relates to is:

² Islington operate a primary and secondary Securing Education Board. The Boards are made up of Head teacher and support service representatives. They make decisions on the educational placement of pupils excluded (or at risk of exclusion), either to mainstream school or alternative provision, and ensure fair access.

- The Education Act 2002, as amended by the Education Act 2011;
- The School Discipline (Pupil Exclusions and Reviews) (England) Regulations 2012;
- The Education and Inspections Act 2006;
- The Education Act 1996; and
- The Education (Provision of Full-Time Education for Excluded Pupils) (England) Regulations 2007, as amended by the Education (Provision of Full-Time Education for Excluded Pupils) (England) (Amendment) Regulations 2014.

The guidance makes clear that only the head teacher of a school can exclude a pupil and this must be on disciplinary grounds. A pupil may be excluded for one or more fixed periods (up to a maximum of 45 school days in a single academic year), or permanently. A fixed-period exclusion does not have to be for a continuous period.

Any decision of a school, including exclusion, must be made in line with the principles of administrative law, i.e. that it is: lawful (with respect to the legislation relating directly to exclusions and a school's wider legal duties, including the European Convention on Human Rights and the Equality Act 2010); rational; reasonable; fair; and proportionate.

Governing Bodies must also have regard to 'Behaviour and discipline in schools' as stipulated in the Education and Inspections Act 2006 and acknowledge the school's legal duties under the Equality Act 2010, in respect of safeguarding and pupils with SEN.

5.3 Environmental Implications and contribution to Zero Net Carbon by 2030:

The actions proposed in this report do not have any environmental implications beyond those associated with standard office usage and are unlikely to significantly change the existing impacts of the services.

5.4 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.

Resident Impact Assessments will be undertaken as part of the process of developing and implementing policies and actions arising from this report.

6. Reason for recommendations

- 6.1 This report details the Executive's response to the recommendations from the Children's Services Scrutiny Committee.

Background papers: None

Final report clearance:

Signed by:



20 November 2019

Councillor Kaya Comer-Schwartz
Executive Member for Children, Young People
and Families

Date:

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Report of: Executive Member for Health & Adult Social Care

Meeting of:	Date:	Ward(s):
Executive	28 November 2019	All

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SUBJECT: Procurement Strategy for Supported Housing and Housing First Support Services for Adults with Multiple Needs

1. Synopsis

This report seeks pre-tender approval for the procurement strategy in respect of Supported Housing and Housing First Support Services for Adults with Multiple Needs, in accordance with Rule 2.7 of the Council's Procurement Rules.

2. Recommendations

- 2.1 To approve the procurement strategy for Supported Accommodation and Housing First Support Provision for Adults with Multiple Needs, as outlined in this report.
- 2.2 To delegate authority to award the contracts to the Corporate Director - People, in consultation with the Executive Member for Health and Social Care.

3. Background

There is no statutory definition of supported housing. The Government has described supported housing as, "... any housing scheme where housing is provided alongside care, support or supervision to help people live as independently as possible in the community".

The primary purpose of supported housing is for the client to develop the skills necessary to manage a tenancy and address their individual vulnerabilities. The eventual aim of supported housing is to enable the client to sustain a tenancy of their own (regardless of whether it is in the private sector or in social housing) when they move on.

Supported Housing is a broad and diverse sector of provision and the type and level of need varies significantly. Many of the people who need support to live independently may experience multiple needs and disadvantages. This complexity can contribute to a difficulty in designing and delivering services that are targeted and effective and tailored to specific need

There are a number of different definitions of multiple needs, however, for the purpose of this strategy we use it to describe people who present with any combination of the following needs:

- Homelessness – including rough sleeping
- Substance misuse – including alcohol, legal and illegal substances
- Mental ill health – including those with and without a diagnosed condition
- Offending

Our existing supported housing services are currently client group specific. Demand for services is increasingly from clients who have multiple needs and whose needs exceed those met by traditional supported housing provision.

