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## AGENDA FOR THE EXECUTIVE

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Members of the Executive are summoned to attend a meeting to be held via Zoom on **16 July 2020 at 7.00 pm.**

Link to the meeting: <https://weareislington.zoom.us/j/96458351874>

Enquiries to : Jonathan Moore  
Tel : 020 7527 3308  
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Despatched : 8 July 2020

### **Membership**

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

Councillor Satnam Gill OBE  
Councillor Una O'Halloran  
Councillor Asima Shaikh  
Councillor Diarmaid Ward

### **Portfolio**

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

### **Quorum is 4 Councillors**

#### **Please note**

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

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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| <b>B.</b> | <b>Budget, Performance and Monitoring matters</b> |             |
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**E. Urgent non-exempt matters**

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

**F. Exclusion of 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.

**G. Urgent exempt Matters**

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

The next meeting of the Executive will be on 10 September 2020

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London Borough of Islington

## **Executive - 18 June 2020**

Minutes of the meeting of the Executive held via Zoom on 18 June 2020 at 7.00 pm.

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

### **Councillor Richard Watts in the Chair**

**726        APOLOGIES FOR ABSENCE**

None.

**727        DECLARATIONS OF INTEREST**

**728        MINUTES OF PREVIOUS MEETING**

**RESOLVED:**

That the minutes of the meeting on 30<sup>th</sup> April 2020 be agreed as a correct record and the Chair be authorised to sign them.

**729        PROVISIONAL OUTTURN 2019-2020**

**RESOLVED:**

- (i)        That the breakdown of the forecast General Fund outturn by individual variance at Appendix 1 of the report and by service area at Appendix 2 of the report be noted.
- (ii)        That the forecast General Fund underspend of (-£8.405m) compared to a forecast underspend of (-£5.691m) in the previous reported position (Section 3 and Table 1 of the report) be noted.
- (iii)        That it be noted that the Council is facing total COVID-19 related budget pressures of around £74m and, after Government grants received to date, a net gap of around £58m (including Collection Fund and HRA pressures) (Paragraph 3.2 of the report).
- (iv)        That, in addition to the above, there is an estimated net budget gap of around £13m in 2021/22 and £58m over the 3-year financial planning cycle to 2023/24 and that the medium-term financial outlook is the most uncertain it has ever been (Paragraph 3.2 of the report) be noted.

- (v) That the outturn transfers to reserves, the re-purposing of existing reserves and the provisional General Fund and HRA reserves balances be agreed, and authority be delegated to the Section 151 Officer to agree any further movements to/from reserves related to finalising the 2019/20 Statement of Accounts. (Paragraphs 4.17-4.19, Table 2 and Appendix 3 of the report).
- (vi) That the HRA outturn surplus of (-£0.325m) and net break-even position after transfer to HRA reserves (Section 5 and Appendix 2 of the report) be noted.
- (vii) That the provisional 2019/20 capital outturn be noted, and the provisional financing of the 2019/20 capital programme, including the allocation of Strategic Community Infrastructure Levy (CIL) funding, be agreed, and authority be delegated to the Section 151 Officer to agree any further capital financing adjustments related to finalising the 2019/20 Statement of Accounts. (Section 6, Tables 4-5 and Appendix 4 of the report).

Reason for decision – to review the provisional financial outturn for 2019/20 and to consider associated matters in order to improve the financial resilience of the Council.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

730

**HOMELESSNESS AND ROUGH SLEEPING MINI SCRUTINY REVIEW -  
RECOMMENDATIONS OF THE HOUSING SCRUTINY COMMITTEE**

**RESOLVED:**

- (i) That the report of the Housing Scrutiny Committee be received.
- (ii) 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 consider the report of the Housing Scrutiny Committee.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

731 **PEOPLE FRIENDLY STREETS**

**RESOLVED:**

- (i) That the introduction of a programme of People Friendly Streets as outlined in this report, including: a) Low Traffic Neighbourhoods; b) the acceleration of the School Streets Programme; and c) the introduction of a borough wide Lorry Control Scheme in residential areas, be approved.
- (ii) That authority be delegated to the Corporate Director of Environment and Regeneration, in consultation with the Executive Member for Environment and Transport, to finalise and implement the People Friendly Streets schemes, taking into account the consultation responses and monitoring.

Reason for decision – to enable social distancing to take place as activity returns to Islington’s streets, shops, markets, businesses and schools. The measures will also encourage local people to walk and cycle in their neighbourhoods, and to and from school. The environmental impacts of traffic will be reduced particularly in local residential neighbourhoods and in and around schools. This will result in a safer, cleaner and healthier environment for local people particularly older people, children, younger people, people with impaired mobility and other vulnerable groups. The proposals are supportive of the council’s net zero carbon and Fairer Islington priorities.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

732 **VOLUNTEERS AND RESIDENT ENGAGEMENT WITH PARKS AND OPEN SPACES SCRUTINY - EXECUTIVE MEMBER'S RESPONSE**

**RESOLVED:**

That the responses to the recommendations of the Environment and Regeneration Scrutiny Committee’s report on Resident and Volunteer Engagement in Parks and Open Spaces in Islington, as set out in section 4 of the report, be agreed.

Reason for decision – to respond to the Environment and Regeneration Scrutiny Committee’s report.

Other options considered - none.

Conflicts of interest/dispensations granted – none.

**733**      **TILEYARD CREATIVE QUARTER NEIGHBOURHOOD AREA/FORUM DESIGNATION**

**RESOLVED:**

- (i) That summary of responses to the consultation on the applications for the TRVRCQ Neighbourhood Area and Neighbourhood Forum (paragraphs 3.45 – 3.51) be considered.
- (ii) That the proposed TRVRCQ Neighbourhood Forum, as set out in Appendix 1 to the report, be refused, and to decline to determine the proposed TRVRCQ Neighbourhood Area as shown in Appendix 2 (for details see paragraphs 3.9 and 5.5 below).

Reason for decision – it is considered that the proposed TRVRCQ Neighbourhood Forum would not act as a representative voice for businesses within the proposed area.

Other options considered – the option of reducing the Neighbourhood Area to represent an area where forum membership is concentrated had been considered, as specified in the report.

Conflicts of interest/dispensations granted – none.

**734**      **COMMUNITY CHEST ROUND 2 (FOR INFORMATION)**

**RESOLVED:**

That the funding decisions made by Islington Council’s Community Chest Panel in relation to the second round of ICCC grant funding for 2019/20, as set out in Appendix 1 to the report, be noted.

**735**      **COMMUNITY CHEST ROUND 3 (FOR INFORMATION)**

**RESOLVED:**

That the funding decisions made by Islington Council’s Community Chest Panel in relation to the third round of ICCC grant funding for 2019/20, as set out in Appendix 1 to the report, be noted.

**736**      **MONITORING REPORT**

**RESOLVED:**

To note the decision detailed in paragraph 3.2 of the report.

MEETING CLOSED AT 7:45pm



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

| Meeting of            | Date         | Agenda Item | Ward(s) |
|-----------------------|--------------|-------------|---------|
| Executive             | 16 July 2020 |             | All     |
| Delete as appropriate | Exempt       | Non-exempt  |         |

## 2020/21 BUDGET MONITORING – MONTH 2

### 1. SYNOPSIS

- 1.1 This report provides an early assessment of the in-year 2020/21 budget position in light of the COVID-19 crisis. The position remains very uncertain, as the situation is continually changing based on government guidance and emerging actual cost data.
- 1.2 Overall, the council is currently estimating total COVID-19 related budget pressures of around £62m (comprising £17m additional costs and £45m income losses), including HRA and potential council tax and business rates income losses that would impact the 2021/22 budget. The council has received total grants of £15.575m from government as a contribution towards our extra costs as we deliver the local response to this crisis (including our 'We are Islington' response service and tackling increased homelessness in the borough), which leaves a total funding gap of around £47m. Any residual shortfall not funded by central government would significantly weaken the council's balance sheet and reserves, which would then need to be replenished in future financial years.
- 1.3 On 2 July 2020, the government announced a new funding package for local authorities. The key features of the funding package are: an additional grant for expenditure pressures in 2020/21; funding for 75% of income losses from sales, fees and charges, where these losses are greater than 5% of the council's planned income receivable; and the ability for councils to spread any collection fund deficits in 2020/21 over 3 years. At the time of finalising this report, more detail was needed from the government in order to understand what this could mean at an individual authority level. However, the funding package appears to fall short of the government's promise to do 'whatever it takes' to protect the vital local services our residents rely on, and help us to keep people safe.
- 1.4 Within this, there is a forecast General Fund overspend of (+£38.806m), comprising COVID-19 related budget pressures of (+£39.805m) and other net underspends of (-£0.999m). After the

application of remaining COVID-19 grant funding of £14.310m (£15.575m total grant received to date less £1.265m applied in 2019/20), this leaves a forecast net General Fund overspend of (+£24.496m) in 2020/21.

- 1.5 If it wasn't for the exceptional circumstances of COVID-19 (unforeseen at the point of finalising the 2020/21 budget proposals), the council would have been on course to deliver an in-year General Fund underspend. This would have increased General Fund reserves and improved the financial resilience of the council, in line with the medium-term financial strategy (MTFS).
- 1.6 The forecast in-year position for the ring-fenced Housing Revenue Account (HRA) is a deficit of (+£5.490m), which relates in full to COVID-19 pressures.
- 1.7 Further management actions and efficiencies are required in order to reduce the in-year overspend where possible. Departments are asked to undertake a detailed review of their budgets to assess further scope to reduce COVID-19 pressures and/or deliver underspends in other areas.
- 1.8 The forecast position includes £15.6m potential council tax and business rates income losses that would impact the 2021/22 budget. This is an initial prudent assessment of the potential in-year losses and subject to change significantly as more reliable collection data emerges. The actual budgetary impact will depend on the wider economic outlook, including the extent to which arrears can be recovered and any ongoing decrease in the tax base (e.g. increased council tax support caseload, empty business premises).
- 1.9 The COVID-19 crisis (and particularly the lockdown period) is also expected to lead to significant slippage of the 2020/21 capital programme into future financial years.

## **2. RECOMMENDATIONS**

- 2.1. To note the breakdown of the forecast General Fund outturn by individual variance at **Appendix 1** and by service area at **Appendix 2**.
- 2.2. To note that, after the application of COVID-19 government grant funding, there is a forecast net General Fund overspend of (+£24.496m) in 2020/21. (**Section 3** and **Table 1**)
- 2.3. To note that the council is facing total COVID-19 related budget pressures of around £62m and, after government grants received to date, a net gap of around £47m (including HRA and potential council tax and business rates income losses). (**Paragraph 3.2**)
- 2.4. To agree that departments undertake a detailed review of their budgets to assess further scope to reduce COVID-19 budget pressures and/or deliver underspends in other areas. (**Paragraph 3.5**)
- 2.5. To agree that the Public Health and homelessness grants prior year balances in earmarked reserves be allocated against the forecast General Fund overspend, where permissible within the terms of the original grants. (**Paragraphs 4.10** and **4.23**)
- 2.6. To agree that departmental cash limits are adjusted to reflect the latest re-profiling of savings and to regularise any ongoing directorate underspends declared in this report. (**Paragraph 4.32**, **Table 2** and **Appendix 3**)
- 2.7. To note the forecast in-year HRA deficit of (+£5.490m). (**Section 5** and **Appendix 2**)
- 2.8. To agree that the decision for Partners to repay the senior debt on the first housing PFI contract (PFI1) be delegated to the Corporate Director of Housing in consultation with the Corporate Director of Resources and the Executive Member for Housing and Development. (**Paragraph 5.4**)

- 2.9. To note the latest 2020/21 to 2022/23 capital programme and, pending more detailed review on an individual scheme basis, that the COVID-19 crisis is expected to lead to slippage of at least 20% of the 2020/21 capital programme to future financial years. (**Section 6, Table 3 and Appendix 4**)

### **3. REVENUE POSITION: SUMMARY**

- 3.1. A summary position of the General Fund and HRA is shown in **Table 1**, a breakdown by individual General Fund variance in **Appendix 1** and a breakdown by General Fund and HRA service area in **Appendix 2**.

