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## AGENDA FOR THE EXECUTIVE

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Members of the Executive are summoned to attend a meeting to be held in Council Chamber, Town Hall, Upper Street, N1 2UD on **2 September 2021 at 7.00 pm.**

Enquiries to : Jonathan Moore  
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Despatched : 24 August 2021

### **Membership**

Councillor Kaya Comer-Schwartz  
Councillor Rowena Champion  
Councillor Satnam Gill OBE  
Councillor Sue Lukes  
Councillor Michelline Safi Ngongo  
Councillor Una O'Halloran  
Councillor Asima Shaikh  
Councillor Nurullah Turan  
Councillor Diarmaid Ward

### **Portfolio**

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

**Quorum is 4 Councillors**



## 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. Questions will be taken with the relevant item.

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

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**F. Other Matters**

**G. Urgent non-exempt matters**

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

**H. Exclusion of the press and public**

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

**I. Confidential / exempt items for decision**

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

**K. 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 14 October 2021

## **WEBCASTING NOTICE**

This meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The whole of the meeting will be filmed, except where there are confidential or exempt items, and the footage will be on the website for 12 months. A copy of it will also be retained in accordance with the Council's data retention policy.

If you participate in the meeting you will be deemed by the Council to have consented to being filmed. By entering the Council Chamber you are also consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured you should sit in the public gallery area, overlooking the Chamber.

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London Borough of Islington

## **Executive - 22 July 2021**

Minutes of the meeting of the Executive held at Council Chamber, Town Hall, Upper Street, N1 2UD on 22 July 2021 at 7.00 pm.

**Present:**                      **Councillors:**                      Champion, Gill, Ngongo, O'Halloran, Turan and Ward

### **Councillor Diarmaid Ward in the Chair**

**811            APOLOGIES FOR ABSENCE**

No apologies for absence were received, however it was noted that Councillors Comer-Schwartz, Lukes and Shaikh were not required to attend in accordance with the COVID safety measures implemented for the meeting.

**812            DECLARATIONS OF INTEREST**

None.

**813            MINUTES OF PREVIOUS MEETING**

**RESOLVED:**

That the minutes of the previous meeting held on 27 May 2021 be agreed as a correct record and the Chair be authorised to sign them.

**814            BUDGET MONITORING - MONTH 12 2020/21**

**RESOLVED:**

- i.            That the breakdown of the forecast general fund outturn by individual variance at Appendix 1 and by service area at Appendix 2 (Section 3 and Table 1 of the report) be noted.
- ii.           That the overall general fund net break-even position (before unallocated contingency budget), unchanged from the previous reported position, (Section 3 and Table 1 of the report) be noted.
- iii.           That, subject to decision at the next Executive meeting on 2 September 2021, the further proposed allocation of Carbon Offset Funding of £3.037m over the next three years to support delivery of the council's Net Zero Carbon programme (Paragraph 4.6 and Table 2 of the report) be noted.

## Executive - 22 July 2021

- iv. That the new general fund fees and charges relating to filming rights in the borough (Paragraph 4.7 and Table 3 of the report) be approved.
- v. That the allocation of Contain Outbreak Management Fund/Test and Trace Support grant funding totalling £8.284m across eligible COVID-19 related expenditure in line with the terms of the grant (Paragraph 4.25 and Table 4 of the report) be noted.
- vi. That the outturn transfers to reserves, the movements between reserves and the provisional general fund and housing revenue account reserves balances be approved; and authority be delegated to the Section 151 Officer to agree any further movements to/from reserves related to finalising the 2020/21 Statement of Accounts (Paragraphs 4.28, 4.30 and 5.5, and Tables 5-6 of the report) be approved.
- vii. That the housing revenue account in-year deficit of (+£13.456m), fully funded from a lower contribution to housing revenue account reserves than planned in the original budget (Section 5 and Appendix 2) be approved.
- viii. That the 2020/21 capital outturn, financing of the 2020/21 capital programme and the movement in the 2020/21 capital budget since the last reported capital programme at Month 10 (Section 6, Tables 7-9 and Appendix 3 of the report) be noted.
- ix. That the re-profiling of the 2020/21 capital outturn budget variances (-£16.306m) into the 2021/22 capital programme, with the exception of variances that are underspends rather than re-profiling in nature, be approved; and authority be delegated to the Section 151 Officer to agree any further capital financing adjustments related to finalising the 2020/21 Statement of Accounts (Section 6, Table 7 and Appendix 3 of the report) be approved.
- x. That, subject to approval by the Borough Investment Panel on 29 July 2021 and decision at the next Executive meeting on 2 September 2021, the proposed allocation of £1.740m Community Infrastructure Levy funding (strategic element) to the People Friendly Streets programme (Paragraph 6.7 of the report) be noted.

Reasons for decision – in order to ensure the financial resilience of the council

Other options considered – none

Conflicts of interest / dispensations granted – none

815 **HOUSING STRATEGY 2021-2026**

**RESOLVED:**

That the Housing Strategy and Action Plan attached as Appendices 1 and 2 to the report submitted be approved and adopted.

Reasons for decision – to set the council’s strategic priorities for housing

Other options considered – none

Conflicts of interest / dispensations granted – none

816 **PROCUREMENT STRATEGY FOR CAMDEN AND ISLINGTON'S YOUNG PEOPLE'S SEXUAL HEALTH SERVICES**

**RESOLVED:**

- i. That the procurement strategy for sexual health services for young people aged 25 and under including vulnerable groups, with services structured so that young people receive the most appropriate level of service related to their needs, be approved as set out in Section 3 of the report; and the commitment to further consultation and development regarding the wider 25 and under offer be noted.
- ii. That authority to award the contract be delegated to the Director - Public Health in consultation with the Executive Member for Health and Social Care.