With the cessation of Supporting People grants* many local authorities have explored alternative ways to meet the needs of their populations, whilst keeping pace with emerging best practice, changing need and more austere finances. Broadly speaking, Islington has made very few changes to this sector. Common problems (across the country and in Islington) include:

- Increasingly complex needs and multiple needs
- Slow progression through services to independence
- Levels of need exceeding the capacity and capability of existing services

As a result of these challenges many local authorities have re-designed services from traditional models towards more flexible and tailored support arrangements, in order to provide services that are more targeted, effective and efficient.

*The Supporting People grant was a ring-fenced grant launched in 2003 to fund housing-related support. The grant was reduced in subsequent years, the ring-fence was removed in 2009, and eventually the funds were subsumed into the Formula Grant.

What is the problem we are trying to solve?

A recent review (2016) of Islington's supported accommodation pathways showed that our current provision is not always supporting people with multiple needs to move on in their lives, and has not evolved in recent years to adapt to keep pace changing demand, best practice and budgets which have reduced since the Supporting People grant was funding these services. The existing model includes inefficiencies and inconsistencies, including for example services that are struggling to meet levels of need and services that have long-standing voids because they cannot accept complex referrals.

In addition, the review identified a small cohort of people who find it difficult to engage with our housing and treatment services and who have exhausted all options within current supported housing pathways.

The review revealed that across mental health, substance misuse, offending and single homeless pathways, low throughput and lack of step down options need to be addressed should we want a more effective and efficient means of supporting people in their stabilisation and recovery.

We also know that there are issues with some buildings, locations (neighbour complaints and anti-social behaviour), and service staffing levels are not always commensurate with levels of need.

There is also a need to develop a more 'high support' provision to cope with the complexity and levels of multiple needs and to review 'low support' provision which can't always cope with the levels of need and therefore can have voids as they refuse referrals.

There is also a need to find savings from the sector, in order meet the Council's overall savings targets and to release funds for reinvestment in alternative and more effective models of support.

Our Goals and Objectives

Our primary objective in this procurement is to improve the life chances and opportunities to live independently for those whose lives are affected by homelessness, substance misuse, offending and mental ill health. By providing tailored support to this cohort, the incidence of repeat homelessness, rough sleeping and disengagement from services should reduce, alongside reducing reliance upon acute and emergency provision, and improving outcomes for health and criminal justice partners.

Our strategic direction for adult services is built upon strengths-based and personalised approaches, and creating more opportunities for step up and step-down support. We are therefore committed to reconfiguring our supported housing offer for people facing multiple needs to create the most enabling conditions for people to recover and move on.

We know that a stable housing environment is the bedrock upon which other evidence based support should we built. A Housing First approach with an effective wrap-around support service will better enable us to provide this environment for some of our most vulnerable people in the Borough

NB: Housing First is an internationally evidence-based approach to delivering housing-related support which uses stable housing – in this case Islington's own council housing stock – as a platform to enable adults with Multiple Needs to begin recovery. Those accessing Housing First in Islington through newly procured services will receive tenancies and wraparound support from the commissioned Housing First Support Services.

However, Housing First is unlikely to be the solution for everyone. For example, some people are vulnerable or feel unsafe on their own, need on-site support to develop independent living skills and may need the supervision and security that an accommodation-based service can offer

We also know that good services are flexible about working with people with a range of needs whose situation and support needs may fluctuate. Services that work well have a staff team which is supported to build their confidence and resilience, and can pull in more specialised or intensive support when they need it.

There is a need to develop services and resources around the individual, rather than try to fit people into rigid pathways or service models. We need to develop these service models, and ensure that our commissioning approaches better align available funding to the needs of individuals.

We also need to ensure we can support people in properties that are accessible and support the development on independent living skills in a safe environment.

Nature of the services commissioned and detailed recommendations

We currently commission five providers to provide supported housing provision across 14 contracts across multiple sites comprising 313 units of accommodation, with a total annual value of £2,777,805. The average annual costs per person of these services is £10,800, though average annual costs per person vary significantly across contracts – from £3,800 to £23,100.

Following the 2016 review further consultation has been undertaken with our providers and key stakeholders (including our referrals team, community safety, probation, housing needs) with a clear consensus emerging on recommendations for service re-configuration and re-design, as set out in this paper. These will ensure that this procurement provides better value for money, ensures an expansion of our Housing First provision, and improves outcomes for some of our most vulnerable Islington residents.