**Table 1 – 2020/21 General Fund and HRA Forecast Over/(Under)Spend**

|   | <b>COVID-19<br/>Related<br/>£m</b> | <b>Non COVID-19<br/>Related<br/>£m</b> | <b>Total<br/>£m</b> |
|---|------------------------------------|--|---------------------|
| <b><u>GENERAL FUND</u></b>                        |                                    |  |                     |
| Chief Executive's Directorate                     | 0.000                              | 0.000                                  | 0.000               |
| Environment and Regeneration                      | 18.360                             | (0.060)                                | 18.300              |
| Housing   | 1.536                              | 0.000                                  | 1.536               |
| People  | 13.246                             | (0.473)                                | 12.773              |
| Public Health                                     | 0.442                              | (0.941)                                | (0.499)             |
| Resources Directorate                             | 4.767                              | (0.880)                                | 3.887               |
| <b>DIRECTORATE TOTAL</b>                          | <b>38.351</b>                      | <b>(2.354)</b>                         | <b>35.997</b>       |
| Corporate Items                                   | 1.454                              | 1.355                                  | 2.809               |
| <b>OVERALL TOTAL (before COVID-19 grant)</b>      | <b>39.805</b>                      | <b>(0.999)</b>                         | <b>38.806</b>       |
| COVID-19 grant (net of amount applied in 2019/20) |                                    |  | (14.310)            |
| <b>OVERALL TOTAL (after COVID-19 grant)</b>       |                                    |  | <b>24.496</b>       |
| <b><u>HOUSING REVENUE ACCOUNT</u></b>             |                                    |  |                     |
| <b>In-year (Surplus)/Deficit</b>                  | <b>5.490</b>                       | <b>0.000</b>                           | <b>5.490</b>        |

- 3.2. Overall, based on the latest return to MHCLG in June 2020, the council is currently facing total COVID-19 related budget pressures of around £62m (comprising £17m additional costs and £45m income losses). This includes COVID-19 related budget pressures of £1.3m at the end of the previous financial year (2019/20), forecast General Fund pressures of £39.8m in 2020/21, £15.6m potential council tax and business rates income losses that would impact the 2021/22 budget and £5.5m HRA budget pressures. The council has received total grants of £15.575m from government as a contribution towards our extra costs as we deliver the local response to this crisis, which leaves a total funding gap of around £47m. Any residual shortfall not funded by central government would significantly weaken the council's balance sheet and reserves, which would then need to be replenished in future financial years.
- 3.3. On 2 July 2020, the government announced a new funding package for local authorities. The key features of the funding package are: an additional grant for expenditure pressures in 2020/21; funding for 75% of income losses from sales, fees and charges, where these losses are greater than 5% of the council's planned income receivable; and the ability for councils to spread any collection fund deficits in 2020/21 over 3 years. At the time of finalising this report, more detail was needed from the government in order to understand what this could mean at an individual

authority level. However, the funding package appears to fall short of the government's promise to do 'whatever it takes' to protect the vital local services our residents rely on, and help us to keep people safe.

- 3.4. Whilst the estimated position has improved since the previous return to MHCLG in May 2020, this remains a serious shortfall. The position remains very uncertain, as the situation is continually changing based on government guidance and emerging actual cost data.
- 3.5. Whilst non COVID-19 related net underspends of (-£0.999m) have already been identified, further management actions and efficiencies are required in order to reduce the in-year overspend where possible. Departments are asked to undertake a detailed review of their budgets to assess further scope to reduce COVID-19 pressures and/or deliver underspends in other areas.
- 3.6. Beyond 2020/21, there is currently an estimated net budget gap of around £58m over the 3-year financial planning cycle to 2023/24. It should be emphasised that this estimated budget gap is in addition to existing planned savings.
- 3.7. The medium-term financial outlook is the most uncertain it has ever been and subject to change significantly as further information emerges on key budget variables, including the following:
  - The extent to which the council's reserves are depleted by 2020/21 COVID-19 related budget pressures and therefore need to be replenished in future financial years;
  - Ongoing COVID-19 financial pressures and recovery of income streams (including council tax and business rates income), and the risk of a second spike of the virus;
  - Delivery of agreed savings; and
  - The government Spending Review and future local government finance settlements, including the overall quantum of local government funding, additional social care funding and/or precept and funding distribution reforms such as the reset of business rates retention growth and the fair funding review.

## **4. GENERAL FUND**

### **Chief Executive's Directorate (Break-even)**

- 4.1. The Chief Executive's directorate is forecasting a break-even position.

### **Environment and Regeneration (+£18.300m)**

- 4.2. The Environment and Regeneration directorate is currently forecasting a net (+£18.300m) overspend, comprised of (+£18.360m) COVID-19 related budget pressures and a (-£0.060) underspend relating to delayed spending of budget growth. This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**.
- 4.3. The department relies heavily on fees and charges income to subsidise its services and the COVID-19 crisis has severely impacted on revenue generating activities across all service areas.
  - Parking related income – there has been a substantial decrease in projected income across Pay & Display, Penalty Charge Notices and Permit & Vouchers. It is estimated that the full year impact will be a decline in parking related income of around £9m.
  - Leisure related income – the council receives income from operating the leisure centres and from activities and events within our parks and open spaces. The current best estimate of the full year impact of this income loss is around £6.5m.

- Other areas such as Commercial Waste, Licensing, Planning, Highways, Street Markets, Tree and Pest Control services are also experiencing reduced levels of service and it is estimated that the income loss across these areas will be around £2.2m.
- 4.4. The directorate is also incurring additional costs in terms of agency cover for COVID-19 related sickness/self-isolation, overtime and additional contract costs to cover additional enforcement of social distancing and Personal Protective Equipment. It is estimated that these additional costs will amount to £0.6m over the course of the financial year.

### **Housing General Fund (+£1.536m)**

- 4.5. The Housing directorate is currently forecasting a (+£1.536m) General Fund overspend, fully attributable to the COVID-19 crisis. This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**. The Housing directorate includes the council's statutory, yet unfunded by central government, duty to provide a safety net to vulnerable migrants with No Recourse to Public Funds (NRPF) – including European Economic Area Nationals, under social services legislation (including the Care Act 2014 and Children's Act 1989).
- 4.6. COVID-19 is causing budget pressures across homelessness and NRPF services. This is showing through rising client numbers, increased provider costs, additional legal challenges, extra landlord incentive payments, higher rent arrears and lost income sources. The impact of this is likely to continue for many months after the lockdown ends. The homelessness service in particular has had to alter its service provision following a number of central government instructions.
- 4.7. COVID-19 will also place a pressure on key Voluntary and Community Sector (VCS) partner organisations in the borough, including a loss of fundraising/earning potential, higher demand, and delays in applications from partner groups. This may result in greater requests for financial support from the council in the coming financial year.
- 4.8. Underlying the above COVID-19 pressures are the continued effects of the Homelessness Reduction Act 2017. This Act is increasing the number of new homeless cases for the council and resulting in increased legal challenges.
- 4.9. Islington Lettings remains a cost pressure with long and short-term issues resulting in a high level (over 50%) of 'write offs' of uncollected rent. New management and investigations into long standing issues are expected to result in an improved financial position. These non COVID-19 budget pressures are offset by underspends elsewhere in the directorate.
- 4.10. In addition, the directorate has a £1.666m balance from prior years in earmarked reserves relating to prior year homelessness grants. It is recommended that this balance is allocated against the in-year forecast overspend on homelessness services, where permissible within the terms of the original grants.

### **People (+12.773m)**

- 4.11. The People directorate (comprising Children's, Employment and Skills and Adult Social Services) is currently forecasting a (+£12.773m) overspend. The key variances and changes are set out in **Appendix 1**.

### ***Children's, Employment and Skills - General Fund (+£5.612m), Schools (Break-even)***

- 4.12. Children's, Employment and Skills is currently forecasting a net overspend of (+£5.612m), comprised of (+£6.085m) COVID-19 related budget pressures and risks and (-£0.473m)

underspends. This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**.

- 4.13. The COVID-19 related budget pressures in the department include:
- (+£1.759m) forecast loss of parental fee income in Children's Centres;
  - (+£0.325m) package of support to ensure the continued provision of universal youth provision across the borough in light of significant income pressures as a result of COVID-19;
  - (+£0.125m) cost of providing IT hardware to enable home learning for children without access to IT hardware at home;
  - (+£0.167m) increase in allowances for carers in recognition of the increased costs of caring for young people while they are at home and the provision of financial support to care leavers through the summer;
  - (+£0.635m) forecast loss of income in relation to Cardfields, the Laycock Centre, the Arts Service and the Education Library Service; and
  - (+£0.222m) other COVID-19 cost pressures.
- 4.14. The forecast position includes an additional (+£2.852m) of COVID-19 budget risks in relation to the cost of packages for looked after children, staffing pressures in children's social care and potential further losses in income for traded services.
- 4.15. The forecast underspend mainly relates to: the secure remand budget, as the council expects the recent experience of low numbers of young people being remanded to custody by the courts to continue; and the council's Universal Free School Meals programme due to the number of children being educated at home. The council continues to provide free school meals/food vouchers to those pupils who are eligible for statutory free school meals and those attending school. Consideration is being given to how provision can be made for eligible pupils, either from year groups still staying at home or from families who decide not to send their children back to school.
- 4.16. A break-even position is currently forecast on the ring-fenced Dedicated Schools Grant (DSG), pending more detailed review as part of budget monitoring in future months.

#### ***Adult Social Services (+£7.161m)***

- 4.17. Adult Social Services is currently forecasting an (+£7.161m) overspend, fully attributable to the COVID-19 crisis. This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**.
- 4.18. The department is forecasting net COVID-19 related budget pressures of (+£3.523m) in relation to supporting the adult social care market and additional demand (including the risk of increased demand due to the COVID-19 Hospital Discharge Service). Other COVID-19 related budget pressures totalling (+£3.638m) include workforce pressures, PPE and the loss of client contributions.
- 4.19. Adult Social Services continues to be impacted by wider demographic pressures, including increased demand for services and need of acute care and rising resident expectations. This is funded through a corporate demographic budget growth allocation.

#### ***Public Health (-£0.499m)***

- 4.20. Public Health is funded via a ring-fenced grant of £26.563m for 2020/21. The directorate is currently forecasting a net underspend of (-£0.499m), comprised of (+£0.442m) COVID-19 related budget

pressures and (-£0.941m) in-year underspends. This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**. The net underspend will be allocated to wider Public Health expenditure being incurred across the council.

- 4.21. The main COVID-19 budget pressures are in the Sexual Health division (increased online access to STI testing and treatment and online contraception) and in the Substance Misuse division (methadone dispensing and delivery and the management of the COVID-19 situation in partnership with pharmacies, controlled medicine risk management strategy and community drug treatment services).
- 4.22. The underspends in the directorate are in the main owing to additional procurement savings in the Substance Misuse division, delay in re-commissioning an oral health contract due to the inability to safely deliver this service under the current COVID-19 circumstances, and changes to the tariffs and efficient procurement within the Sexual Health division.
- 4.23. In addition to the in-year forecast underspend, the directorate has a £2.123m balance from prior years in the ring-fenced Public Health reserve. It is recommended that this balance, net of any existing commitments, is allocated to wider Public Health expenditure being incurred by the council in this current public health crisis.

### **Resources (+£3.887m)**

- 4.24. The Resources directorate is currently forecasting a net overspend of (+£3.887m), comprising COVID-19 related budget pressures of (+£4.767m) and an underspend of (-£0.880m). This is detailed by key variance in **Appendix 1** and summarised by division in **Appendix 2**. This will be adjusted in future months to reflect the transfer of some areas from the Resources directorate to the newly created Community Wealth Building division under the Chief Executive's directorate.
- 4.25. The most significant COVID-19 budget pressure in the directorate is an estimated (+£2.190m) loss of income from Assembly Hall events and registrars services (e.g. weddings) relating to cancellation of previously booked events and a lack of new bookings.
- 4.26. The council's planned commercial property income is also expected to be (+£0.576m) less than expected. This is due to rent waives and deferral arrangements to support local business, and the uncertain rental market causing delay to properties being let. There could also be an impact on the council's commercial property income beyond the current financial year.
- 4.27. Further income losses are estimated in relation to court costs (+£0.200) and legal income from planning and property matters (+£0.075m).
- 4.28. Additional costs of (+£1.726m) are estimated in relation to IT infrastructure projects due to increased home working and additional support and maintenance costs.
- 4.29. The (-£0.880m) underspend related to a historical budget provision for housing benefit claim errors that is no longer required based on recent years. The risk in this area is already managed corporately within the council's reserves.

### **Corporate (+£2.809m)**

- 4.30. The latest corporate items forecast is a (+£2.809m) overspend, of which (+£1.454m) is COVID-19 related, with key variances set out in **Appendix 1** and summarised by area of the corporate budget in **Appendix 2**. This position assumes that the 2020/21 corporate contingency budget of £5.455 is required in full for in-year contingency pressures (e.g. the potential shortfall between provision for pay inflation and the pending annual pay award).

- 4.31. The (+£1.454m) COVID-19 pressures include (+£0.780m) estimated additional costs of running the 'We are Islington' support service, (+£0.634m) potential pressure in relation to mortality management costs that are expected to be allocated across all London councils and (+£0.040m) re-phased savings as a direct result of COVID-19.
- 4.32. The forecast corporate budget variance includes non COVID-19 related re-phasing of savings (+£4.915m) and undeliverable savings (+£0.967m) following review at the end of the previous financial year. The movement between the savings agreed in the 2020/21 budget report and the latest RAG (Red-Amber-Green) rated savings tracker (**Appendix 3**) is summarised in **Table 2**. It is recommended that departmental cash limits are adjusted to reflect the re-profiling of savings and to regularise any ongoing directorate underspends declared elsewhere in this report.

**Table 2 – Reconciliation of 2020/21 to 2022/23 Savings**

|  | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | Total<br>£m   |
|--|---------------|---------------|---------------|---------------|
| <b>Savings agreed in 2020/21 Budget Report</b> | <b>9.663</b>  | <b>11.234</b> | <b>2.695</b>  | <b>23.592</b> |
| Savings brought forward from prior years       | 4.992         |               |               | 4.992         |
| Re-phased savings (COVID-19 related)           | (0.040)       | 0.040         |               | 0.000         |
| Re-phased savings (non COVID-19 related)       | (4.915)       | 3.353         | 1.562         | 0.000         |
| Undeliverable savings (non COVID-19 related)   | (0.967)       | (1.133)       | (1.277)       | (3.377)       |
| <b>Revised Savings Tracker (Appendix 3)</b>    | <b>8.733</b>  | <b>13.494</b> | <b>2.980</b>  | <b>25.207</b> |

- 4.33. Of the revised 2020/21 savings of £8.733m, £4.002m (46%) are currently rated Amber and the remaining £4.731m (54%) are rated Green or already achieved.
- 4.34. Partially offsetting these corporate pressures, there are forecast underspends in the following areas:
- (-£1.000m) one-off underspend on the corporate financing budget, in part due to COVID-19 related slippage in the capital programme;
  - (-£0.500) underspend on assumed contract inflation (ongoing); and
  - (-£3.028m) one-off underspend on demographic growth budget provision in 2019/20 (fully committed in future years) due to additional government funding for social care provided late in the 2019/20 budget setting process.
- 4.35. The council is currently forecasting potential council tax losses (+£8.2m) and business rates losses (+£7.4m) in 2020/21, (+£15.6m) in total. Due to the accounting arrangements for the Collection Fund, the budgetary impact would not be until the 2021/22 financial year (and possibly beyond) and will be factored into future year budget assumptions. It should be emphasised that this is an initial prudent assessment of the potential in-year losses and subject to change significantly as more reliable collection data emerges. The actual budgetary impact will depend on the wider economic outlook, including the extent to which arrears can be recovered and any ongoing decrease in the tax base (e.g. increased council tax support caseload, empty business premises).