Reasons for decision – to provide access to sexual health services for young people

Other options considered – as specified in the report, other options included insourcing, or ceasing services.

Conflicts of interest / dispensations granted – none

817 **RECOMMENDATIONS OF THE CHILDREN'S SERVICES SCRUTINY COMMITTEE - REVIEW OF THE STRATEGY UNDERPINNING THE TRANSITION FROM COVID-19**

**RESOLVED:**

- i. That the report of the Children’s Services 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 Children’s Services Scrutiny Committee’s recommendations.

Reasons for decision – to receive the recommendations of the Children’s Services Scrutiny Committee  
Other options considered – none  
Conflicts of interest / dispensations granted – none

**818 WASTE REDUCTION AND RECYCLING PLAN UPDATE**

**RESOLVED:**

That the Waste Reduction and Recycling Plan update be noted.

Reasons for decision – to note the progress made against the plan.  
Other options considered – none  
Conflicts of interest / dispensations granted – none

**819 RECOMMENDATIONS OF THE HEALTH AND CARE SCRUTINY COMMITTEE - REVIEW OF ADULT PAID CARERS**

**RESOLVED:**

- i. That the report of the Health and Care 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 Health and Care Scrutiny Committee’s recommendations.

Reasons for decision – to receive the recommendations of the Health and Care Scrutiny Committee  
Other options considered – none  
Conflicts of interest / dispensations granted – none

**820 PROCUREMENT STRATEGY FOR ISLINGTON CARERS HUB**

**RESOLVED:**

- i. That the procurement strategy for Islington’s Carers Hub be approved as outlined in the report.
- ii. That authority to award the contract be delegated to the Corporate Director of People in consultation with the Executive Member for Health and Social Care.

Reasons for decision – provide a varied package of support to assist informal carers in their caring role as well as enabling them to live fulfilling lives and maximise their individual wellbeing

Other options considered – as specified in the report, other options included in-house service delivery, direct negotiation, and re-procuring with another borough

Conflicts of interest / dispensations granted – none

821 **PROCUREMENT STRATEGY FOR ISLINGTON CARERS HUB - EXEMPT APPENDIX**

Noted.

MEETING CLOSED AT 7.10 pm

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## Report of: Executive Member for Finance and Performance

Meeting of	Date	Ward(s)
Executive	2 September 2021	All
Delete as appropriate	Exempt	Non-exempt

## **2021/22 BUDGET MONITORING – MONTH 3**

### **1. SYNOPSIS**

- 1.1 This report presents the forecast outturn position for the 2021/22 financial year as at the end of month 3 (30 June 2021). This is the first budget monitoring report presented under the new council directorate structure that took effect from 1 April 2021.
- 1.2 The budget forecasts remain very uncertain at this early stage in the financial year and recovery from the COVID-19 pandemic. Rather than a one-off event that the council's budget is recovering from, COVID-19 will continue to have a significant ongoing impact on the council's budget for the foreseeable future. There is a need to maintain and, where possible, increase resilience in the council's balance sheet and reserves to reflect hardening budget risks over the medium term.
- 1.3 Overall, the council is currently estimating total General Fund budget pressures of (+£22.731m). At present there are no forecast council tax or business rates income budget variances. After the allocation of available COVID-19 funding and an assumed allocation from contingency, this reduces to a forecast overspend of (+£0.181m) on the General Fund as follows:
- (-£11.714m) centrally allocated COVID-19 government grant confirmed to date, comprising general grant and Contain Outbreak Management Fund (COMF).
  - (-£2.436m) estimated compensation from the government's sales, fees and charges (SFC) income loss scheme for 2021/22 Quarter 1 (Q1).
  - (-£5.500m) COVID-19 contingency budget set aside as part of the 2021/22 budget setting process.
  - (-£2.900m) assumed call on contingency in relation to evolving assumptions on the 2021/22 local government pay award (negotiation still ongoing) compared to original budget setting assumption.

- 1.4 The Housing Revenue Account (HRA) is currently forecasting an in-year surplus of (-£15.079m), predominantly in relation to capital financing costs that are now expected to be incurred in future financial years. A significant proportion of the HRA budget is funding towards the housing capital programme. This means there can be large in-year fluctuations to revenue budgets when capital slippage occurs.
- 1.5 At the end of month 3, capital expenditure of £17.442m had been incurred against a 2021/22 full year forecast of £176.211m and against the revised 2021/22 capital budget of £203.203m. Within this, many schemes are still forecasting expenditure to budget pending a review of capital expenditure profiles that is currently underway. It is expected that this will result in re-profiling of the capital programme between financial years for approval in subsequent budget monitoring reports to the Executive.

## **2. RECOMMENDATIONS**

- 2.1. To note the forecast 2021/22 General Fund budget variance and summary update on the deliverability of agreed budget savings. (**Section 3, Tables 1-2 and Appendices 1-2**)
- 2.2. To note the forecast in-year budget variance on the Housing Revenue Account (HRA). (**Section 4**)
- 2.3. To approve the further proposed allocation of Carbon Offset Funding of £3.037m over the next three years to support delivery of the council's Net Zero Carbon programme. (**Paragraph 3.10 and Table 3**)
- 2.4. To note the 2021/22 capital expenditure forecast of £176.211m and that a review of the profiling of the capital programme is currently underway. (**Section 5, Table 4 and Appendix 3**)
- 2.5. To approve that £0.119m be added to the 2021/22 capital programme for additional works on the Bunhill 2 Project. (**Paragraph 5.4**)
- 2.6. To approve, following approval by the Borough Investment Panel on 29 July 2021, the proposed allocation of £1.740m Community Infrastructure Levy funding (strategic element) to the People Friendly Streets programme. (**Paragraph 5.5**)

## **3. GENERAL FUND**

### **Summary**

- 3.1. The forecast 2021/22 budget variance is summarised in **Table 1** and detailed by individual General Fund variance at **Appendix 1** and by individual service area at **Appendix 2**.