Recommendations that have emerged from the review will be implemented through this procurement in the following ways:

- We will commission a new bespoke Housing First Support Service to enable the expansion of Housing First in the borough (currently a small-scale pilot for 6 people) to an initial 20 units with options to expand the service further as people move through the model (with the Housing First services retaining contact with people to allow support to be reinstated should people's needs re-escalate).

The pilot has demonstrated that Housing First can deliver meaningful and positive outcomes for some of the borough's most complex and vulnerable residents, where more traditional models of support have not met needs. Our analysis of resident needs tells us that up to 30 people could benefit from Housing First.

In future, it is likely that the model could be scaled up further, but this needs to be in a sustainable and measured way due to the long-term and complex needs of these individuals.

- We will end segmentation of supported housing sites based on perceived primary need (i.e. single homeless, substance misuse, offending), in the recognition that residents' needs and disadvantages are multiple, complex, and may include other needs and vulnerabilities such as domestic abuse, traumatic histories and poor mental wellbeing.

- We will reduce the number of supported housing contracts, but give our providers greater flexibility within these contracts as to how outcomes are achieved and how staff are allocated and split across supported housing sites to enable support services to be more responsive to changing needs and circumstances.
- We will reduce the number of sites currently providing low support supported housing provision, as there is evidence that low support models provide limited benefits to service users and are not the most effective model for supporting progression towards independence. In these instances, traditional support will be phased out and replaced by Intensive Housing Management (IHM) services: increasingly widely used, landlord-provided enhanced housing management assistance, which is funded by Housing Benefit. Those people whose needs exceed this will be supported to move to more appropriate services within the pathway, or supported to access Floating Support.
- In order to facilitate this procurement of Supported Housing and provide stability in the pathway through consistent wraparound support, our Floating Support contract which supports 750-800 people at a value of £1.35m per annum, has been extended to 30th June 2021 and will not form part of this re-procurement exercise.
- The exact number of commissioned units will only be determined during the procurement process, as this will depend partly on the properties providers can bring into the procurement process and partly on how providers propose to deliver Housing First, which is a scalable model of support (i.e. the number of units can increase over the life of the contract).
- This procurement will not result in removal of support from anyone who needs it. Through this procurement there will be a reconfiguration of services and units that do not form part of future commissioned service arrangements will either continue to house vulnerable people as Intensive Housing Management services or will be those services which are partially or fully void, or are not fit for purpose, and are therefore not benefitting individuals now.
- We will work collaboratively across organisations to co-design move-on support so that wherever people are in the pathway they can access consistent, supportive and move-on support (whether that is provided by the Council or providers as part of their supported housing contract)
- We will increase investment into a number of higher support supported housing sites in order to ensure they are more fit for purpose, provide meaningful and empowering interventions for our most vulnerable residents, and increase the capacity to support complex individuals.
- We will revise hourly rates and overall contract values to ensure value for money through more consistent and standardised contract values, and to bring us in line with benchmarked neighbours;
- We will commission supported housing that adheres to the principles of Trauma Informed Practice, a strengths-based framework grounded in an understanding of and responsiveness to the impact of trauma that emphasis physical, psychological and

emotional safety, and creates opportunities for people to rebuild a sense of control and empowerment;

- We will commission providers to work in a manner reflective of the Psychologically Informed Environments model, an effective mode of provision for homeless people evidenced to improve a wide range of factors from successful engagement and resettlement to reductions in recidivism and rough sleeping;
- We will include a requirement of all our providers to offer emergency bed spaces to quickly move residents away from rough sleeping environments;
- We will continue to commission women-only supported housing as part of the provision, and increase the provision to women with complex and multiple needs.
- The service specification will be explicit in including the need for empowering and enabling activities provided on-site or facilitated off-site to educate, give structure and allow residents to set and achieve goals and aspirations during their supported housing interventions.

The above recommendations have been tested and developed with our providers, service users and other expert stakeholders and will be made explicit through this procurement and associated partnership working.