## **5. HOUSING REVENUE ACCOUNT (HRA)**

- 5.1. A COVID-19 related in-year deficit of (+£5.490m) is currently forecast for the HRA, as summarised in **Appendix 2**. This is an early assessment before taking into account any non COVID-19 related over/(under)spends over the course of the financial year. As the HRA is a ring-fenced account, any overspend at the end of the financial year would be funded from HRA reserves.

- 5.2. The most significant COVID-19 related financial impact to the HRA has been the increase in tenant rent and service charge arrears. It is currently assumed that this will add (+£4.0m) to the bad debt provision at the end of the financial year. However, this remains a very early estimate and is subject to change. The extent to which the council will be able to recover arrears will depend on the wider economic outlook and particularly tenants' security of employment. The service is actively engaging with tenants in order to both secure the recovery of arrears and prevent the further escalation of arrears.
- 5.3. Additional HRA COVID-19 related cost pressures are forecast in the following areas:
- PPE (+£0.390m) – primarily for caretaking/concierge & repairs staff;
  - Use of voids for Temporary Accommodation (+£0.225m) – refurbishment costs and furnishings/white goods; and
  - Catch up of housing repairs backlog (+£0.350m)
- 5.4. An opportunity has occurred within the first housing PFI contract (PFI1) for Partners to repay the senior debt. This has occurred due to cash reserves within the contract, as a requirement of the lender, having reached levels that are equivalent to the remaining debt. The contract requires that the benefit of this gain should be shared equally between the council and Partners. There are periodic opportunities to carry out the refinancing with no fees incurred, the next one being in September 2020 and carrying out at a later date will lead to a reduction in the benefits to be realised. The lender has determined that the timing of the repayment should be in September 2020, and carrying this out at a later date will lead to a reduction in the benefits to be realised. The council is carrying out a due diligence exercise on the financial model presented by Partners. Our initial assessment of the financial model, provided by Partners, indicates that the HRA's 50% share of the gain has been appropriately calculated in accordance with government guidance. Once checks are complete and the council has assurance that it correctly represents the contractual position and on any related risks, it is recommended that the decision is delegated to the Corporate Director of Housing in consultation with the Corporate Director of Resources and the Executive Member for Housing and Development. Any gain will be paid into the Housing Revenue Account, a ring-fenced account for the management and maintenance of the council's housing stock.

## **6. CAPITAL PROGRAMME**

- 6.1. The latest capital programme, which totals £499m over the 3 years 2020/21 to 2022/23 and includes outturn slippage from 2019/20, is detailed at **Appendix 4**.
- 6.2. It is expected that the delivery of the capital programme will be significantly delayed by the COVID-19 pause in construction activity and ongoing social distancing measures. Pending more detailed review on an individual scheme basis over the coming months, it is currently assumed that the COVID-19 crisis will lead to slippage of at least 20% of the 2020/21 capital programme to future financial years. This linear 20% slippage assumption is reflected in **Table 3**, which summarises the 2020/21 capital programme by directorate.

**Table 3 – 2020/21 Capital Programme**

| <b>Directorate</b>           | <b>2020/21<br/>Budget<br/>£m</b> | <b>2020/21<br/>Forecast<br/>Outturn<br/>£m</b> | <b>Assumed<br/>Slippage<br/>£m</b> |
|------------------------------|----------------------------------|--|------------------------------------|
| Environment and Regeneration | 26.264                           | 21.011   | 5.253                              |
| Housing                      | 150.846                          | 120.677  | 30.169                             |
| People                       | 8.926                            | 7.141  | 1.785                              |
| Resources                    | 2.792                            | 2.234  | 0.558                              |
| <b>Total</b>                 | <b>188.828</b>                   | <b>151.063</b>                                 | <b>37.765</b>                      |

6.3. With regards to the Environment and Regeneration programme, Transport for London has suspended Local Implementation Plan (LIP) funding for 2020/21. Pending any further announcement, the £1.7m previously assumed grant funding has been removed from the 2020/21 capital programme.

6.4. There is also a risk that COVID-19 pushes up the overall costs of some capital projects.

## **7. IMPLICATIONS**

### **Financial Implications**

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

### **Legal Implications**

7.2. The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003; the council's Financial Regulations 3.7 to 3.10 (Revenue Monitoring and Control)).

### **Environmental Implications**

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

### **Resident Impact Assessment**

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

7.5. A resident impact assessment (RIA) was carried out for the 2020/21 Budget Report agreed by Full Council. This report notes the financial performance to date but does not have direct policy implications, so a separate RIA is not required for this report.

## **Appendices:**

Appendix 1 – General Fund Revenue Monitoring by Key Variance

Appendix 2 – Revenue Monitoring by Service Area  
Appendix 3 – Savings Tracker 2020/21 to 2022/23  
Appendix 4 – Capital Programme 2020/21 to 2022/23

**Background papers:** None

Final report clearance:

|                   |  |             |
|-------------------|--|-------------|
| <b>Signed by:</b> |  | 8 July 2020 |
|                   | Executive Member for Finance and Performance | Date        |

**Responsible Officer:**

David Hodgkinson, Corporate Director of Resources (Section 151 Officer)

**Report Author:**

Martin Houston, Strategic Financial Advisor

**Legal Implications Author:**

Peter Fehler, Acting Director of Law and Governance

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**Appendix 1: 2020/21 General Fund Key Variances - Month 2**

| Division                                      | Type of Variance              | Description   | Over/(Under) Spend Month 2<br>£m |
|---|-------------------------------|---|----------------------------------|
| <b>CHIEF EXECUTIVE'S DIRECTORATE</b>          |                               |   |                                  |
| N/A   |                               |   |                                  |
| <b>Total Chief Executive's</b>                |                               |   | <b>0.000</b>                     |
| <i>Of which CV-19 pressures</i>               |                               |   | <i>0.000</i>                     |
| <b>ENVIRONMENT AND REGENERATION (E&amp;R)</b> |                               |   |                                  |
| Greenspace & Leisure                          | COVID-19 Additional Cost      | Retained tree contractors for emergency work only. Tree programme delayed but still incurring cost  | 0.120                            |
| Street Environmental Services                 | COVID-19 Additional Cost      | PPE equipment   | 0.100                            |
| Street Environmental Services                 | COVID-19 Additional Cost      | Additional costs relating to front-line service delivery with increased agency cover required with sickness/self-isolation at over 20%. Also additional park guard costs for enforcing social distancing (£18k per month) and overtime in BECC.                                     | 0.500                            |
| Development Control                           | COVID-19 Loss of Income       | Reduced levels of planning activity   | 0.300                            |
| Licensing                                     | COVID-19 Loss of Income       | Licensing and enforcement activity - tables and chairs FPNs etc.  | 0.310                            |
| Local Land Charges                            | COVID-19 Loss of Income       | Land Charges  | 0.080                            |
| Pest & Animal Services                        | COVID-19 Loss of Income       | Pest Control  | 0.030                            |
| Street Trading                                | COVID-19 Loss of Income       | Market rents waived   | 0.255                            |
| Greenspace & Leisure                          | COVID-19 Loss of Income       | Loss of management fee rental income from GLL plus additional support to fund deficit position on open book accounting basis  | 6.000                            |
| Greenspace & Leisure                          | COVID-19 Loss of Income       | Parks related income - sports income, park concessions and event income   | 0.470                            |
| Highways & Energy Services                    | COVID-19 Loss of Income       | Highways related income - scaffolding, licenses, enforcement, advertising   | 0.300                            |
| Parking                                       | COVID-19 Loss of Income       | Pay and display income  | 3.450                            |
| Parking                                       | COVID-19 Loss of Income       | PCN income  | 4.275                            |
| Parking                                       | COVID-19 Loss of Income       | Permits & Vouchers, suspension income   | 1.000                            |
| Street Environmental Services                 | COVID-19 Loss of Income       | Commercial waste income   | 1.170                            |
| Public Protection                             | Undeliverable Saving          | Part-year underspend relating to budget growth expenditure profile  | (0.060)                          |
| <b>Total E&amp;R</b>                          |                               |   | <b>18.300</b>                    |
| <i>Of which CV-19 pressures</i>               |                               |   | <i>18.360</i>                    |
| <b>HOUSING</b>                                |                               |   |                                  |
| Housing Needs                                 | Non COVID-19 Cost Pressure    | Legal Costs   | 0.375                            |
| Housing Needs                                 | Non COVID-19 Cost Pressure    | Islington Lettings  | 0.378                            |
| Housing Needs                                 | Non COVID-19 Cost Pressure    | Bad Debt  | 0.041                            |
| Housing Needs                                 | Non COVID-19 Cost Pressure    | SHPS (Single persons Homelessness Prevention Scheme)  | 0.367                            |
| Housing Needs                                 | Underspend                    | Temporary Accommodation: Nightly Booked/PSL   | (0.654)                          |
| Housing Needs                                 | Underspend                    | Public Health Collaboration   | (0.204)                          |
| Housing Needs                                 | Underspend                    | Specialist Support Team   | (0.206)                          |
| Housing Needs                                 | Underspend                    | Staffing/Other  | (0.097)                          |
| Housing Needs                                 | COVID-19 Additional Cost      | Housing - homelessness services   | 1.002                            |
| Housing Needs                                 | COVID-19 Additional Cost      | Housing - other excluding HRA   | 0.556                            |
| Housing Needs                                 | COVID-19 Loss of Income       | Other income losses   | 0.260                            |
| NRPF  | COVID-19 Loss of Income       | Commercial Income losses  | 0.050                            |
| Housing Needs                                 | COVID-19 External Funding     | Additional CV-19 Grant Income   | (0.332)                          |
| <b>Total Housing</b>                          |                               |   | <b>1.536</b>                     |
| <i>Of which CV-19 pressures</i>               |                               |   | <i>1.536</i>                     |
| <b>CHILDREN, EMPLOYMENT AND SKILLS (CES)</b>  |                               |   |                                  |
| Youth and Communities                         | Underspend                    | Net staffing underspend in relation to staff vacancies being recruited to but not yet filled  | (0.075)                          |
| Youth and Communities                         | Underspend                    | Forecast underspend against the remand budget on the assumption that the reduced numbers on remand continues from last year. However, this is a demand led budget, and a small increase in activity can have a large impact on the budget.  | (0.200)                          |
| Youth and Communities                         | Non COVID-19 Cost Pressure    | On-going repairs and maintenance pressure in relation to youth and play provision across the borough  | 0.100                            |
| Safeguarding and Family Support               | Non COVID-19 Cost Pressure    | Legal costs from increased care proceedings   | 0.150                            |
| Safeguarding and Family Support               | Non COVID-19 Cost Pressure    | Increase in non-staffing costs in relation to supporting CLA  | 0.070                            |
| Learning and Schools                          | Non COVID-19 Income Pressure  | Reduction in purchase of annual service packages from schools (pre COVID-19)  | 0.042                            |
| Learning and Schools                          | Underspend                    | Potential underspend against the Universal Free School Meal budget as a result of pupils being at home  | (0.600)                          |
| Learning and Schools                          | Underspend                    | Staff vacancies being recruited to but not yet filled   | (0.040)                          |
| Partnerships and Service Support              | Undeliverable Saving          | Deletion of service director post   | 0.150                            |
| Partnerships and Service Support              | Underspend                    | Staffing underspend against the directorate management budget   | (0.050)                          |
| Employment, Skills and Culture                | Underspend                    | Early delivery of saving from flexible retirements  | (0.020)                          |
| Youth and Communities                         | COVID-19 Additional Cost      | Agreed package of support to Isledon to ensure the continued provision of universal youth services across the borough following significant income pressures resulting from Covid-19. The level of support is subject to regular review in light of the profile of income recovery. | 0.325                            |
| Youth and Communities                         | COVID-19 Additional Cost Risk | Additional COVID-19 cost risks in the division  | 0.125                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost      | Legal costs in relation to an increase in emergency applications for child protection orders  | 0.050                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost      | Agency staff recruited to provide additional support to the Emergency Duty service as a result of COVID-19  | 0.050                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost      | Additional independent reviewing officer for 6 months   | 0.050                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost      | Increase in allowance for carers by £20 per week until 31 August due to increased costs of catering for young people while they are at home   | 0.074                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost      | Additional financial support is being provided to care leavers through the summer. There is the potential to meet £0.054m of this cost through S106 funding.  | 0.093                            |
| Safeguarding and Family Support               | COVID-19 Additional Cost Risk | Additional COVID-19 cost risks in the division  | 1.193                            |
| Learning and Schools                          | COVID-19 Additional Cost      | Provision of home learning packs for children and young people at home who do not have access to IT   | 0.018                            |
| Learning and Schools                          | COVID-19 Loss of Income       | Estimated loss of parental income in Children's Centres due to a significant reduction in children accessing provision due to COVID-19  | 1.759                            |
| Learning and Schools                          | COVID-19 Additional Cost      | Estimated cost of the provision of Provision of food vouchers to children who are eligible for the Early years Pupil Premium  | 0.026                            |
| Learning and Schools                          | COVID-19 Additional Cost      | Purchase of PPE for Children's Centres  | 0.007                            |
| Learning and Schools                          | COVID-19 Additional Cost Risk | Additional COVID-19 cost risks in the division  | 1.101                            |
| Learning and Schools                          | COVID-19 Loss of Income Risk  | Additional COVID-19 income risks in the division  | 0.433                            |
| Partnerships and Service Support              | COVID-19 Loss of Income       | Estimated loss of income at Cardfields and the Laycock Centre as a result of COVID-19   | 0.414                            |
| Partnerships and Service Support              | COVID-19 Additional Cost      | Purchase of 400 laptops / Chromebooks for home learning for children without access to IT kit at home and for Children in Need to enable them to stay in contact with social workers  | 0.125                            |
| Employment, Skills and Culture                | COVID-19 Loss of Income       | Estimated loss of income in the Arts Service due to COVID-19  | 0.050                            |
| Employment, Skills and Culture                | COVID-19 Loss of Income       | Estimated loss of income in Libraries, including the Education Library Service, due to COVID-19   | 0.171                            |
| Employment, Skills and Culture                | COVID-19 Additional Cost      | Provision of reading support to children who are at home  | 0.006                            |
| Employment, Skills and Culture                | COVID-19 Additional Cost      | Estimated cost of 50 Chromebooks for vulnerable adults  | 0.015                            |
| <b>Total CES</b>                              |                               |   | <b>5.612</b>                     |
| <i>Of which CV-19 pressures</i>               |                               |   | <i>6.085</i>                     |
| <b>ADULT SOCIAL SERVICES</b>                  |                               |   |                                  |
| Adult Social Care                             | COVID-19 Additional Cost      | Adult Social Care – additional demand   | 2.243                            |
| Adult Social Care                             | COVID-19 Additional Cost Risk | COVID-19 Hospital Discharge Service Placements: Net cost post management actions  | 3.072                            |
| Adult Social Care                             | COVID-19 External Funding     | COVID-19 Hospital Discharge Service Placements Costs: Assumed income from NHS to the end of July 2020   | (1.300)                          |