**Table 1 – 2021/22 General Fund Forecast Over/(Under)Spend**

<b>GENERAL FUND</b>	<b>COVID-19 £m</b>	<b>Non COVID-19 £m</b>	<b>Total £m</b>
Chief Executive's Directorate	0.000	0.000	0.000
Community Wealth Building	0.800	0.000	0.800
Environment	7.566	(3.979)	3.587
Fairer Together	0.252	0.000	0.252
Homes and Neighbourhoods	0.876	(0.876)	0.000
People – Children's	2.946	2.763	5.709

People – Adult Social Services	3.273	1.876	5.149
Public Health	0.488	(0.488)	0.000
Resources	2.105	0.000	2.105
<b>Total Directorates</b>	<b>18.306</b>	<b>(0.704)</b>	<b>17.602</b>
Corporate Items	2.229	2.900	5.129
<b>Total General Fund</b>	<b>20.535</b>	<b>2.196</b>	<b>22.731</b>
COVID-19 Tranche 5 Grant and COMF	(11.714)	-	(11.714)
SFC Q1 Compensation (Estimate)	(2.436)	-	(2.436)
COVID-19 Contingency Budget	(5.500)	-	(5.500)
Assumed Call on Contingency Budget	-	(2.900)	(2.900)
<b>Net General Fund Over/(Under)Spend</b>	<b>0.885</b>	<b>(0.704)</b>	<b>0.181</b>

3.2. The council's budget assumes the delivery of £25.814m of General Fund savings in 2021/22. **Table 2** summarises the deliverability of these savings on a Red-Amber-Green (RAG) basis. Overall, the vast majority (£17.448 - 67%) are rated as Green and currently on track to meet the target in full and on time. £8.366m are currently deemed to have risks around the timing and/or amount.

**Table 2 – RAG Rating of 2021/22 Savings**

Directorate	Green £m	Amber £m	Red £m	Total £m
Community Wealth Building	0.587	1.158	0.000	<b>1.745</b>
Cross-cutting	6.735	2.250	0.000	<b>8.985</b>
Environment	4.457	0.462	0.000	<b>4.919</b>
Fairer Together	0.124	0.000	0.000	<b>0.124</b>
Homes and Neighbourhoods	0.880	0.050	0.000	<b>0.930</b>
People – Adult Social Services	1.825	3.430	0.000	<b>5.255</b>
People – Children's	0.659	1.016	0.000	<b>1.675</b>
Public Health	1.839	0.000	0.000	<b>1.839</b>
Resources	0.342	0.000	0.000	<b>0.342</b>
<b>Total</b>	<b>17.448</b>	<b>8.366</b>	<b>0.000</b>	<b>25.814</b>

3.3. The forecast budget variance presented in this report incorporates latest best estimates on the deliverability of savings.

### **Chief Executive's Directorate (Breakeven Position)**

3.4. The Chief Executive is currently forecasting a breakeven position.

### **Community Wealth Building (+£0.800m)**

3.5. The Community Wealth Building directorate is currently forecasting a net overspend of (+£0.800m), comprised entirely of COVID-19 related budget pressures.

3.6. There are COVID-19 related budget pressures in the department which include:

- (+£0.548m) reduced income from the Assembly Hall.
- (+£0.100m) reduced income from Licensing.
- (+£0.213m) Additional pandemic response related costs e.g. hygiene maintenance.

- (-£0.062m) offsetting reduction in operational costs at the Assembly Hall.

### **Environment Directorate (+£3.587m)**

3.7. The Environment directorate is currently forecasting a net overspend of (+£3.587m), of which (+£7.566m) is attributable to COVID-19 related budget pressures.

3.8. 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. Early estimates indicate that the impact will see a loss in income across these areas of around (+£3.979m).
- Leisure related income – the council receives income from operating the leisure centres and from activities and events within our parks and open spaces. The forecast impact of this income loss is (+£3.015m).
- Other areas such as Commercial Waste, Registrars, and parks & sports events are also experiencing reduced levels of service and it is estimated that the net income loss across these areas will be (+£0.572m).

3.9. Based on prevailing activity the department is forecasting income totalling (-£3.979m) for Parking Bay suspensions, HMO licensing and across Highways fees. These activity levels are constantly monitored, and the forecasts will be refined based on emerging data.

#### *Funding for Net Zero Carbon Programme*

3.10. The Net Zero Carbon Executive Board and the Borough Investment Panel have recently recommended the further allocation of Carbon Offset Funding of £3.037m over the next three years (in addition to £1.023m previously allocated). The recommended allocations are summarised in **Table 3**.