The detailed design for the new service specifications will be co-produced with a wide range of stakeholders including providers (current and prospective), residents of supported housing schemes, and various other stakeholders including colleagues from Housing, Community Safety and Probation services.

How new services will be commissioned

A specification for the service will be co-designed with these stakeholders, as well as with subject experts including Housing First England (the national body ensuring adherence with best practice).

The procurements of both Supported Housing and Housing First Support Services for Adults with Multiple Needs are to take place in one procurement divided into Lots. These Lots will be:

1. Housing First Support Services
2. Supported Housing for Adults with Multiple Needs – High support
3. Gender-specific Supported Housing for Adults with Multiple Needs – High support
4. Supported Housing for Adults with Multiple Needs – Medium support
5. Gender-specific Supported Housing for Adults with Multiple Needs – Medium support

3.1 Estimated Value

The initial duration of contracts will be for a period of two years from 1 April 2020. There will be an option to extend the contract for a further period of two years on two separate occasions.

The estimated maximum value of these services will be £2,427,805 per annum, or £14,566,830 across the contracts' maximum period of six years. The service will be funded from the Adult Social Services base budget.

This represents a £350,000 annual saving for the Council, contributing to the Council's Medium Term Financial Strategy. This can be achieved through investing our resources in the most effective service models and reducing our investment in low-support service models (replacing these with Intensive Housing Management), as described above.

As this procurement will reconfigure our supported housing offer for this client group in order to target resources at the most effective services for people with the most need for support, this will involve some existing sites moving to an Intensive Housing Management model (see 3.1) and in other cases supported housing sites will require residents to receive support in moving onto alternative housing.

As implications for specific services becomes clear we will ensure we take the necessary legal advice and adhere to our duties and best practice around consultation and will work closely with providers and partners to manage implementation and associated risks.

3.2 Timetable

The date for the decision to approve this procurement strategy is included in the forward plan of key decisions.

The contracts are due to be advertised on OJEU in November 2019, with approval to award the contract scheduled for January 2020.

Current contracts expire on 31 March 2020, meaning that the new contracts must be in place for a start date of 1 April 2020.

Should there be any delays in the pre-procurement, procurement or implementation, then existing contracts could be extended to ensure adequate time.

We have so far consulted with providers, commissioners and colleagues from Housing, Community Safety and Probation. We intend to continue engaging with these stakeholders, as well as residents of supported housing schemes and wider partners (e.g. Metropolitan Police, Clinical Commissioning Group, Mental Health Trust, Voluntary and Community Sector).

3.3 Options appraisal (see overleaf)

Option	Benefits	Drawbacks
In-sourcing these services	<p>Grip and oversight on projects</p> <p>Potential for closer relationship with statutory bodies (e.g. ASC, Mental Health, NHS)</p>	<p>Lack of experience in directly providing this service</p> <p>Very little housing stock to allocate to this provision</p> <p>External providers are more experienced and agile in this area, and provide significant added value</p> <p>Unlikely to generate savings due to higher staffing costs</p>
Re-procuring supported housing provision in its current form	<p>Consistency for residents of supported living schemes</p> <p>Consistency for commissioners and referring bodies</p>	<p>A service model which is not fit for purpose, as evidenced by multiple reviews of services</p> <p>Escalating needs coupled with a lack of resources</p> <p>No funding available to expand Housing First and commission Housing First Support Services</p> <p>Unmet savings targets</p>
Procuring supported housing and Housing First services with another borough or other boroughs	<p>Opportunity to share best practice and learning</p> <p>Opportunity to commission more specialist services and agree reciprocal arrangements for referral into these services</p> <p>Better value for money achieved via economies of scale</p>	<p>Timescales for procurement do not match up with those of other boroughs</p> <p>Less direct influence on service design and configuration</p> <p>Not certain to meaningfully change the marketplace of providers and landlords available in the borough</p> <p>Reciprocal arrangements onerous to set up and maintain due to complexity</p>
Reconfigure service model as proposed in this Procurement Strategy (Recommended)	<p>Enables the development of Housing First Support Services</p> <p>Enables resources to be invested in higher support which is more proportionate to levels of need</p> <p>Well-known alternatives (e.g. Intensive Housing Management) available to replace low-support</p> <p>Trauma informed service model evidenced to improve outcomes in supported housing</p> <p>Responding to local need e.g. for gender specific services</p> <p>Savings generated for Adult Social Care budget</p>	<p>Risk of reputational damage due to closure of commissioned supported housing sites</p> <p>Risk of unmet needs as alternative delivery models in lower support sites (Intensive Housing Management) relatively un-tested in the borough</p>

After conducting aforementioned analysis and engagement, we have come to the conclusion that the final option is preferred.