**Appendix 1: 2020/21 General Fund Key Variances - Month 2**

| Division  | Type of Variance              | Description   | Over/(Under) Spend Month 2<br>£m |
|---|-------------------------------|---|----------------------------------|
| Adult Social Care                                 | COVID-19 Additional Cost      | Adult Social Care – supporting the market   | 1.280                            |
| Integrated Community Services                     | Underspend                    | Block Homecare  | (1.337)                          |
| Integrated Community Services                     | Underspend                    | Memory Cognition and Physical Support Placements  | (0.435)                          |
| Adult Social Care                                 | COVID-19 Additional Cost      | Adult Social Care – workforce pressures   | 0.749                            |
| Adult Social Care                                 | COVID-19 Additional Cost      | Adult Social Care - Personal Protective Equipment (PPE)   | 1.440                            |
| Adult Social Care                                 | COVID-19 Additional Cost      | Adult Social Care - other   | 0.057                            |
| Adult Social Care                                 | COVID-19 Loss of Income       | Reduction in service user contributions to packages of care   | 1.392                            |
| <b>Total Adult Social Services</b>                |                               |   | <b>7.161</b>                     |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>7.161</i>                     |
| <b>Total People</b>                               |                               |   | <b>12.773</b>                    |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>13.246</i>                    |
| <b>PUBLIC HEALTH</b>                              |                               |   |                                  |
| Other Public Health                               | Underspend                    | Delay in oral health contract re-procurement as the service cannot safely be delivered in CV-19 circumstances. Of this, £0.034m relates to the recurrent grant uplift efficiency for 2020/21.                         | (0.125)                          |
| Substance Misuse                                  | Underspend                    | Procurement efficiencies delivered additional savings. Of this, £0.078m relates to the recurrent grant uplift efficiency for 2020/21.   | (0.278)                          |
| Sexual Health                                     | Underspend                    | Procurement efficiencies and a change in tariffs delivered additional savings. Of this, £0.232m relates to the recurrent grant uplift efficiency for 2020/21.   | (0.383)                          |
| Children and Young People                         | Underspend                    | Recurrent grant uplift efficiency   | (0.155)                          |
| Public Health                                     | COVID-19 Additional Cost      | Mainly due to an increase in online access to STI testing and treatment and online contraception  | 0.442                            |
| <b>Total Public Health</b>                        |                               |   | <b>(0.499)</b>                   |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>0.442</i>                     |
| <b>RESOURCES DIRECTORATE</b>                      |                               |   |                                  |
| Financial Operations                              | COVID-19 Loss of Income       | Loss of income from Assembly Hall events and registrars services (e.g. weddings) relating to cancellation of previously booked events and lack of new bookings  | 2.190                            |
| Financial Operations                              | COVID-19 Loss of Income       | Commercial property income losses due to rent waivers and deferral arrangements to support local business, and the uncertain rental market causing delay to properties being let.                                     | 0.576                            |
| Digital Services                                  | COVID-19 Additional Cost Risk | Upgrading of IT infrastructure due to increased home working and additional support and maintenance costs   | 1.726                            |
| Financial Operations                              | COVID-19 Loss of Income       | Loss of court costs income due to court activities being closed and no hearings taking place  | 0.200                            |
| Law and Governance                                | COVID-19 Loss of Income       | Loss in legal income from planning and property services  | 0.075                            |
| Financial Operations                              | Underspend                    | Historical budget provision for housing benefit claim errors that is no longer required based on recent years. The risk in this area is already managed corporately within the Council's reserves.                    | (0.880)                          |
| <b>Total Resources</b>                            |                               |   | <b>3.887</b>                     |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>4.767</i>                     |
| <b>Directorates Total</b>                         |                               |   | <b>35.997</b>                    |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>38.351</i>                    |
| <b>CORPORATE</b>                                  |                               |   |                                  |
| We are Islington                                  | COVID-19 Additional Cost      | Estimated additional costs of running the 'We are Islington' support service  | 0.780                            |
| London Mortality Management                       | COVID-19 Additional Cost      | Indicative Islington share of mortality management costs that are expected to be allocated across all London Councils   | 0.634                            |
| Re-profiled savings (COVID-19 related)            | COVID-19 Additional Cost      | Further re-profiling of the 3-year savings plan to reflect the impact of COVID-19   | 0.040                            |
| Re-profiled savings (non COVID-19 related)        | Non COVID-19 Cost Pressure    | Re-profiling of the 3-year saving plan to reflect revised milestones pre COVID-19   | 4.915                            |
| Undeliverable savings                             | Non COVID-19 Cost Pressure    | Historical savings target that is no longer considered deliverable  | 0.968                            |
| Corporate Financing Account                       | Underspend                    | One-off underspend on the corporate financing budget, in part due to COVID-19 related slippage in the capital programme. This is pending more detailed review of the capital programme on an individual scheme basis. | (1.000)                          |
| Contract inflation                                | Underspend                    | Underspend on assumed contract inflation (ongoing)  | (0.500)                          |
| Demographic growth                                | Underspend                    | One-off underspend on demographic growth budget provision in 2019/20 (fully committed in future years) due to additional Government funding for social care provided late in the 2019/20 budget setting process       | (3.028)                          |
| <b>Total Corporate Items</b>                      |                               |   | <b>2.809</b>                     |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>1.454</i>                     |
| <b>OVERALL TOTAL (before COVID-19 grant)</b>      |                               |   | <b>38.806</b>                    |
| <i>Of which CV-19 pressures</i>                   |                               |   | <i>39.805</i>                    |
| COVID-19 Grant (net of amount applied in 2019/20) |                               |   | (14.310)                         |
| <b>OVERALL TOTAL (after COVID-19 grant)</b>       |                               |   | <b>24.496</b>                    |

## Appendix 2: 2020/21 Budget Monitoring by Service Area - Month 2

| <b>GENERAL FUND</b>                           |                       |                  |                |                     |                                  |
|---|-----------------------|------------------|----------------|---------------------|----------------------------------|
|   | Expenditure<br>Budget | Income<br>Budget | Net<br>Budget  | Forecast<br>Outturn | Over/(Under)<br>Spend<br>Month 2 |
|   | £m                    | £m               | £m             | £m                  | £m                               |
| <b>CHIEF EXECUTIVE'S DIRECTORATE</b>          |                       |                  |                |                     |                                  |
| Chief Executive's Office                      | 0.422                 | (0.342)          | 0.081          | 0.081               | 0.000                            |
| Communications and Change                     | 2.069                 | (1.016)          | 1.054          | 1.054               | 0.000                            |
| <b>Total Chief Executive's</b>                | <b>2.491</b>          | <b>(1.357)</b>   | <b>1.134</b>   | <b>1.134</b>        | <b>0.000</b>                     |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>0.000</i>                     |
| <b>ENVIRONMENT AND REGENERATION (E&amp;R)</b> |                       |                  |                |                     |                                  |
| Directorate                                   | 1.747                 | (1.848)          | (0.101)        | (0.101)             | 0.000                            |
| Planning and Development                      | 4.880                 | (3.203)          | 1.677          | 1.977               | 0.300                            |
| Public Protection                             | 13.680                | (8.941)          | 4.739          | 5.354               | 0.615                            |
| Public Realm                                  | 87.163                | (76.148)         | 11.015         | 28.400              | 17.385                           |
| <b>Total E&amp;R</b>                          | <b>107.470</b>        | <b>(90.140)</b>  | <b>17.330</b>  | <b>35.630</b>       | <b>18.300</b>                    |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>18.360</i>                    |
| <b>HOUSING</b>                                |                       |                  |                |                     |                                  |
| Temporary Accommodation (Homelessness Direct) | 11.976                | (9.248)          | 2.728          | 3.520               | 0.792                            |
| Housing Needs (Homelessness Indirect)         | 4.142                 | (2.333)          | 1.809          | 2.133               | 0.324                            |
| Housing Benefit                               | 8.160                 | (7.280)          | 0.880          | 0.880               | 0.000                            |
| Housing Strategy and Development              | 0.073                 | 0.000            | 0.073          | 0.068               | (0.005)                          |
| Housing Administration                        | 1.137                 | (0.217)          | 0.920          | 0.920               | 0.000                            |
| No Recourse to Public Funds                   | 1.414                 | (0.260)          | 1.154          | 1.579               | 0.425                            |
| Voluntary and Community Services (VCS)        | 3.732                 | (0.925)          | 2.807          | 2.807               | 0.000                            |
| <b>Total Housing</b>                          | <b>30.634</b>         | <b>(20.263)</b>  | <b>10.371</b>  | <b>11.907</b>       | <b>1.536</b>                     |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>1.536</i>                     |
| <b>CHILDREN, EMPLOYMENT AND SKILLS (CES)</b>  |                       |                  |                |                     |                                  |
| Youth and Communities                         | 7.135                 | (1.259)          | 5.876          | 6.151               | 0.275                            |
| Safeguarding and Family Support               | 49.953                | (7.296)          | 42.657         | 44.387              | 1.730                            |
| Learning and Schools (non DSG element)        | 194.291               | (168.164)        | 26.127         | 28.873              | 2.746                            |
| Partnership and Service Support               | 3.878                 | (0.583)          | 3.295          | 3.934               | 0.639                            |
| Strategy and Planning                         | 1.275                 | (1.229)          | 0.046          | 0.046               | 0.000                            |
| Employment, Skills and Culture                | 7.825                 | (2.204)          | 5.621          | 5.843               | 0.222                            |
| Health Commissioning                          | 1.415                 | (0.367)          | 1.048          | 1.048               | 0.000                            |
| <b>Total CES</b>                              | <b>265.772</b>        | <b>(181.102)</b> | <b>84.670</b>  | <b>90.282</b>       | <b>5.612</b>                     |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>6.085</i>                     |
| <b>ADULT SOCIAL SERVICES</b>                  |                       |                  |                |                     |                                  |
| Adult Social Care                             | 1.971                 | (21.656)         | (19.685)       | (17.913)            | 1.772                            |
| Integrated Community Services                 | 53.341                | (21.403)         | 31.938         | 37.166              | 5.228                            |
| Learning Disabilities                         | 38.369                | (7.585)          | 30.784         | 30.945              | 0.161                            |
| Strategy and Commissioning                    | 42.557                | (22.045)         | 20.512         | 20.512              | 0.000                            |
| <b>Total Adult Social Services</b>            | <b>136.238</b>        | <b>(72.689)</b>  | <b>63.549</b>  | <b>70.710</b>       | <b>7.161</b>                     |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>7.161</i>                     |
| <b>Total People</b>                           | <b>402.010</b>        | <b>(253.791)</b> | <b>148.219</b> | <b>160.992</b>      | <b>12.773</b>                    |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>13.246</i>                    |
| <b>PUBLIC HEALTH</b>                          |                       |                  |                |                     |                                  |
| Children 0-5 Public Health                    | 3.689                 | 0.000            | 3.689          | 3.689               | 0.000                            |
| Children and Young People                     | 1.794                 | (0.160)          | 1.634          | 1.478               | (0.156)                          |
| NHS Health Checks                             | 0.295                 | 0.000            | 0.295          | 0.295               | 0.000                            |
| Obesity and Physical Activity                 | 0.779                 | (0.236)          | 0.543          | 0.543               | 0.000                            |
| Other Public Health                           | 8.983                 | (29.030)         | (20.047)       | (20.114)            | (0.067)                          |
| Sexual Health                                 | 7.040                 | (0.775)          | 6.265          | 6.200               | (0.065)                          |
| Smoking and Tobacco                           | 0.455                 | 0.000            | 0.455          | 0.472               | 0.017                            |
| Substance Misuse                              | 7.166                 | 0.000            | 7.166          | 6.938               | (0.228)                          |
| <b>Total Public Health</b>                    | <b>30.201</b>         | <b>(30.201)</b>  | <b>0.000</b>   | <b>(0.499)</b>      | <b>(0.499)</b>                   |
| <i>Of which CV-19 pressures</i>               |                       |                  |                |                     | <i>0.442</i>                     |