**Table 3 – Proposed Allocation of Carbon Offset Funding for Approval**

<b>Description</b>	<b>21/22 £m</b>	<b>22/23 £m</b>	<b>23/24 £m</b>	<b>Existing Allocation £m</b>	<b>Proposed New Allocation £m</b>
Housing Low Carbon Delivery Manager	0.063	0.063	0.063	0.000	<b>0.189</b>
Installation of intelligent hot water circulation units	0.000	0.050	0.000	0.000	<b>0.050</b>
Islington Community Energy Fund	0.025	0.025	0.025	0.000	<b>0.075</b>
Energising small businesses grants	0.050	0.050	0.050	0.000	<b>0.150</b>
Energy team staff costs	0.575	0.575	0.575	(0.575)	<b>1.150</b>
Warmth on Prescription Scheme – Energy efficiency measures with tenants that are vulnerable to the effects of the cold/living in fuel poverty	0.448	0.448	0.448	(0.448)	<b>0.896</b>
Feasibility studies	0.100	0.100	0.025	0.000	<b>0.225</b>
Green electricity - Corporate Estate	0.061	0.070	0.070	0.000	<b>0.201</b>
Supplementary Planning Document Officer	0.038	0.050	0.013	0.000	<b>0.101</b>
<b>Total</b>	<b>1.360</b>	<b>1.431</b>	<b>1.269</b>	<b>(1.023)</b>	<b>3.037</b>

## **Fairer Together (+£0.252m)**

- 3.11. The Fairer Together directorate is currently forecasting an overspend of (+£0.252m) entirely related to the COVID-19 response and specifically the 'We are Islington' service. Additional overtime and salary related expenditure are being incurred due to extra support and assistance provided to the vulnerable, isolating and communities at large.

## **Homes and Neighbourhoods (Breakeven position)**

- 3.12. The Homes and Neighbourhoods 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).
- 3.13. The Housing directorate is currently forecasting a net breakeven position for the General Fund, comprised of (+£0.876m) COVID-19 related net budget pressures after specific grant funding and (-£0.876m) non COVID-19 related underspends.
- 3.14. COVID-19 has continued to cause budget pressures across homelessness and NRPF services of (+£0.876m). 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 homelessness service had to alter its service provision following a series of central government instructions. MHCLG has provided grants to partly offset these costs. The financial pressure is being met from wider departmental underspends and repurposed grants.
- 3.15. Underlying the COVID-19 impact are the continued financial pressures of the Homelessness Reduction Act 2017 and changes to the Statutory Homelessness Code of Guidance. This Act and amended Code are increasing the number of new homeless cases for the council and resulting in rising legal challenges.
- 3.16. Islington Lettings remains a cost pressure with long and short-term issues resulting in a high level of 'write offs' of uncollected rent (+£0.427m). Non-payers were estimated to be over 50% of all clients. Legal and administrative difficulties remain into 2021/22.

## **People (+£10.858m)**

- 3.17. The People directorate (comprising Children's, Employment and Skills and Adult Social Services) is currently forecasting a (+£10.858m) overspend.

### **Children's - General Fund (+£5.709m), Schools (-£5.561m)**

- 3.18. Children's is currently forecasting a net overspend of (+£5.709m), comprised of (+£2.946m) COVID-19 related budget pressures and risks and (+£2.763m) non COVID-19 related net overspends.
- 3.19. COVID-19 related budget pressures in the department comprise:
- (+£0.500m) forecast loss of parental fee income in Children's Centres due to sustained lower levels of attendance.
  - (+£0.407m) forecast commercial income risk in relation to the universal youth offer.
  - (+£1.597m) forecast net pressure against the children looked after placements budget, which is largely attributable to COVID-19. Several management actions have been put in place to control costs including:
    - Detailed review of costs pressures through the placements board.
    - Focus on increasing in-house recruitment of foster carers.

- Regional work across London regarding high costs placements, a local welfare secure unit for children who need their liberty restricted due to risk.
- Sub-regional block booking with Independent Fostering Agencies to reduce costs, by reducing boroughs competing for the same placement and pushing up cost.
- Service director approval required for all residential / high cost placements.
- (+£0.264m) forecast overspend against Special Educational Needs and Disabilities (SEND) transport due to the loss of curriculum income.
- (+£0.178m) other COVID-19 cost pressures.

3.20. None COVID-19 budget pressures are made up of:

- (+£0.177m) costs in relation to a delay in the conclusion of care proceedings and to SEND appeals. The use of Counsel is subject to service director approval to minimise this cost pressure.
- (+£0.393m) further cost risks in relation to the re-procurement of the youth offer. An enhanced offer will incur additional costs and there will be a risk to commercial income generated under the current offer.
- (+£0.327m) overspends due to a reduction in funding from the Youth Justice Board (despite rising activity) and staffing pressures to meet significantly increased caseloads in the SEND team in line with the SEND strategy and statutory duties.
- (-£0.100m) underspend on the council's Universal Free School Meals programme due to increased eligibility for government funded free school meals and falling pupil numbers.
- (+£0.262m) ongoing staffing pressure in relation to supporting increased numbers of care leavers in recent years.
- (£+0.125m) cost pressure in relation to increased demand for temporary accommodation.
- (+£1.090m) of in-year cost pressures in relation to early help, Islington Trauma Informed Practices in Schools (iTIPS) and Partners in Practice due to timing differences in relation to funding. The funding for these items has already been recognised in previous financial years.
- (+0.481m) ongoing cost of implementing the new Adolescent Support Intervention Programme that is projected to lead to future cost avoidance of £0.902m per annum. The service is targeted at teenagers through a wraparound intensive prevention programme of support that could prevent up to 11 young people becoming looked after.
- (+£0.008m) of other net underspends across the service.

3.21. There is an underspend of (-£5.561m) (3.5%) against the ring-fenced Dedicated Schools Grant (DSG) as follows and including (-£4.082m) of balances brought forward from previous years:

- (-£0.199m) unallocated funding in the Central School Services Block that is being held to smooth in reductions in funding in future years as the government continues to phase out funding for historic duties. (-£0.044m) of this underspend is a balance from previous years.
- (-£2.866m) estimated balance of high needs funding after allowing for forecast demographic cost pressures in the region of £1m. There is a high level of uncertainty in the high needs forecast at this point in the year. (-£1.542m) of this underspend relates to balances from previous years. The council is working closely with schools and other stakeholders to update the SEND strategy in order to ensure that the needs of children and young people with high needs are met.