3.4 Key Considerations

Social Value will form a quality criterion in our evaluation of providers' tenders (see 3.5), and the service specification will make explicit reference to examples of social value the local authority will be encouraging and, where relevant, facilitating and supporting providers to achieve. These include:

- Developing an employment, training and education plan with quantified targets for supporting residents into opportunities for volunteering, work experience, upskilling, apprenticeships and employment.
- Working with the Council's iWork Employment Service and wider Islington Working network, e.g. facilitating apprenticeships; job opportunities; and work experience opportunities through the iWork Get Set for Work scheme.
- Promoting active citizenship through co-design of services, as well as encouraging and facilitating work experience and volunteering placements for local people.
- Exploring the potential to ring fence job roles for Islington residents.
- Purchasing from the local supply chain where possible.
- Supporting environmental sustainability by limiting energy consumption and procuring sustainable materials.
- Encouraging the adoption of specific workplace health initiatives.
- Facilitation and encouragement for residents of supported housing to join the provider's or other providers' peer support and user consultation networks.
- Specifically encouraging providers to find employment routes for residents of supported housing in their own organisations (e.g. work-like activities, apprenticeships, entry level roles and above).
- Ensuring that residents of supported housing are able to access providers' externally funded community investment programmes.
- Encouraging residents of supported housing to increase their confidence, knowledge and use of their local areas and communities, e.g. visiting local parks and libraries, becoming members of community centres, volunteering.

Moreover, in order to derive the maximum social benefit from the contract, bidders will be asked to identify social value in other questions covering other quality criteria, in which social value will be an intrinsic aspect. These include questions regarding links with health agencies; links with voluntary and community sector organisations, and added value programmes not funded from these contracts.

There will be TUPE implications to this contract.

There is a risk of a failed procurement through both lack of market interest and a lack of properties available for providers. Engagement with providers and landlords has so far proven positive, and we are confident that we have mitigated these risks in a proactive manner.

3.5 Evaluation

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

Bids will be assessed on the basis of 60% quality and 40% price. The breakdown of both quality and price will differ from Lot to Lot as the services have nuanced differences.

Providers will work with some of our most vulnerable residents, the majority of whom will have experienced traumatic lives and chaotic lifestyles. For these reasons, safeguarding and the provision of trauma-informed support in a Psychologically Informed Environment will be key considerations.

Quality criteria will be split in the manner suggested below, though specific questions underneath each heading will differ between Lots.

1. Proposals to meet and report service outcomes (15%)
2. Safeguarding and relationship with risk (10%)
3. Meeting principles of Housing First / Trauma Informed Practice / Psychologically Informed Environments (10%)
4. Social Value (10%)
5. Co-production (10%)
6. Partnership Working (5%)

We will seek to involve a wide range of professionals in evaluating tenders, as well as current or former service users if possible.

3.6 Business Risks

There are a number of risks attached to this commission and Procurement Strategy. They include:

Risk	Mitigation
Providers will not find the service redesign aspects organisationally and/or financially attractive	We have met individually with each of our providers over the last 12 months and we have recently conducted a market engagement event with current providers that was well attended. Our proposals have received broad, in-principle agreement with all providers, who recognise the need to change and welcome our approach. We will continue to have open lines of dialogue with current and prospective providers, ensuring that the specifications are co-produced and a viable, working and realistic document to base services upon.
Prospective providers being precluded from the opportunity to apply for the tender as they do not have access to properties from which they can provide services, either through outright ownership, long lease or management agreement	We are working to ensure that all providers – current and prospective – have the best opportunity possible to source landlords for this procurement. This will include initiating a Market Test, potential Meet the Buyer event(s) based on interest from the Market Test, and networking with developers led by commissioning.