**Appendix 2: 2020/21 Budget Monitoring by Service Area - Month 2**

| <b>GENERAL FUND</b>                               |                |                  |                  |                  |               |
|---|----------------|------------------|------------------|------------------|---------------|
| <b>RESOURCES</b>                                  |                |                  |                  |                  |               |
| Directorate                                       | 0.548          | 0.000            | 0.548            | 0.548            | 0.000         |
| Digital Services and Transformation               | 16.804         | (3.390)          | 13.414           | 15.140           | 1.726         |
| Financial Management and Property                 | 7.637          | (8.189)          | (0.552)          | 0.024            | 0.576         |
| Financial Operations                              | 230.155        | (212.082)        | 18.073           | 19.583           | 1.510         |
| Health and Safety                                 | 1.100          | (0.380)          | 0.720            | 0.720            | 0.000         |
| Internal Audit                                    | 0.703          | 0.000            | 0.703            | 0.703            | 0.000         |
| Law and Governance                                | 7.661          | (3.558)          | 4.103            | 4.178            | 0.075         |
| Human Resources                                   | 3.256          | (1.685)          | 1.571            | 1.571            | 0.000         |
| Strategy and Change                               | 0.868          | (0.119)          | 0.749            | 0.749            | 0.000         |
| <b>Total Resources</b>                            | <b>268.732</b> | <b>(229.403)</b> | <b>39.329</b>    | <b>43.216</b>    | <b>3.887</b>  |
| <i>Of which CV-19 pressures</i>                   |                |                  |                  |                  | <i>4.767</i>  |
| <b>Directorates Total (excluding CV-19)</b>       | <b>841.538</b> | <b>(625.155)</b> | <b>216.383</b>   | <b>252.380</b>   | <b>35.997</b> |
| <i>Of which CV-19 pressures</i>                   |                |                  |                  |                  | <i>38.351</i> |
| <b>CORPORATE</b>                                  |                |                  |                  |                  |               |
| Council Tax                                       | 0.018          | (99.201)         | (99.183)         | (99.183)         | 0.000         |
| Retained Business Rates                           | 0.000          | (104.642)        | (104.642)        | (104.642)        | 0.000         |
| Revenue Support Grant                             | 0.000          | (24.459)         | (24.459)         | (24.459)         | 0.000         |
| New Homes Bonus                                   | 0.000          | (5.269)          | (5.269)          | (5.269)          | 0.000         |
| Other Specific Grant                              | 0.000          | (0.570)          | (0.570)          | (0.570)          | 0.000         |
| Corporate Financing Account                       | 7.987          | (9.897)          | (1.910)          | (2.910)          | (1.000)       |
| Levies  | 20.072         | 0.000            | 20.072           | 20.072           | 0.000         |
| Pensions  | 13.465         | (4.117)          | 9.348            | 9.348            | 0.000         |
| Other Corporate Items                             | 0.794          | 0.000            | 0.794            | 4.603            | 3.809         |
| Transfer to/(from) Reserves                       | 9.941          | 0.000            | 9.941            | 9.941            | 0.000         |
| Appropriations and Technical Accounting Entries   | 0.000          | (25.960)         | (25.960)         | (25.960)         | 0.000         |
| Contingency                                       | 5.455          | 0.000            | 5.455            | 5.455            | 0.000         |
| <b>Total Corporate Items</b>                      | <b>57.732</b>  | <b>(274.115)</b> | <b>(216.383)</b> | <b>(213.574)</b> | <b>2.809</b>  |
| <i>Of which CV-19 pressures</i>                   |                |                  |                  |                  | <i>1.454</i>  |
| <b>OVERALL TOTAL (before COVID-19 grant)</b>      | <b>899.270</b> | <b>(899.270)</b> | <b>(0.000)</b>   | <b>38.806</b>    | <b>38.806</b> |
| <i>Of which CV-19 pressures</i>                   |                |                  |                  |                  | <i>39.805</i> |
| COVID-19 Grant (net of amount applied in 2019/20) | 0.000          | 0.000            | 0.000            | (14.310)         | (14.310)      |
| <b>OVERALL TOTAL (after COVID-19 grant)</b>       | <b>899.270</b> | <b>(899.270)</b> | <b>(0.000)</b>   | <b>24.496</b>    | <b>24.496</b> |

## Appendix 2: 2020/21 Budget Monitoring by Service Area - Month 2

| <b>HOUSING REVENUE ACCOUNT(HRA)</b>                        |                       |                         |                                   |
|--|-----------------------|-------------------------|-----------------------------------|
| <b>Service Area</b>  | <b>Current Budget</b> | <b>Forecast Outturn</b> | <b>Over/(Under) Spend Month 2</b> |
|  | <b>£m</b>             | <b>£m</b>               | <b>£m</b>                         |
| Dwelling Rents   | (156.846)             | (156.846)               | 0.000                             |
| Tenant Service Charges                                     | (18.421)              | (18.421)                | 0.000                             |
| Non Dwelling Rents   | (1.600)               | (1.600)                 | 0.000                             |
| Heating Charges  | (2.578)               | (2.578)                 | 0.000                             |
| Leaseholder Charges  | (15.173)              | (14.898)                | 0.275                             |
| Parking Income   | (2.350)               | (2.350)                 | 0.000                             |
| PFI Credits  | (22.855)              | (22.855)                | 0.000                             |
| Interest Receivable  | (0.750)               | (0.750)                 | 0.000                             |
| Contribution from the General Fund                         | (0.816)               | (0.816)                 | 0.000                             |
| Transfer from HRA Reserves                                 | 0.000                 | 0.000                   | 0.000                             |
| Other Income   | (1.500)               | (1.500)                 | 0.000                             |
| <b>Income</b>  | <b>(222.889)</b>      | <b>(222.613)</b>        | <b>0.275</b>                      |
| Repairs and Maintenance                                    | 34.060                | 34.830                  | 0.770                             |
| General Management   | 52.314                | 52.364                  | 0.050                             |
| PFI Payments   | 44.233                | 44.233                  | 0.000                             |
| Special Services   | 25.346                | 25.741                  | 0.395                             |
| Rents, Rates, Taxes & Other Changes                        | 0.990                 | 0.990                   | 0.000                             |
| Capital Financing Costs                                    | 17.926                | 17.926                  | 0.000                             |
| Depreciation (mandatory transfer to Major Repairs Reserve) | 36.009                | 36.009                  | 0.000                             |
| Additional transfer to Major Repairs Reserve               | 0.000                 | 0.000                   | 0.000                             |
| Bad Debt Provisions  | 1.250                 | 5.250                   | 4.000                             |
| Contingency  | 2.320                 | 2.320                   | 0.000                             |
| Transfer to HRA Reserves                                   | 8.442                 | 8.442                   | 0.000                             |
| <b>Expenditure</b>   | <b>222.889</b>        | <b>228.104</b>          | <b>5.215</b>                      |
| <b>(Surplus)/Deficit</b>                                   | <b>0.000</b>          | <b>5.490</b>            | <b>5.490</b>                      |

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### Appendix 3: General Fund Savings Tracker - Month 2

| Directorate                    | Description  | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | Total<br>£m |
|--------------------------------|--|---------------|---------------|---------------|---------------|-------------|
| People - Adult Social Services | Conduct annual reviews of Adult Social Care packages in line with relevant legislation, applying a strengths-based approach to create better outcomes for residents in the care system   | 0.660         | 0.680         |               |               | 1.340       |
| People - Adult Social Services | Package of savings through recommissioning of services   | 0.600         | 0.550         | 0.350         |               | 1.500       |
| People - Adult Social Services | Targeted work in Adult Social Care around single point of contact and improved information to reduce demand  | 0.500         | 1.500         |               |               | 2.000       |
| People - Adult Social Services | Improve processes around Direct Payments and financial contributions to reduce surpluses and maximise income   | 0.250         |               |               |               | 0.250       |
| People - Adult Social Services | Independent living for people with disabilities - including transformation of in-house services  |               | 1.130         | 0.750         |               | 1.880       |
| People - Adult Social Services | Independent living for older people - including transformation of in-house services  |               | 0.180         | 0.040         |               | 0.220       |
| People - CES                   | Demand management for children's social care and new commissioning strategy for children looked after including asylum seekers   | 1.447         | 1.447         |               |               | 2.894       |
| People - CES                   | Review of the Early Help 0 to 19 service   | 0.100         | 0.328         |               |               | 0.428       |
| People - CES                   | Increase use of pre-payment cards for Direct Payments  | 0.050         | 0.050         |               |               | 0.100       |
| People - CES                   | Rental income from letting surplus space at Central Library  |               | 0.055         |               |               | 0.055       |
| People - CES                   | Maintain the availability and scope of play and youth provision by reducing its costs through new commissioning arrangements and more efficient back-office support  |               | 0.035         |               |               | 0.035       |
| People - CES                   | Staff savings through flexible retirements   |               | 0.020         |               |               | 0.020       |
| Public Health                  | Change the way we deliver public health behaviour-change programmes, including health checks and exercise on referral, through our universal services and other more cost-effective methods  | 0.208         | 0.180         |               |               | 0.388       |
| Public Health                  | Public Health workforce - efficiencies   | 0.016         | 0.179         |               |               | 0.195       |
| Environment and Regeneration   | Income generation from package of zero carbon policies including lorry ban & parking charges (including diesel surcharge), and efficiencies from shift to e-parking solution   | 1.175         | 0.875         |               |               | 2.050       |
| Environment and Regeneration   | Efficiencies in SES following investment in new technology   | 0.150         | 0.467         |               |               | 0.617       |
| Environment and Regeneration   | Income generation from roll out of School Streets phase 2  | 0.250         | 0.375         | 0.375         |               | 1.000       |
| Environment and Regeneration   | Depot rationalisation  | 0.120         |               |               |               | 0.120       |
| Environment and Regeneration   | SES - Integration of Services with Housing   | 0.115         | 0.225         |               |               | 0.340       |
| Environment and Regeneration   | A more efficient operation at the Waste and Recycling Centre, using technology to automate access to the facility  | 0.055         | 0.145         |               |               | 0.200       |
| Environment and Regeneration   | SES - Annual charge for waste containers   |               | 0.237         |               |               | 0.237       |
| Environment and Regeneration   | Improved use of technology and resource to focus more capacity on income generation  |               | 0.050         |               |               | 0.050       |
| Environment and Regeneration   | Reduce the brightness of LED street lighting in suitable areas to reduce energy costs and carbon emissions and to remove illuminated street furniture (bollards etc.) and replace with non-illuminated reflective furniture following a change in the highways regulations | 0.176         |               |               |               | 0.176       |
| Environment and Regeneration   | Integrate Greenspace and Street Environmental Services cleansing   | 0.090         |               |               |               | 0.090       |
| Environment and Regeneration   | Highways inspections   | 0.094         |               |               |               | 0.094       |
| Housing                        | Improve the quality and reduce the cost of temporary accommodation through purchasing homes to be owned by the council and used by it for temporary accommodation  |               | 0.375         |               |               | 0.375       |
| Housing                        | Offer more permanent housing to families in temporary accommodation  |               | 0.175         |               |               | 0.175       |

### Appendix 3: General Fund Savings Tracker - Month 2

| Directorate       | Description   | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | Total<br>£m   |
|-------------------|---|---------------|---------------|---------------|---------------|---------------|
| Cross-cutting     | Corporate review of contracting and procurement arrangements, including category management   | 0.362         | 0.900         |               |               | <b>1.262</b>  |
| Cross-cutting     | Redesigning our customer service offer, including additional channel shift  | 0.300         | 0.300         |               |               | <b>0.600</b>  |
| Cross-cutting     | Consolidating and streamlining business administration functions  | 0.250         | 0.500         |               |               | <b>0.750</b>  |
| Cross-cutting     | Implementation of the new "Localities" model in partnership with the voluntary and community sector, health organisations and our other local partners to align preventative services and reduce long-term demand |               | 0.375         | 1.125         |               | <b>1.500</b>  |
| Chief Executive's | Additional commercial income for print services   | 0.075         | 0.075         |               |               | <b>0.150</b>  |
| Resources         | Reduce number of national graduate trainees   | 0.070         | 0.070         |               |               | <b>0.140</b>  |
| Resources         | Centralise stationery and control   | 0.050         |               |               |               | <b>0.050</b>  |
| Resources         | Savings resulting from a new property strategy, increasing income, more co-locating with partners and reducing the council's office footprint   |               | 1.658         | 0.340         |               | <b>1.998</b>  |
| Resources         | Legal - Efficiencies from case management system  |               | 0.185         |               |               | <b>0.185</b>  |
| Resources         | Review of HR structure due to increased automation  |               | 0.157         |               |               | <b>0.157</b>  |
| Resources         | Reduction in facilities costs as Vorley Road is vacated   |               | 0.016         |               |               | <b>0.016</b>  |
|                   | <b>Total Open Savings</b>   | <b>7.163</b>  | <b>13.494</b> | <b>2.980</b>  | <b>0.000</b>  | <b>23.637</b> |
|                   | Closed/Achieved Savings   | 1.570         | 0.000         | 0.000         | 0.000         | <b>1.570</b>  |
|                   | <b>Total Savings (including Closed/Achieved)</b>  | <b>8.733</b>  | <b>13.494</b> | <b>2.980</b>  | <b>0.000</b>  | <b>25.207</b> |

| <b>RAG Rating Summary</b> | 2020/21<br>£m | 2021/22<br>£m | 2022/23<br>£m | 2023/24<br>£m | Total<br>£m   |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Red                       | 0.000         | 2.075         | 1.465         | 0.000         | <b>3.540</b>  |
| Amber                     | 4.002         | 8.010         | 1.165         | 0.000         | <b>13.177</b> |
| Green                     | 3.161         | 3.409         | 0.350         | 0.000         | <b>6.920</b>  |
| Closed/Achieved           | 1.570         | 0.000         | 0.000         | 0.000         | <b>1.570</b>  |
| <b>Total</b>              | <b>8.733</b>  | <b>13.494</b> | <b>2.980</b>  | <b>0.000</b>  | <b>25.207</b> |