- (-£0.463m) prior year balance in relation to funding for the statutory entitlement for 2-year old provision that is being held by Schools Forum to offset a future year funding risk.
- (-£2.033m) early years contingency balance from previous years that is being held to offset funding risks due to lower numbers in provision because of COVID-19, and to meet pressures in relation to early years SEND.

### **Adult Social Services (+£5.149m)**

- 3.22. Adult Social Services is currently forecasting a (+£5.149m) overspend. This is mainly (+£3.273m) attributable to the COVID-19 crisis, with a non COVID-19 overspend of (+£1.876m) in the Adult Social Services base budget.
- 3.23. The department is forecasting net COVID-19 related budget pressures of (+£3.103m) in relation to additional demand from the COVID-19 Hospital Discharge Service, as follows:
- (+£2.454m) in relation to cohort of people who entered a care package between 19 March 2020 and 31 August 2020 (funded by NHS to 31 March 2021) and between 1 September 2020 and 31 March 2021 (funded by the NHS for first 6 weeks).
  - (+£1.372m) in relation to the cohort of people who entered a care package between 1 April 2021 and 30 June 2021 (funded by NHS for first 6 weeks) and between 1 July 2021 and 30 September 2021 (funded by NHS for first 4 weeks). This is offset by estimated NHS funding of (-£0.723m). Review teams were set up to reduce the cost of these packages, however a pressure persists.
- 3.24. Additional COVID-19 budget pressures totalling (+£0.170m) include workforce pressures of running additional social work and occupational therapist capacity.
- 3.25. Non COVID-19 related pressures include a contract with Care UK to manage the delivery of three care homes and day centres. Since September 2020, a fire related suspension has prevented any new placements from using vacant beds across all three care homes. This has created a forecast budget pressure of (+£1.850m) due to additional spot purchased residential beds whilst also paying for the vacant beds in Care UK. The ongoing issue with the provider also creates a pressure of (+£0.172m) in relation to delivery of the 'Better Use of Block Provision' saving.
- 3.26. Budget provision had been set aside in order to fund Care UK to pay the London Living Wage to their staff. This is no longer anticipated to be agreed in 2021/22, resulting in a one-off underspend of (-£0.700m).
- 3.27. Adult Social Services continues to be impacted by wider demographic pressures, including increased demand for services and need of acute care. This is part-funded through demographic budget growth assumed in the 2021/22 budget. However, there is currently forecast to be an additional, unbudgeted demographic growth pressure of (+£1.421m) as well a pressure of (+£0.267m) in relation to delivery of demand management savings.
- 3.28. The additional clients entering Adult Social Services will also increase the amount of client contributions the council will receive. This partially offsets the pressures created from the additional demand by (-£0.600m). There is also a one-off balance on the Direct Payment accounts of (-£0.500m).
- 3.29. Other small non COVID-19 related underspends totalling (-£0.034m) make up the remainder of the non COVID-19 variance.

## **Public Health (Breakeven position)**

- 3.30. Public Health is funded via a ring-fenced grant of £27.365m for 2021/22. The directorate is currently forecasting a breakeven position, of which (+£0.488m) are COVID-19 related budget pressures.
- 3.31. COVID-19 is currently estimated to cause a pressure of (+£0.488m). The main COVID-19 budget pressures are in the Sexual Health division (increased online access to STI testing). This is fully offset by underspends, namely an underspend in the Sexual Health division of (-£0.472m) due to decreased levels of activity within areas of the service.
- 3.32. The following non COVID-19 related budget pressures of (totalling +£0.108m) are forecast across the directorate:
- (+£0.042m) within Smoking & Tobacco division for the additional cost of a two-year Smoke free Pregnancy project.
  - (+£0.046m) within Substance Misuse division, due to the service continuing to commission withdrawal services and homelessness health services for 2021/22, as a consequence of demand remaining high.
  - (+£0.020m) additional pressure across the department.
- 3.33. These non COVID-19 related budget pressures are fully offset by the following underspends in various divisions:
- (-£0.056m) within Sexual Health as a result of lower demand for GP Local Enhanced Services during the pandemic.
  - (-£0.034m) within Obesity and Physical Health predominantly due to a supplier folding at the start of 2021/22.
  - (-£0.019m) small underspends across the department.
- 3.34. In addition to the reported budget variance, the directorate is forecasting (+£0.353m) one-off projects and (+£0.250m) team posts that are to be funded by wider Public Health underspends and/or the public health earmarked reserve.

## **Resources (+£2.105m)**

- 3.35. The Resources directorate is currently forecasting a net overspend of (+£2.105m), comprised entirely of COVID-19 related budget pressures.
- 3.36. The most significant COVID-19 budget pressure in the directorate is an estimated (+£1.936m) of additional costs of IT related hardware and software solutions. Examples of these costs include the fit out of the council chamber for broadcasts, delays to schemes and additional infrastructure required to support rapidly increasing digitisation of services.
- 3.37. Additional costs (+£0.169m) include delays to the implementation of the case management system within Legal Services, the willingness of the courts to use e-bundling and loss of legal income from planning activities due to reduced demand.

## **Corporate Items (+£5.129m)**

- 3.38. The initial corporate items forecast is a (+£5.129m) overspend, comprising (+£2.229m) COVID-19 related pressures and non COVID-19 related net pressures of (+£2.900m).
- 3.39. The COVID-19 related corporate budget pressure relates to the implementation of the Council Tax Support Hardship Scheme for 2021/22, mirroring the scheme that ran to support residents in 2020/21.

- 3.40. The forecast non COVID-19 variance (+£2.900m) is in relation to evolving assumptions on the 2021/22 local government pay award. Following announcements from the Chancellor during the budget setting process, the council set aside provision for a zero percent general pay award together with an increase for those staff on the lower pay grades. It is now anticipated that the pay award will be higher than budgeted, however negotiations remain ongoing.