<p>Providers' unwillingness to embed practices and principles related to:</p> <ul style="list-style-type: none"> - Trauma-informed provision - Psychologically Informed Environments <p>Into service provision</p>	<p>We will actively work with providers to gain a shared understanding of what we mean by these service models. This will include market engagement exercises, focus groups and exploring opportunities in which the Council and relevant partners (CCG, Housing, Health, external funding bodies) can co-ordinate efforts in this area e.g. piloting clinical input into supported housing sites, facilitating training opportunities.</p>
<p>Lack of support in continuing to secure social housing as accommodation for Housing First clients</p>	<p>We will formalise current, in-principle agreements with colleagues from Housing to ensure written documentation and basis for the placing of Housing First clients into council owned properties. Moreover, we will engage with Housing Associations and providers to explore alternative opportunities.</p>
<p>TUPE implications</p>	<p>TUPE will apply as this is an existing service. Time should be factored into the mobilisation given the number of providers and contracts involved in the current configuration of services.</p>
<p>Risks associated to transferring clients from block contracted, support services to non-contracted, Intensive Housing Management services</p>	<p>Commissioners have proactively been meeting with providers and landlords already providing or set to provide Intensive Housing Management to understand the risks and issues involved. We will also work closely with providers to decide upon what, if any, sites and/or service users for which this model will be most applicable.</p>
<p>The procurement timetable proves too challenging and this delays contract award and/or implementation beyond contract end dates</p>	<p>Contracts are able to be extended to account for these delays.</p>

3.7 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 complete an 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.

3.8 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	See paragraphs 1.2 and 3.1

2 Estimated value	<p>The estimated value per year is up to £2,427,805.</p> <p>This represents a £350,000 annual saving for the Council.</p> <p>The agreement is proposed to run for a period of two years with a two optional extensions of two years each.</p> <p>See paragraph 3.2</p>
3 Timetable	<p>Advert: November 2019 Evaluation: December 2019 Award: January 2020 Implementation: January 2020 – March 2020 Mobilisation: April 2020</p> <p>See paragraph 3.3</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Work on this procurement strategy has so far included an audit of providers, a review of the services and wider systems in which they operate, and a market engagement event. These have so far guided out options and choices, and we will continue to engage with relevant stakeholders during the steps ahead.</p> <p>See paragraph 3.4</p>
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	<p>Social Value will be intrinsic in all quality criteria, and LLW will be a condition of the contract where legally permitted.</p> <p>There are considerable TUPE implications to this contract.</p> <p>See paragraph 3.5</p>
6 Award criteria	<p>Bids will be assessed on the basis of 60% quality and 40% price.</p> <p>See paragraph 3.6</p>
7 Any business risks associated with entering the contract	See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See Section 4, below.

4. Implications

4.1 Financial implications:

Housing Related Support is funded from the Adult Social Care base budget. It is split into three areas: Learning Disabilities, Mental Health, and Substance Misuse & Prevention. This procurement relates to the Substance Misuse & Prevention budget.

The total expenditure budget for Housing Related Support for Substance Misuse & Prevention is £6,263,200.

The budget for the contracts within the scope of this project equate to £2,777,805, which includes 14 contracts from five housing related support providers.

More efficient procurement of this service, as detailed above, would produce a saving of £350,000 which will contribute to the MTFS savings target for the department.

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) and Secretary of State Directions (Appendix 1 to Department of Health Circular No. LAC(93)10)). The Council may discharge that duty by making arrangements with private providers of residential accommodation for those assessed to need it (section 26 of the 1948 Act). Accordingly, the council may enter into contracts with providers to secure the provision of Supported Housing and Housing First Support Services for Adults with Multiple Needs (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 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.

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 contracts may be awarded to the highest scoring tenderers subject to their tenders providing value for money for the council.

As this procurement is designed to reconfigure the council's existing supported housing offer for this client group it will involve some existing sites moving to an Intensive Housing Management model and in other cases supported housing sites will require residents to receive support in moving onto alternative housing. As implications for specific services become clear it will be necessary for legal advice to be obtained in relation to properly discharging consultation

obligations.