**Appendix 4: Capital Programme 2020/21 to 2022/23 - Month 2**

| Directorate/Scheme   | 2020/21         |                |                |                  |                   | 2021/22        | 2022/23        | 2020/21 to 2022/23 |
|--|-----------------|----------------|----------------|------------------|-------------------|----------------|----------------|--------------------|
|  | Original Budget | Budget Changes | Current Budget | Forecast Outturn | Forecast Variance | Budget         | Budget         | Budget             |
|  | £m              | £m             | £m             | £m               | £m                | £m             | £m             | £m                 |
| <b>ENVIRONMENT AND REGENERATION</b>  |                 |                |                |                  |                   |                |                |                    |
| Cemeteries   | 0.000           | 0.016          | 0.016          | 0.013            | (0.003)           | 0.000          | 0.000          | 0.016              |
| Bunhill Energy Centre Phase 2  | 1.026           | 1.990          | 3.016          | 2.413            | (0.603)           | 0.000          | 0.000          | 3.016              |
| Greenspace   | 0.000           | 0.607          | 0.607          | 0.486            | (0.121)           | 0.000          | 0.000          | 0.607              |
| Highways   | 1.400           | 0.275          | 1.675          | 1.340            | (0.335)           | 1.400          | 1.400          | 4.475              |
| Leisure  | 0.288           | 0.092          | 0.380          | 0.304            | (0.076)           | 0.375          | 0.375          | 1.130              |
| Section 106/CIL Funded Schemes   | 5.000           | 0.000          | 5.000          | 4.000            | (1.000)           | 5.000          | 5.000          | 15.000             |
| Special Projects   | 0.000           | 0.413          | 0.413          | 0.330            | (0.083)           | 0.000          | 0.000          | 0.413              |
| Traffic and Engineering  | 2.500           | 1.264          | 3.764          | 3.011            | (0.753)           | 2.500          | 2.500          | 8.764              |
| Traffic Enforcement  | 2.000           | 0.000          | 2.000          | 1.600            | (0.400)           | 0.000          | 0.000          | 2.000              |
| Vehicle Replacement  | 2.000           | 1.178          | 3.178          | 2.542            | (0.636)           | 1.000          | 2.000          | 6.178              |
| Sobell Leisure Centre  | 0.445           | 0.000          | 0.445          | 0.356            | (0.089)           | 0.000          | 0.000          | 0.445              |
| Cally Pool   | 0.250           | 0.000          | 0.250          | 0.200            | (0.050)           | 0.000          | 0.000          | 0.250              |
| New River Walk   | 0.450           | 0.000          | 0.450          | 0.360            | (0.090)           | 0.000          | 0.000          | 0.450              |
| Playground water features  | 0.450           | 0.000          | 0.450          | 0.360            | (0.090)           | 0.000          | 0.000          | 0.450              |
| Highbury Bandstand/Highbury Fields   | 0.250           | 0.000          | 0.250          | 0.200            | (0.050)           | 0.000          | 0.000          | 0.250              |
| Bingfield Park (including Crumbles Castle legacy)  | 0.250           | 0.000          | 0.250          | 0.200            | (0.050)           | 0.000          | 0.000          | 0.250              |
| Wray Crescent Cricket Pavilion   | 0.130           | 0.000          | 0.130          | 0.104            | (0.026)           | 0.000          | 0.000          | 0.130              |
| Tufnell Park all-weather pitch   | 0.300           | 0.000          | 0.300          | 0.240            | (0.060)           | 0.000          | 0.000          | 0.300              |
| Vehicle fleet electrification  | 1.500           | 0.000          | 1.500          | 1.200            | (0.300)           | 0.000          | 0.000          | 1.500              |
| Liveable Neighbourhoods  | 1.000           | 0.000          | 1.000          | 0.800            | (0.200)           | 0.000          | 0.000          | 1.000              |
| CCTV upgrade   | 0.490           | 0.000          | 0.490          | 0.392            | (0.098)           | 0.000          | 0.000          | 0.490              |
| Finsbury Leisure Centre  | 0.400           | 0.000          | 0.400          | 0.320            | (0.080)           | 0.000          | 0.000          | 0.400              |
| Economic Development   | 0.000           | 0.300          | 0.300          | 0.240            | (0.060)           | 0.000          | 0.000          | 0.300              |
| Transport Planning   | 0.000           | 0.000          | 0.000          | 0.000            | 0.000             | 0.000          | 0.000          | 0.000              |
| CCTV other   | 0.000           | 0.000          | 0.000          | 0.000            | 0.000             | 0.000          | 0.000          | 0.000              |
| <b>Total Environment and Regeneration</b>  | <b>20.129</b>   | <b>6.135</b>   | <b>26.264</b>  | <b>21.011</b>    | <b>(5.253)</b>    | <b>10.275</b>  | <b>11.275</b>  | <b>47.814</b>      |
| <b>HOUSING</b>   |                 |                |                |                  |                   |                |                |                    |
| <i>Housing Revenue Account</i>   |                 |                |                |                  |                   |                |                |                    |
| Major Works and Improvements   | 38.438          | 0.000          | 38.438         | 30.750           | (7.688)           | 54.698         | 56.908         | 150.044            |
| New Build Programme  | 59.639          | 4.600          | 64.239         | 51.391           | (12.848)          | 72.267         | 65.773         | 202.279            |
| Jean Stokes community hub  | 0.250           | 0.000          | 0.250          | 0.200            | (0.050)           | 0.000          | 0.000          | 0.250              |
| Temporary Accommodation  | 23.850          | 3.900          | 27.750         | 22.200           | (5.550)           | 0.000          | 0.000          | 27.750             |
| <i>Housing General Fund</i>  |                 |                |                |                  |                   |                |                |                    |
| New Build Open Market Sales  | 20.169          | 0.000          | 20.169         | 16.135           | (4.034)           | 21.135         | 12.728         | 54.032             |
| <b>Total Housing</b>   | <b>142.346</b>  | <b>8.500</b>   | <b>150.846</b> | <b>120.677</b>   | <b>(30.169)</b>   | <b>148.100</b> | <b>135.409</b> | <b>434.355</b>     |
| <b>PEOPLE</b>  |                 |                |                |                  |                   |                |                |                    |
| Central Foundation School Expansion  | 0.120           | 0.331          | 0.451          | 0.361            | (0.090)           | 0.000          | 0.000          | 0.451              |
| Central Library Renovation   | 0.000           | 0.252          | 0.252          | 0.202            | (0.050)           | 0.000          | 0.000          | 0.252              |
| Dowery Street/Primary PRU  | 0.000           | 0.027          | 0.027          | 0.022            | (0.005)           | 0.000          | 0.000          | 0.027              |
| Early Years Capital  | 0.550           | 0.256          | 0.806          | 0.645            | (0.161)           | 0.000          | 0.000          | 0.806              |
| Primary Schools Condition Schemes  | 0.227           | 0.063          | 0.290          | 0.232            | (0.058)           | 0.000          | 0.000          | 0.290              |
| Highbury Grove School Expansion  | 0.000           | 0.167          | 0.167          | 0.134            | (0.033)           | 0.000          | 0.000          | 0.167              |
| Libraries  | 0.000           | 0.020          | 0.020          | 0.016            | (0.004)           | 0.000          | 0.000          | 0.020              |
| New River College Refurbishment  | 0.000           | 0.160          | 0.160          | 0.128            | (0.032)           | 0.000          | 0.000          | 0.160              |
| Other Schools/Contingency  | 0.000           | 0.086          | 0.086          | 0.069            | (0.017)           | 2.988          | 0.000          | 3.074              |
| Schools Devolved Capital Programme   | 0.200           | 0.000          | 0.200          | 0.160            | (0.040)           | 0.000          | 0.000          | 0.200              |
| Special Provision Capital Fund   | 0.000           | 0.000          | 0.000          | 0.000            | 0.000             | 2.251          | 0.000          | 2.251              |
| School Condition Works   | 0.000           | 1.713          | 1.713          | 1.370            | (0.343)           | 0.000          | 0.000          | 1.713              |
| Tufnell Park School Expansion  | 0.750           | (0.044)        | 0.706          | 0.565            | (0.141)           | 0.250          | 0.000          | 0.956              |
| Adult social care commissioned services (18 Highbury Grove, 76-80 Isledon Road, 35 Ashley Road, 48 Despard Road) | 0.265           | 0.000          | 0.265          | 0.212            | (0.053)           | 0.000          | 0.000          | 0.265              |
| St Anne's residential care home, 60 Durham Road  | 0.200           | 0.000          | 0.200          | 0.160            | (0.040)           | 0.000          | 0.000          | 0.200              |
| Wray Court and Orchard Close residential care homes for people with learning difficulties                        | 0.200           | 0.000          | 0.200          | 0.160            | (0.040)           | 0.000          | 0.000          | 0.200              |
| Schools modernisation  | 1.000           | 0.000          | 1.000          | 0.800            | (0.200)           | 0.000          | 0.000          | 1.000              |
| Early Years and Children's Centres   | 0.833           | 0.000          | 0.833          | 0.666            | (0.167)           | 0.000          | 0.000          | 0.833              |
| Libraries  | 0.500           | 0.000          | 0.500          | 0.400            | (0.100)           | 0.000          | 0.000          | 0.500              |
| Martin Luther King Adventure Playground  | 0.350           | 0.000          | 0.350          | 0.280            | (0.070)           | 0.000          | 0.000          | 0.350              |
| Cornwallis Adventure Playground  | 0.350           | 0.000          | 0.350          | 0.280            | (0.070)           | 0.000          | 0.000          | 0.350              |
| Hayward Adventure Playground   | 0.050           | 0.000          | 0.050          | 0.040            | (0.010)           | 0.000          | 0.000          | 0.050              |
| South Library  | 0.300           | 0.000          | 0.300          | 0.240            | (0.060)           | 0.000          | 0.000          | 0.300              |
| <b>Total People</b>  | <b>5.895</b>    | <b>3.031</b>   | <b>8.926</b>   | <b>7.141</b>     | <b>(1.785)</b>    | <b>5.489</b>   | <b>0.000</b>   | <b>14.415</b>      |
| <b>Resources/Corporate</b>   |                 |                |                |                  |                   |                |                |                    |
| Cladding Replacement   | 0.000           | 2.792          | 2.792          | 2.234            | (0.558)           | 0.000          | 0.000          | 2.792              |
| <b>Total Resources/Corporate</b>   | <b>0.000</b>    | <b>2.792</b>   | <b>2.792</b>   | <b>2.234</b>     | <b>(0.558)</b>    | <b>0.000</b>   | <b>0.000</b>   | <b>2.792</b>       |
| <b>TOTAL CAPITAL PROGRAMME</b>   | <b>168.370</b>  | <b>20.458</b>  | <b>188.828</b> | <b>151.063</b>   | <b>(37.765)</b>   | <b>163.864</b> | <b>146.684</b> | <b>499.376</b>     |

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

| <b>Meeting of:</b> | <b>Date:</b> | <b>Wards</b> |
|--------------------|--------------|--------------|
| Executive          | 16 July 2020 | All          |

|                               |        |            |
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| <b>Delete as appropriate:</b> | Exempt | Non-exempt |
|-------------------------------|--------|------------|

## **SUBJECT: Future management arrangements for street properties currently managed under contract 2 with Partners for Improvement in Islington**

### **1. Synopsis**

- 1.1 The council has two Private Finance Initiative (PFI) contracts to manage council housing stock with Partners for Improvement in Islington (Partners). The second of the two contracts with Partners, managing circa 4,000 council street properties, is due to end in April 2022. The first contract with Partners, for services circa 2,000 homes will not expire until 2033.
- 1.2 This report sets out the options for the Council regarding alternative forms of service delivery and the recommendation to return services to council delivery.

### **2. Recommendations**

- 2.1 To note the outcome of the consultation on the service delivery options following the expiry of the PFI 2 contract with Partners
- 2.2 Having considered the outcome of the residents' consultation and after taking into account the other considerations set out in this report to agree that services currently provided by Partners under the PFI2 contract should be provided directly by the council on expiry of the contract.

### **3. Background**

3.1 The council entered into two contracts with Partners for the management of most of its street property stock, in order to finance improvement works to these homes. Resources for investing in these homes had to be accessed through government schemes, as part of the drive to bring all social homes up to the decent homes standard. The only option for these homes, due to the high level of investment required, was entering into a Private Finance Initiative (PFI) arrangement with a contractor who could access private borrowing. These funds were used to bring properties up to the required standard in the early years of the contract.