#### **Council Tax and Business Rates (Breakeven position)**

- 3.41. COVID-19 led to significant council tax income and business rates income losses in 2020/21. Whilst it is too early in the year and recovery from the pandemic to fully assess the budget outlook in this area, collection levels currently appear to be reassuring compared to the prudent assumptions made at 2021/22 budget setting. This resilience in collection is to some extent underpinned by the government's extension of Business Rates Reliefs and the Furlough Scheme. As such, a breakeven position on council tax and business rates is currently forecast.

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

- 4.1. The HRA is currently forecasting an in-year surplus of (-£15.079m), predominantly in relation to capital financing costs that are now expected to be incurred in future financial years. The HRA budget forecast is summarised in **Appendix 2**.
- 4.2. As the HRA is a ring-fenced account, a surplus or deficit at the end of the financial year will be transferred to or from HRA reserves.
- 4.3. A significant proportion of the HRA budget is funding towards the housing capital programme. This means there can be large in-year fluctuations to revenue budgets when capital slippage occurs. At month 3, there is a forecast net capital financing underspend on the HRA of (-£15.012m), comprising:
- (+£1.000m) capital cost pressure on the Andover 42 unit new build scheme, representing 3.5% of scheme cost.
  - (+£0.800m) pump room upgrades to facilitate operational effectiveness of Bunhill 2.
  - (+£0.180m) Holland Walk lighting improvement works.
  - (-£16.992m) anticipated New Build Programme slippage, which is simply moving the same expenditure into 2022/23. That is, capital expenditure has slipped into the next financial year and so has the HRA revenue funding required to finance the expenditure.
- 4.4. The remaining forecast budget variance (-£0.067m) is in relation to the following areas:
- (-£0.456m) additional generated income within the Rent and Service Charges department, representing 0.26% of budget.
  - (+£0.389m) HRA parking income shortfall as current data indicates that usage of car spaces and garages has failed to return to pre-pandemic levels. This could be partly due to a decline in the need to commute for work and behavioural changes influenced by the implementation of the Low Traffic Neighbourhood (LTN) initiative. There is a risk that HRA parking income could reduce further with the expansion of the Ultra Low Emission Zone (ULEZ) from October 2021.
- 4.5. Whilst the HRA is not expecting any material variances to result from COVID-19 related activities, there remains a risk that tenant rent and service charge arrears could increase when the furlough scheme ends in September 2021. However, a more significant factor of increasing arrears is the ongoing migration from Housing benefit (HB) to Universal Credit (UC). This is because tenants on UC typically hold much higher arrears (UC tenants average arrears of £1,400 and non UC tenants average arrears of £750).

- 4.6. An assessment as to the recoverability of arrears is reflected in the budget in the form of a provision for arrears that are deemed irrecoverable in the long term (also known as bad debt provision). The 2021/22 HRA budget includes a bad debt provision of (+£2.250m) to accommodate tenant rent arrears that are deemed irrecoverable. In addition, a (+£1.500m) one-off provision has been made available for any pressure that may arise from the migration of HB to UC. This assessment will be kept under review as the year progresses.

## 5. CAPITAL PROGRAMME

- 5.1. At the end of month 3, capital expenditure of £17.442m had been incurred against a 2021/22 full year forecast of £176.211m and against the revised 2021/22 capital budget of £203.203m. This revised 2021/22 budget now incorporates approved slippage from 2020/21.
- 5.2. The capital forecast at month 3 reflects initial forecast variances where available. However, many schemes are still forecasting expenditure to budget pending a review of capital expenditure profiles that is currently underway. It is expected that this will result in re-profiling of the capital programme between financial years for approval in subsequent budget monitoring reports to the Executive.
- 5.3. The latest capital position is summarised by directorate in **Table 4** and by project in **Appendix 3**.

**Table 4 – 2021/22 Capital Programme**

Directorate	Original Budget 21/22 £m	Outturn Slippage 20/21 £m	Revised Budget 21/22 £m	Spend to Date M3 £m	Forecast Outturn 21/22 £m	Forecast Variance/Slippage £m
Community Wealth Building	7.345	1.086	<b>8.431</b>	0.836	8.396	(0.035)
Environment	31.309	4.688	<b>35.997</b>	0.446	35.997	0.000
Housing	138.024	8.327	<b>146.351</b>	15.713	121.752	(24.599)
People	10.111	2.313	<b>12.424</b>	0.447	10.066	(2.358)
<b>Total</b>	<b>186.789</b>	<b>16.415</b>	<b>203.203</b>	<b>17.442</b>	<b>176.211</b>	<b>(26.992)</b>

- 5.4. There is a capital budget pressure on the Bunhill 2 Project due to additional professional fees resulting from COVID-19 measures. It is recommended that £0.119m is added to the current year capital programme for this, to be funded from within existing available capital resources.
- 5.5. For approval by the Executive, following approval by the Borough Investment Panel on 29 July 2021, the financing of the 2020/21 capital programme in the draft 2020/21 Statement of Accounts includes the allocation of £1.740m Community Infrastructure Levy funding (Strategic element) to the People Friendly Streets programme.

## 6. IMPLICATIONS

### Financial Implications

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

### Legal Implications

- 6.2. 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**

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

### **Resident Impact Assessment**

6.4. 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.

6.5. An equality impact assessment (EQIA) was carried out for the 2021/22 Budget Report agreed by Full Council. This report notes the financial performance to date but does not have direct policy implications, so a separate EQIA is not required for this report.