4.3 Environmental Implications and contribution to Zero Net Carbon by 2030:

The provision of supported housing and housing first for adults with multiple needs has environmental implications in line with those of standard residential properties. These include water and energy use, waste generation, chemical use for cleaning and some resource use in building maintenance.

There may also be some transport-related implications from the accommodation staff.

These can be mitigated by contractual requirements on aspects such as energy/water efficiency of the buildings and waste segregation within them.

4.4 Resident Impact Assessment:

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

An RIA accompanies this report as an appendix – see Appendix A.

5. Reason for recommendations

5.1 Service analysis and engagement with a range of stakeholders outlined in this paper have substantiated a need to re-design and re-configure our current Supported Housing provision for Adults with Multiple Needs.

Moreover, this work – alongside the legacy of the Council's Multiple Needs Programme of work – have strongly substantiated a need for Housing First provision to sit alongside Supported Housing for this cohort (Adults with Multiple Needs).

Through benchmarking, desktop analysis of best practice and engagement, we have also found that both these provisions need to be trauma-informed in their nature, and for these services to be delivered in a way that reflects the Psychologically Informed Environments service model.

We also seek to re-configure our Supported Housing provision for Adults with Multiple Needs by: commissioning fewer units at more realistic cost levels; commissioning more emergency beds (with pragmatic expectations as to what constitutes an emergency bed, if need be); commissioning gender-specific provision; de-commissioning where necessary and moving toward a model of Intensive Housing Management.

Appendices

- Resident Impact assessment
- **Background papers:** None

Final report clearance:

Signed by:



20 November 2019

Cllr Janet Burgess
Executive Member for Health & Adult Social Care Date

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Resident Impact Assessment

Title of policy, procedure, function, service activity or financial decision: Supported Housing and Housing First Support Services for Adults with Multiple Needs

Service Area: Housing Related Support

1. What are the intended outcomes of this policy, function etc?

The intention of these services are to provide housing related support for vulnerable residents with what we term “multiple needs”. “Multiple needs” is defined following Lankelly Chase’s *Hard Edges* report (2015) as one or more of the following needs: homelessness, offending, substance misuse.

Supported housing supports residents to develop the necessary skills to manage a tenancy and address individual vulnerabilities, with an aim to enable residents to sustain tenancies of their own when they move on from supported housing provision, be this in the private rented sector or social housing.

Housing First uses stable housing (i.e. socially affordable rented housing) as a platform to enable adults with multiple needs to begin addressing their individual vulnerabilities.

These services will support some of our most vulnerable residents to gain and retain the skills necessary to live as independently as possible. Moreover, these services will support these residents in addressing their individual vulnerabilities.

2. Resident Profile

Who is going to be impacted by this change i.e. residents/service users/tenants? Please complete data for your service users. If your data does not fit into the categories in this table, please copy and paste your own table in the space below. Please refer to **section 3.3** of the guidance for more information.

		Borough profile	Service User profile
		Total: 206,285	Total: 188*
Gender	Female	51%	35
	Male	49%	153

Age	Under 16	32,825	0
	16-24	29,418	14
	25-44	87,177	76
	45-64	38,669	93
	65+	18,036	5
Disability	Disabled	16%	41
	Non-disabled	84%	147
Sexual orientation	LGBT	No data	18
	Heterosexual/straight	No data	170
Race	BME	52%	77
	White	48%	111
Religion or belief	Christian	40%	81
	Muslim	10%	17
	Other	4.5%	11
	No religion	30%	68
	Religion not stated	17%	9

*Figures accurate as of August 2019, using available data.

3. Equality impacts

With reference to the [guidance](#), please describe what are the equality and socio-economic impacts for residents and what are the opportunities to challenge prejudice or promote understanding?

- **Is the change likely to be discriminatory in any way for people with any of the protected characteristics?**

The service works with residents from all protected characteristic groups, and will be monitored to ensure access for all groups is equitable.