3.2 The council currently has two contracts with Partners. The second contract commenced in October 2006 with a duration of 16-year. It covers 4042 homes, 2799 tenants and 1243 leaseholders and is due to expire in April 2022. The first contract, covering approximately 2000 homes, runs for 30-years and does not expire until 2033.

3.3 The intention and purpose of the second Partners contract was to refurbish all of the homes to the standards specified in the contract (which is above the decent homes standard) and maintain them at this level throughout the contract term. Partners were to undertake all day-to-day repairs, maintenance, cyclical decorations, planned major works, housing management, leasehold management, void refurbishment and lettings, and liaison with residents for the duration of the 16-year contract.

3.4 Partners are a Special Purpose Vehicle company established to deliver the contract and they entered in to sub-contracts with specialist organisations to deliver the various works and services: Rydons Ltd (repairs, maintenance, major works and cyclical works); Hyde Housing (housing management, LH management) and United Living (refurbishment works and gas and heating services).

#### **3.5 Appraisal of options for delivering the services PFI2 homes after the end of the contract**

3.5.1 The contract between Partners and the council does not contain any provision enabling the contract period to be extended and therefore there are three options for consideration for service delivery at the end of the second Partners contract:

- 1.** Insourcing services to the council.
- 2.** Outsourcing services to another third party organisation through a competitive tender process.
- 3.** A combination of in-house service provision and procurement of a new service provider for the remaining services.

#### **3.6 Insourcing**

3.6.1 Delivering decent and genuinely affordable homes for all is one of the council's commitments within the corporate plan 'building a fairer Islington'. The council currently delivers housing management, repairs and maintenance services to over 25,000 estate and street property homes. As a large-scale provider of social housing management and building repair and maintenance the council's housing services are well placed to directly deliver these services to more council tenants and leaseholders. The council retained about 1000 street property homes and have provided services to

these throughout the duration of the Partners contracts. Increasing the number of homes managed could lead to some further service efficiencies of specialist services areas, such as bespoke carpentry, which are associated more with older properties. Improving economies of scale, for instance for the council's own joinery shop.

- 3.6.2 The council has been increasing the number of directly delivered housing services in recent years, taking in services such as housing management, housing repairs, gas servicing and void management, when the relevant contracts have ended. This has resulted in the establishment of key expertise and skills within the organisation. Whilst at the same time ensuring the priorities, such as customer satisfaction and quality service provision, could be placed at the heart of our services. The council recently confirmed its preference for insourcing services through its published Insourcing Policy. The consultation of this policy showed that 90% of respondents were in support.
- 3.6.3 Direct service provision enables the greatest level of control by the council of the services it delivers. It supports the deployment of available resources where they are most needed, supports innovative and collaborative approaches to service delivery, without the same commercial priorities of the private sector. Our direct delivery model provides best value for money and quality by utilising a number of contractual arrangements for specific and specialist services, which are more efficiently delivered on the council's behalf. The council is currently in the process of procuring its major works contracts for service from 2020. This procurement has included services to returning properties from the second contract with Partners. Direct delivery enables the council to build and train a local workforce in keeping with its Fairer Islington commitments.
- 3.6.4 Direct delivery of housing management service, through the Homes and Communities Service, will enable the council to expand the reach of the recently remodelled service, which has been designed to meet the needs of residents more effectively. Providing efficient, effective and accessible universal services for residents undertaking simple transactions. Providing targeted services to those residents requiring a more specific service from the tenancy services team and providing a specialist approach for those with the highest level of need for interventions through the Intensive Tenancy Service. Supporting all our residents to access the services they need and to support our most vulnerable residents to live well and independently whilst maintaining their tenancy.

### 3.7 **Outsourcing**

- 3.7.1 There are no extension arrangements within the second Partners contract and therefore any outsourcing arrangements would require the council to undertake a procurement exercise.
- 3.7.2 If the council chose to outsource all or part of the services, then the procurement process would need to commence about two years prior to the contract end date for a direct service transfer to take place. Two years would be needed to carry out a tender process and also mobilisation of the new contractor(s), given the value and complexity of the services that would be required.
- 3.7.3 If the council were to outsource its management and maintenance services, organisations likely to be interested in delivering this service would include other social housing providers. It would be most likely to be attractive to larger Housing Associations, who deliver services on behalf of other landlords. These organisations

would be likely to be of a similar size to the council and it would therefore be unlikely that they would be able to take advantage of efficiencies from the scale of their operation that are not available to the council. They would be likely to have an established business model. Many of the larger housing associations work on a regional or national basis. In order to benefit from the scale of their organisation, to provide cost benefits to the Council, they would need to integrate delivery into their wider business and therefore it would be more difficult for them to replicate the geographical focus the council would want from its housing management services. The council themselves are uniquely placed in Islington as a large-scale social landlord, with a wholly Islington focus who could most effectively work with health and social care services that a significant number of residents of council homes rely upon.

### 3.8 **A combined approach**

3.8.1 Although the insourcing option includes a small level of outsourcing specialist services and major works, it would also be possible to select a much larger proportion of services for outsourcing, such as the repairs and maintenance service. This is common practice for social landlords. However, there would be little discernible benefit to taking this approach for a small amount of a landlords' housing stock, especially in light of the council's directly managed repairs services delivered for the rest of the council's directly managed stock.

### 3.9 **Social value considerations**

3.9.1 Islington Council is committed to shaping and promoting a local economy that is underpinned by the principles of equality and fairness, economic, environmental and social justice. One of the ways in which the council is fulfilling this commitment is through its Social Value requirements.

3.9.2 There are a number of initiatives that are currently being offered within Housing Services or have been delivered to help local people in to or back in to work. The use of apprenticeship and trainee schemes have been very successful, such as the *Get Fit for Work Scheme*, where local people are offered work experience for 12 weeks, which then provides them with the experience and confidence to apply for jobs. The repair services provide opportunities for a pre-apprenticeship (traineeship) level courses with the aim of getting local people ready to apply for the apprenticeships or some other training or employment opportunities including specialist areas such as gas safety.

3.9.3 Helping local people into work is not the only way to help the local community. The council, where possible, uses local suppliers for their resources and materials, which aids community wealth building and contributes towards reducing the council's carbon footprint, helping to achieve our carbon reductions ambitions. When services are outsourced the council has less opportunity to influence the use of local suppliers and they may be seeking to supply a number of contracts across a wide geographical area and have less interest in promoting the local economy.

3.9.4 Council staff benefit from good terms and conditions, which may be an enhancement for staff transferring under TUPE. The council is committed to:

- paying the London Living Wage
- all employees are eligible for council pensions

- they are encouraged to join trade unions who negotiate to improve their benefits and working conditions
- they will be eligible for training and development opportunities within the council enabling them to progress their careers
- the council provides job security.

This all instils loyalty in employees, and therefore retains knowledge and experience vital to delivering services to residents.

3.9.5 If these services were out-sourced, the new contracts could include these social value requirements but the challenge lies with having the flexibility to align with changes in corporate requirements. There is a net zero carbon emission target set by the council and whilst different departments are able to respond to this challenge, it may not be possible to require a third party organisation to comply with more stringent requirements or approaches that are evolved over time. This could result in inflated contract prices to take in to account the uncertain changes that may be required. Therefore, keeping services in-house allows services to be aligned to corporate requirements, as well as, directing resources where it best serves the council and local residents.

### 3.10 **Consultation**

3.10.1 Ensuring that we take the views of our residents on board is important to the council and in addition we have a responsibility, under the Housing Act 1985, to consult with residents about significant changes to arrangements to manage their homes. Therefore, a consultation exercise has been undertaken; to seek the views of residents currently receiving services under PFI2. The council has considered the views and representations made by residents, a summary of which are set out below.

3.10.2 The consultation was carried out between 24th February and 22nd March 2020. It was available on the council's website throughout and a front-page article was included in Partners Gazette to inform residents about the consultation. Residents could respond using an online form, by email or could complete a freepost insert within the Partners Gazette. The two options that residents were asked to choose between were (1) whether to bring the services back in-house to be delivered by the council, or (2) for the council to out-source services to another housing and repairs service provider.

3.10.3 The consultation received 392 responses with 91% of residents in favour of the council delivering services directly. 133 responses were provided online, 252 responses by post, and 7 responses by email, with only 35 responses (9%) in favour of services being outsourced. This is an overwhelming endorsement from residents for the council to directly deliver services to those currently receiving services from Partners under the PFI2 contract.

### 3.11 **Conclusion of the options appraisal**

3.11.1 Consider the consultation with residents and the above options appraisal it is recommended that when service provision by Partners and its sub-contractors comes to an end in April 2022, the council should directly deliver services to the 4042 homes

currently managed through that contract. This approach will offer the best value for money for the following reasons:

- The council is a large social housing provider with a range of in-house repairs and maintenance services, offering economies of scale and a quality service delivery
- Directly managing services enable the council to provide residents with benefit from the local focus and broader ambitions the council has to support residents to live well and independently in their council home.
- Direct control of service delivery enables the council to direct resources flexibly over time, responding to priorities of the council and the residents that it delivers services to.
- Most residents who responded to the consultation were in support of this option.

## **4. Implications**

### **4.1 Financial implications**

The current net cost of the PFI2 contract (based on 19-20 budgets) is £15.4m

Following the cessation of the PFI 2 contract there are 2 main options in terms of day-to-day service delivery - 1. Insourcing or 2. Outsourcing

The current HRA 30-year business plan is based on the assumption that PFI2 returns on an insourcing basis. The business plan includes a provision of £21m (at 2022-23 prices) which allows for the full unit cost increase in stock, arising from the return of PFI2, covering housing management, repairs and major works.

The increase in estimated provision included in the business plan of £5.6m primarily reflects an estimated inflationary increase of around £1.6m (19-20 to 22-23), the remaining increase arises as a result of the grant from central government in the form of PFI credits, to cover the investment needed to bring homes up to "decent homes standard", coming to an end and as such reducing the income to the HRA.

In terms of outsourcing, it is not possible to provide a realistic estimate in terms what a third party (such as a housing association) would be seeking, in order to provide this service, without testing the market and clearly specifying the service model to be delivered.

However, the report does provide a comprehensive commentary in relation to the "in principle" potential operational and financial advantages & disadvantages of both options.

### **4.2 Legal Implications**

The council's street properties PFI 2 contract with Partners for Improvement in Islington 2 Limited ('Partner') expires on 7 July 2022 although Partners' obligation to provide housing management services and undertake repairs and maintenance ceases at the beginning of April 2022. There is no provision within the contract enabling it to be extended beyond that date. Accordingly, the council will need to decide how the services currently being provided by Partners will be delivered from April 2022. There are three main options for the council to consider:

- (1) an in-house service for all of the services;
- (2) an in-house service for some of the services and procurement of a new service provider for the remaining services;
- (3) procurement of a new service provider for all of the services.

In deciding which option to adopt, the Council must act in accordance with principles of administrative law. Those principles require the council to reach a reasonable decision which requires that the decision is taken in good faith and is not so unreasonable that no reasonable authority could have reached it. All factors relevant to the decision must be taken into account and irrelevant factors disregarded. In reaching its decision, the Executive should weigh up and balance carefully both the factors in favour of the in-house option for all services and those against such option and in favour of and against either alternative option as set out in this report. The Executive should have regard to the council's fiduciary duty to act with due financial prudence and whether the return of the housing management services from Partners will generate efficiency savings for the council.

Before making its decision, the Executive will need to carefully and properly consider the responses received as a result of the consultation with the residents. This is because section 105 of the Housing Act 1985 places a duty on the council to make appropriate arrangements to enable its secure tenants to be consulted about proposed changes to its housing management arrangements and to have regard to any presentations made about those proposals. Although there is no corresponding duty to consult leaseholders, the council did as a matter of good practice, include leaseholders as part of the resident consultation.

The council will also need to be satisfied that the decision it reaches represents best value for delivering its housing management and repair functions. Before agreeing to deliver the services in-house, the council should be reasonably satisfied that competitive re-tendering would be unlikely to result in better value for money for the council.

#### 4.3 **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

Delivering services to the housing in question will have an environmental impact, which includes material and energy use, waste generation and works-related travel. However, these works already take place as part of the existing contract, and no significant change to the overall impact is expected as a result of Islington insourcing these services. However, by insourcing the services, it allows the council direct control over how they are delivered, potentially making it easier to make changes in future (such as adopting zero emissions vehicles) than it would be if the contract remained outsourced.

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

A Resident Impact Assessment (Appendix 1) was completed reflecting the council's preferred option of insourcing services. On the basis of this assumption, no negative effects have been identified with the council delivering tenancy and leasehold management services, or repairs and cyclical maintenance services. As council services have been designed to support some of our most vulnerable residents, there should be positive impacts of the insourcing arrangements for these residents, with improved

connections to other key council services and support from other statutory and voluntary sector services. The RIA will be reviewed in the light of the outcome of the consultation exercise.

## 5. Reason for recommendations

5.1 This report recommends that services currently delivered by Partners are delivered directly by the council from April 2022. Direct service provision ensures the greatest level of control by the council of the services it delivers, deploying available resources where they are most needed, supporting innovative and collaborative approaches to service delivery to council residents, without the same commercial priorities of the private sector. Direct delivery of housing management services by Homes and Communities service, will enable the council to expand the reach of the recently remodelled service which has been designed to meet the needs of residents more effectively; as well as enabling the council to build and train a local workforce in keeping with its Fairer Islington commitments. The council has a successful track-record of successfully insourcing and providing services, which has been overwhelmingly endorsed from PFI 2 residents the public consultation, where 92% of residents stated their preference for the council to deliver housing management and repairs services from April 2022.