### **Appendices:**

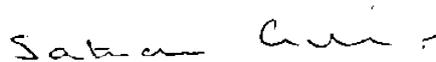
Appendix 1 – General Fund Revenue Monitoring by Variance

Appendix 2 – 2021/22 Revenue by Service Area

Appendix 3 – 2021/22 Capital Appendix

**Background papers:** None

**Signed by:**



20 August 2021

Executive Member for Finance and Performance

Date

**Report Author:**

Paul Clarke, Director of Finance

Martin Houston, Strategic Financial Advisor

**Legal Implications Author:**

Peter Fehler, Acting Director of Law and Governance

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**Appendix 1: 2021/22 General Fund Key Variances - Month 3**

Division	Type of Variance	Description	Over/(Under) Spend Month 3 £m
<b>COMMUNITY WEALTH BUILDING</b>			
Corporate Landlord	COVID-19 Loss of Income	Lost income from Assembly Hall Events	0.548
Planning & Development	COVID-19 Loss of Income	Lost income due to reduction in levels of Planning activity	0.100
Corporate Landlord	COVID-19 Additional Cost	Anticipated expenditure likely to be incurred as a result of COVID-19 hygiene maintenance of Assembly Hall: Air Handling System/Power upgrade to incorporate air handling/technological modification/IT/PPE	0.213
Corporate Landlord	COVID-19 Reduction in Cost	Reduced costs due to not holding events in Assembly Hall and reduced operation for Registrars	(0.062)
<b>Total CWB</b>			<b>0.800</b>
<i>Of which CV-19 pressures</i>			<i>0.800</i>
<b>Fairer Together</b>			
We are Islington	COVID-19 Additional Cost	We are Islington - Additional overtime/salary related expenditure incurred due to extra support and assistance provided to vulnerable, isolating and communities at large.	0.252
<b>Total Fairer Together</b>			<b>0.252</b>
<i>Of which CV-19 pressures</i>			<i>0.252</i>
<b>ENVIRONMENT</b>			
Environmental & Commercial Operations	COVID-19 Loss of Income	Deferral of Rent received from GLL for most of 21/22	3.015
Environmental & Commercial Operations	COVID-19 Loss of Income	Reduced levels of bay occupancy in 1st quarter	2.859
Environmental & Commercial Operations	COVID-19 Loss of Income	Reduced levels of permits and vouchers in 1st quarter	1.120
Environmental & Commercial Operations	COVID-19 Loss of Income	Reduced levels of commercial waste income in 1st half of year	1.012
Environmental & Commercial Operations	COVID-19 Loss of Income	Reduced income in park sports/events in 1st half of year	0.170
Public Protection	COVID-19 Loss of Income	Licensing/Table & Chairs - Reduced income in 1st half of year	0.090
Environmental & Commercial Operations	COVID-19 Reduction in Cost	Anticipated reduction in levy due to reduced commercial waste sales	(0.700)
Environmental & Commercial Operations	Non COVID-19 Cost Pressure	Additional costs on financial charges & NSL/PCN debt registration	0.356
Department Wide	Underspend	Additional parking income from Low Traffic Neighbourhoods roll-out, House of Multiple Occupation Licensing and Highways income	(4.335)
<b>Total Environment</b>			<b>3.587</b>
<i>Of which CV-19 pressures</i>			<i>7.566</i>
<b>HOMES &amp; NEIGHBOURHOODS</b>			
Housing Needs	Non COVID-19 Cost Pressure	Legal Costs - Pertaining to challenges to housing decisions. Fees for defence and third party legal fees in cases of defeat.	0.160
Housing Needs	Non COVID-19 Cost Pressure	Islington Lettings - Charges for voids and uncollected rent.	0.427
Housing Needs	Non COVID-19 Cost Pressure	SHPS (Single Persons Homelessness Prevention Scheme) - Unbudgeted contract	0.357
Housing Needs	Underspend	Temporary Accommodation: Nightly Booked/PSL	(0.576)
Housing Needs	Non-COVID-19 External Funding	Housing General Fund Non COVID-19 Grants	(1.244)
Housing Needs	COVID-19 Additional Cost	Homelessness services - Estimated cost of COVID-19 related cases in TA	1.269
Housing Needs	COVID-19 Additional Cost	Rough sleeping - accommodating and supporting those brought into alternative accommodation as a result of COVID-19. Provision is through Hotels.	1.661
Housing Needs	COVID-19 Additional Cost	Housing - other excluding HRA: Non-Recourse to Public Funds and Incentive Payments to Landlords.	0.669
Housing Needs	COVID-19 Loss of Income	Other income losses - potential write offs of uncollected rent rising as a consequence of COVID-19 hardship.	0.093
Housing Needs	COVID-19 External Funding	RSI 4 Grant - Not strictly a COVID-19 Grant, but repurposed to support Rough Sleepers	(0.912)
Housing Needs	COVID-19 External Funding	Increased Housing Benefit due to additional cases	(1.904)
<b>Total Housing</b>			<b>0.000</b>
<i>Of which CV-19 pressures</i>			<i>0.876</i>
<b>CHILDREN'S</b>			
Young Islington	COVID-19 Additional Cost	Cost risk in relation to underwriting income at Iseldon Community Interest Company (CIC) in 2021/22 for the contract extension period to the end of October 2021.	0.285
Young Islington	COVID-19 Additional Cost	Further estimated commercial income risk for period of dual running.	0.122
Safeguarding and Family Support	COVID-19 Additional Cost	Forecast pressure on Children's Social care placements budget. While an overspend is forecast, activity has reduced in the first quarter of the year.	1.597
Early Intervention and Prevention	COVID-19 Loss of Income	Impact of self-isolation and potential structural reduction in demand for paid for childcare provision post COVID-19 - 10% loss in income would cost £0.500m. This is consistent with income returns for April and May but more will be known after the summer term.	0.500
Learning and Culture	COVID-19 Additional Cost	Estimated increased cost of SEN transport due to COVID-19 and loss of curriculum income. This pressure is after drawing down provisional demographic growth allocations	0.264