- **Is the proposal likely to have a negative impact on equality of opportunity for people with protected characteristics? Are there any opportunities for advancing equality of opportunity for people with protected characteristics?**

The service is specified to work with residents from all protected characteristic groups, and will be monitored to ensure access for all groups is equitable.

We aim to commission an additional female only site to support service users who have specific religious and/or cultural needs, or those who are fleeing domestic abuse.

- **Is the proposal likely to have a negative impact on good relations between communities with protected characteristics and the rest of the population in Islington? Are there any opportunities for fostering good relations?**

With regards to supported housing, the commissioning of these services ensure the continuation – with various modifications and reconfigurations – of an existing suite of services. The services are currently not discriminatory for residents with protected characteristics.

One of the aims of this procurement will be to increase staffing within higher support services, thereby reducing anti-social behaviours that impact on neighbours.

With regards to Housing First support services, this commissioning exercise is an expansion of a pilot that has been running in the borough for nine months, through which six residents have been housed. The services currently do not discriminate against residents with protected characteristics.

Housing First clients will be offered tenancies for council housing, meaning that they will be embedded within the community. Commissioners and the provider will work actively with Area Housing Officers to ensure that good community relations are fostered and that potential risks – e.g. ASB, noise nuisance – are mitigated proactively.

- **Is the proposal a strategic decision where inequalities associated with socio-economic disadvantage can be reduced?**

In a supported housing context, continuing to commission these services is a strategic decision whereby inequalities associated with socio-economic disadvantage and broader social inequalities will be reduced by supporting social and financial inclusion.

With regards to Housing First, we are confident that the assertive outreach offered by support workers and security of council tenancies will have a positive impact on Housing First clients, in a way that meaningfully mitigates and reduces inequalities associated with economic disadvantage.

4. Safeguarding and Human Rights impacts

a) Safeguarding risks and Human Rights breaches

Please describe any safeguarding risks for children or vulnerable adults AND any potential human rights breaches that may occur as a result of the proposal? Please refer to **section 4.8** of the [guidance](#) for more information.

There are no safeguarding risks attributed to the procurement of this service. All employees of this contract will be required to complete regular DBS checks, three (3) yearly safeguarding training with yearly refresher training.

As part of the re-procurement of supported housing, funding will need to be released to achieve savings as well as to free up monies for a Housing First Support Service. While this will mean a reduction in the units of supported housing Islington commissions, it will not mean that residents who require supported housing will go without support.

Depending on the level of housing-related support required for each client (and exercises to ascertain as much will be completed on a client-by-client basis) options will include: offers of tenancies; a shift from key work support to housing management support (i.e. Intensive Housing Management); offers to move-on into PRS; offers to move-on to another unit of supported housing; offers to engage with Floating Support; and offers to engage with Housing First.

If potential safeguarding and human rights risks are identified then please contact equalities@islington.gov.uk to discuss further:

5. Action

How will you respond to the impacts that you have identified in sections 3 and 4, or address any gaps in data or information?

For more information on identifying actions that will limit the negative impact of the policy for protected groups see the [guidance](#).

Action	Responsible person or team	Deadline
Ensure the service reports on inclusion for all protected characteristic groups.	Contracts Officer	Quarterly contract reviews
Monitor DBS checks and evidence of safeguarding discussions with service users.	Contracts Officer	Quarterly contract reviews
Ensure units of supported housing in properties where support is removed receive the correct level of support.	Providers, SP Referrals, Commissioners	ASAP, running concurrently with tender process.

Ensure no resident of supported housing is made homeless as a result of changes to support levels in certain supported housing sites	Providers, SP Referrals, Commissioners	ASAP, running concurrently with tender process
Ensure these services foster good community relations	Community Safety, Commissioners, Contract Officers, Providers	On-going
Ensure services reduce and mitigate socio-economic disadvantage	Providers	On-going

Please send the completed RIA to equalites@islington.gov.uk and also make it publicly available online along with the relevant policy or service change.

This Resident Impact Assessment has been completed in accordance with the guidance and using appropriate evidence.

Staff member completing this form:

Signed: Wil Lewis

Date: 28/08/2019

Head of Service or higher:

Signed: Mark Hendriks

Date: 10/10/2019

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