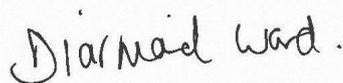
### Appendices:

Appendix 1 - Resident Impact Assessment

**Background papers:** None

**Final report clearance:**

**Signed by:**



**Executive Member for Housing and Development**

**Date:** 30/6/20

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## Resident Impact Assessment

**Title of policy, procedure, function, service activity or financial decision: Street Properties Management Arrangements**

**Service Area: Housing Directorate**

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

Partners for Islington currently provide housing management services on behalf of the council to 2799 tenants and 1243 leaseholders, via a PFI contract. The contract is due to expire in April 2022, after which point the council propose to deliver those same services in-house. The council already delivers those same services (day to day repairs, major repairs, cyclical works, tenancy and leasehold management) to around 25,000 council maintained homes. It is anticipated that service delivery will be a seamless transfer of service between Partners and the council from April 2022.

### 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: 2982          |
| Gender             | Female                | 51%             | 61%                  |
|                    | Male                  | 49%             | 39%                  |
| Age                | Under 16              | 32,825          | Unknown              |
|                    | 16-24                 | 29,418          | 52                   |
|                    | 25-44                 | 87,177          | 752                  |
|                    | 45-64                 | 38,669          | 1413                 |
|                    | 65+                   | 18,036          | 765                  |
| Disability         | Disabled              | 16%             | 17%                  |
|                    | Non-disabled          | 84%             | 83%                  |
| Sexual orientation | LGBT                  | No data         | No data              |
|                    | Heterosexual/straight | No data         | No data              |
| Race               | BME                   | 52%             | 52%                  |

|                           |                            |             |                |
|---------------------------|----------------------------|-------------|----------------|
|                           | <b>White</b>               | <b>48%</b>  | <b>48%</b>     |
| <b>Religion or belief</b> | <b>Christian</b>           | <b>40%</b>  | <b>No data</b> |
|                           | <b>Muslim</b>              | <b>10%</b>  | <b>No data</b> |
|                           | <b>Other</b>               | <b>4.5%</b> | <b>No data</b> |
|                           | <b>No religion</b>         | <b>30%</b>  | <b>No data</b> |
|                           | <b>Religion not stated</b> | <b>17%</b>  | <b>100%</b>    |

This data is based on the main tenant of the property and so does not include partners or children in their care. The transfer of services will include all tenanted residents within PFI 2 properties, so it will encompass all residents with protected characteristics.

### 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 transfer of services back to the council is not discriminatory in any way as it includes all PFI 2 residents and does not single any individual with a protected characteristic. By bringing services in house our vulnerable residents will be closer to our social care and health service partners, thereby providing greater level of co-ordination for our residents.
- 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 transfer of services will not have a negative impact on any persons within the protected characteristics groups. The council's housing services are being re-designed to encourage prevention and early intervention activity, therefore supporting resilient communities.
- 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? There will be no negative impact on relations, as the transfer of services encompasses all residents within PFI 2 properties.
- Is the proposal a strategic decision where inequalities associated with socio-economic disadvantage can be reduced? As stated above, the transfer of services to the council from Partners will be as seamless as possible and will not affect any residents regardless of their employment or financial status. Both council and Partners services are linked in to Employment Support and Welfare benefits advice services, which support residents with economic wellbeing.

## 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 breaches expected, as it will be council staff and Partners staff TUPEing in to the council, that will be delivering the services previously provided by Partners. The council already delivers these same services to council residents, and so the properties and residents will be 'absorbed' in to our service delivery procedures and policies.

If potential safeguarding and human rights risks are identified then **please contact [equalities@islington.gov.uk](mailto: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 |
|--------|----------------------------|----------|
|        |                            |          |
|        |                            |          |
|        |                            |          |

Please send the completed RIA to [equalities@islington.gov.uk](mailto:equalities@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: Saf Khan \_\_\_\_\_

Date: 23/01/2020

**Head of Service or higher:**

Signed: Hannah Bowman \_\_\_\_\_

Date: 04/02/2020

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## Executive Member for Environment and Transport

|                               |              |                 |
|-------------------------------|--------------|-----------------|
| <b>Meeting of:</b>            | <b>Date:</b> | <b>Ward(s):</b> |
| Executive                     | 16 July 2020 | All             |
| <b>Delete as appropriate:</b> |              | Non-exempt      |

## SUBJECT: Pavement Licensing

### 1. Synopsis

- 1.1 The Business and Planning Bill 2020 is currently going through Parliament. The timetable for the passage of the Bill has the final reading in the House of Lords expected on the 20 July and Royal Assent by end of July.
- 1.2 This will create a new Pavement Licence. The draft bill suggests that the fee will be up to £100 but this will not be finalised until the 20<sup>th</sup> July.
- 1.3 Islington will need to introduce a new tables and chairs procedure in order to accommodate the new legislation including setting a fee.
- 1.4 The fee is an executive decision and therefore needs to be made at this meeting as there is not another Executive meeting until September.

### 2. Recommendations

- 2.1 To introduce the new Pavement Licenses once the Business and Planning Bill 2020 receives Royal Assent.
- 2.2 To delegate authority to the Corporate Director of Environment and Regeneration, following consultation with Executive Member for Environment & Transport, to set the license fee within the range allowed by the legislation.

- 2.3 To delegate to the Corporate Director of Environment & Regeneration, following consultation with the Executive Member for Environment & Transport to take any further decisions in connection with implementation of Pavement Licensing following Royal Assent to the Bill.

### **3. Background**

- 3.1 With the easing of lockdown, the introduction of Pavement Licensing presents an opportunity to businesses to trade on the pavement to help ensure social distancing and to promote economic recovery.
- 3.2 Currently at Islington Council we regulate Tables and Chairs under the Licensing Act and the statutory process under the Highway Act 1990, which is more involved than the proposed Pavement Licensing process.
- 3.3 Typically, in relation to Tables & Chairs applications, fees are much higher than £100 and as such this will result in a loss of income to the Council. Currently, Tables and Chairs Licences are based on the number of Tables and Chairs/area and have a management fee of £788 plus a fee of up to £104 per m<sup>2</sup>.
- 3.4 Overall the aim of the bill is to make Pavement Licences easier and cheaper to obtain for local businesses. The Guidance to the Bill introduces standard conditions including the requirement to avoid obstructions to the highway and meet Inclusive Mobility criteria, referencing Section 3.1 of, 'Making transport accessible for passengers and pedestrians - A guide to best practice on improving access to public transport and creating a barrier-free pedestrian environment.'
- 3.5 Licensees will be able to maintain their current Tables and Chairs Licences but will have the option to apply for the new Pavement Licence. It is currently proposed that the Pavement Licensing provisions will be in place until September 2021.
- 3.6 The new procedure under the Bill requires a Notice on the Council's webpage, a 7-day consultation and a 7-day decision making process. If the process is not followed a Licence is deemed to have been granted. Guidance is being prepared and will be posted on the Council's website and members of the public will be notified of the application at the premises and on the Council's website on a dedicated webpage.

### **4. Implications**

#### **4.1 Financial implications:**

The fees for licensing outdoor spaces have been set locally to cover the service costs. The budget for licenses for tables & chairs and 'A' Boards is £209,400 with actual income received in 2019/20 £246,951.

For the period April to June 2020 a total of £2,746 has been refunded during this lockdown period compared to £59,075 received for the same period in 2019.

Current charges range between £42 and £104 per m<sup>2</sup> with processing and renewal fees of £788 and £440 for table and chairs, and fees between £88 and £421 for 'A' Boards.

A flat rate fee of £100 for a Pavement License is likely to have a significant impact on this income stream for the 2020/21 and 2021/22 financial years if provision remain in place until September 2021. This pressure is likely to be in the region of £0.1m to £0.2m in each of these financial years. If there is no additional government financial support to compensate for this loss of revenue, this pressure will need to be considered as part of the annual budget setting process.

#### **4.2 Legal Implications:**

The Pavement Licence is a new form of licence created under Part 1 of the Business and Planning Bill 2020.

The Council is required to decide on an appropriate fee to charge of no more than £100. The Bill does not include any consequential amendments to the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, and therefore Pavement Licensing, including the setting of the fee, is an executive function and not the responsibility of the Licensing Committee.

Pavement licences must be granted for a minimum of three months and will automatically lapse on 30 September 2021. The granting of a pavement licence removes the requirement for planning permission or a street trading licence.

#### **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

No anticipated implications.

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

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

A RIA was completed on 08/07/2020 and is included as Appendix 1

As part of the Bill process, the Government has already made a Human's Rights impact assessment and the Council will monitor the impact of Pavement Licensing on residents.

These provisions are likely to make it easier for all local residents to access local shops and make local shops more financially viable going forward.

It will make adhering to the 1m+ guidance easier for vulnerable/shielding groups in the community and the Council will be using the standard conditions of the guidance regarding Inclusive Mobility to maintain and ensure there is no obstruction to the pavement for wheel chair or push chair users or those groups who are visually impaired.

## 5. Reason for recommendations

- 5.1 The proposed Business and Planning Bill 2020 will require the Council to issue a licence for businesses to operate on the pavement outside their premises. From information and guidance issued to date, it is likely that the fee that the Council can charge will be set at a maximum of £100, although it is possible that in the final legislation the maximum fee could be set at a different level. As this a new fee for the Council, a decision by Executive is required.

**Appendices:** Appendix 1 – Resident Impact Assessment

**Background papers:** None

**Final report clearance:**

**Signed by:**



08 July 2020

Executive Member for Environment and  
Transport

**Date**

Report Author: Paul Clift - Head of Environmental Services and Anti-Social Behaviour.  
Tel: 020 7527 3199  
Email: paul.clift@islington.gov.uk

Financial Implications Author: Steve Abbott - Head of Finance  
Tel: 020 7527 2369  
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Legal Implications Author: Marina Lipscomb, Chief Litigation Lawyer, Law & Governance  
Tel: 020 7527 3314  
Email: Marina.lipscomb@islington.gov.uk

## Resident Impact Assessment

### Delegation of authority to set the pavement licencing fee and implement the Business and Planning Bill 2020:

#### Service Area: Environmental Services & ASB

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

Set the pavement licencing fee and implement the Business and Planning Bill 2020.

### 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  |
|--------------------|-----------------------|-----------------------|-----------------------|
|                    |                       | <b>Total: 206,285</b> | <b>Total: 206,285</b> |
| Gender             | Female                | 51%                   | 51%                   |
|                    | Male                  | 49%                   | 49%                   |
| Age                | Under 16              | 32,825                | 32,825                |
|                    | 16-24                 | 29,418                | 29,418                |
|                    | 25-44                 | 87,177                | 87,177                |
|                    | 45-64                 | 38,669                | 38,669                |
|                    | 65+                   | 18,036                | 18,036                |
| Disability         | Disabled              | 16%                   | 16%                   |
|                    | Non-disabled          | 84%                   | 84%                   |
| Sexual orientation | LGBT                  | No data               | No data               |
|                    | Heterosexual/straight | No data               | No data               |
| Race               | BME                   | 52%                   | 52%                   |
|                    | White                 | 48%                   | 48%                   |
| Religion or belief | Christian             | 40%                   | 40%                   |
|                    | Muslim                | 10%                   | 10%                   |
|                    | Other                 | 4.5%                  | 4.5%                  |

|  |                            |            |            |
|--|----------------------------|------------|------------|
|  | <b>No religion</b>         | <b>30%</b> | <b>30%</b> |
|  | <b>Religion not stated</b> | <b>17%</b> | <b>17%</b> |

Whilst the makeup of business owners that run businesses which might apply for a pavement licence at a reduced cost from before or their staff and it is unknown the breakdown of protected characteristics of residents/visitors that might frequent such establishments the effects of making it cheaper to apply for a pavement licence is likely to benefit all different groupings listed above.

### 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?

A business which uses (or proposes to use) premises for the sale of food or drink for consumption (on or off the premises) can apply for a licence. Businesses that are eligible include: public houses, cafes, bars, restaurants, snack bars, coffee shops, and ice cream parlours.

The breakdown of protected characteristics by business type is currently unknown.

Overall the financial benefit goes to the business and those who have a controlling stake in it. However, the result is likely to be more pavement café's etc. which will improve accessibility and availability as well as assist in retaining jobs.

As spatial guidance about maintaining the width of pavements etc. will be applied to each new licence it is not envisaged that there will be an impact on those with mobility difficulties or those who use wheel chairs, prams etc. when they are using the pavement.

### 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.

No Safeguarding risks or potential human rights breaches have been identified. It is unlikely that there is an increase in safeguarding risks or human rights breaches by lowering the cost of a pavement licence and modifying the application process.

As part of the Bill process, the Government has already made a Human's Rights impact assessment and the Council will monitor the impact of Pavement Licensing on residents.

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 |
|--|----------------------------|----------|
| Consider any significant impacts of Pavement Licensing including significant matters raised as part of the proposed consultation period (5 working days) | Street Trading             | Ongoing  |
| Monitor significant impact of Pavement Licensing on residents after license has been issued.   | Street Trading             | Ongoing  |
|  |                            |          |
|  |                            |          |

Please send the completed RIA to equalities@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:**

**Andrew Ford**



Signed: \_\_\_\_\_

Date: 08/07/2020

**Head of Service or higher:**

**Paul Clift**



Signed: \_\_\_\_\_

Date: 08/07/2020

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