Learning and Culture	COVID-19 Loss of Income	Cardfields: forecast reduction in income due to COVID-19	0.094
Learning and Culture	COVID-19 Additional Cost	Additional cost of cleaning BSF schools (Council share)	0.084
Young Islington	Non COVID-19 Cost Pressure	Estimated in-year pressure from the enhanced youth offer in 2021/22 that is currently being procured, including period of dual running with the existing contractor.	0.393
Young Islington	Non COVID-19 Cost Pressure	Risk of increased activity re. secure remand/reduction in grant funding from the Youth Justice Board. There has been an increase in activity that if it is sustained will lead to an overspend due to an in-year reduction in grant funding.	0.100
Safeguarding and Family Support	Non COVID-19 Cost Pressure	Additional demography related cost pressure - there have been increased numbers of care leavers in recent years (35% increase since 2017/18) and the Independent Futures service is facing increasing capacity issues to meet increased demand. This is creating an ongoing staffing cost pressure.	0.262
Safeguarding and Family Support	Non COVID-19 Cost Pressure	Potential underlying pressure in relation to care proceedings. Significant cost pressure in 2020/21, assumed will fall back somewhat in 2021/22 - 2019/20 pressure used as a proxy for 2021/22	0.127
Safeguarding and Family Support	Non COVID-19 Cost Pressure	Cost of the new ASIP prevention service that is projected to lead to future cost avoidance of £902k per annum. The service is targeted at teenagers through a wraparound intensive prevention programme of support could prevent up to 11 young people becoming looked after. This is an ongoing cost pressure.	0.481
Safeguarding and Family Support	Non COVID-19 Cost Pressure	PIP funding extension agreed by the Department of Education but could not be accounted for as a receipt in advance - grant income recognised in full in 2020/21, therefore this is a timing issue.	0.119
Safeguarding and Family Support	Non COVID-19 Cost Pressure	Increased demand for temporary accommodation - pressure estimated at £125k for 2021/22 based on average of 2019/20 and 2020/21 excluding COVID-19 impact.	0.125
Safeguarding and Family Support	Non COVID-19 Cost Pressure	Islington Trauma Informed Practices in Schools - structural shortfall to continue project. A business case is being prepared to expand the project from 2022/23.	0.118
Safeguarding and Family Support / Early Int	Non COVID-19 Cost Pressure	Commitments in Early Help against the multi-year budget provision (Fairer Together and Children's). Income recognised in full in 2020/21, therefore this is a timing issue.	0.853
Early Intervention and Prevention	Underspend	Unallocated grant aid budget	(0.023)
Learning and Culture	Non COVID-19 Cost Pressure	Legal costs in relation to SEND appeals	0.050
Learning and Culture	Non COVID-19 Cost Pressure	Increase in operational capacity of SEND Team to meet significantly increased caseloads as per the agreed SEND strategy and in line with our statutory duties. This is an ongoing cost pressure.	0.167
Learning and Culture	Underspend	Forecast reduction in cost of universal free school meals due to an expected reduction in pupil numbers and an increase in government funded free school meal (FSM) eligibility	(0.100)
Learning and Culture	Non COVID-19 Cost Pressure	Increased cost of school uniform grants as FSM numbers increase	0.050
Learning and Culture	Non COVID-19 Income Pressure	Increased cost of Post-16 bursary as FSM numbers increase	0.010
Learning and Culture	Underspend	Unallocated budget for Islington Community of Schools	(0.025)
Learning and Culture	Non COVID-19 Cost Pressure	Staffing pressure in the arts service and cost pressures within business support	0.056
<b>Total CES</b>			<b>5.709</b>
<i>Of which CV-19 pressures</i>			<i>2.946</i>
<b>ADULT SOCIAL SERVICES</b>			
Integrated Community Services	COVID-19 Additional Cost	COVID-19 additional demand from 2020/21 discharge schemes 1&2	2.454
Integrated Community Services	COVID-19 Additional Cost	Potential COVID-19 additional demand from 2021/22 discharge scheme 3	1.372
Integrated Community Services	Non COVID-19 Cost Pressure	Spot placement pressure due to the unavailability of Care UK Block Beds and delayed savings.	2.022
Integrated Community Services	Non COVID-19 Cost Pressure	Additional demand above demographic allocation for older people	0.354
Integrated Community Services	Non COVID-19 Cost Pressure	Projected additional demand above demographic allocation for older people based on current demand.	1.067
Adult Social Care	Underspend	Care UK London Living Wage provision	(0.700)
Integrated Community Services	COVID-19 Additional Cost	Social Workers, Occupational Therapist - 7-day week and 12 hour shift rota plus support staff & Brokerage.	0.170
Strategy & Commissioning	Non COVID-19 Saving over achievement	HRS Related Support Additional Saving	(0.213)
In House Services	Non COVID-19 Re-profiled Saving	In-House saving re-profiled	0.080
Integrated Community Services	Underspend	One-off Direct Payment Surplus	(0.500)
Integrated Community Services	Non COVID-19 Re-profiled Saving	Assistive Technology saving re-profiled	0.150
Integrated Community Services	Non COVID-19 Re-profiled Saving	Demand Management saving re-profiled	0.250
Integrated Community Services	Underspend	Additional Client Contribution due to increased placements	(0.600)

**Appendix 1: 2021/22 General Fund Key Variances - Month 3**

Division	Type of Variance	Description	Over/(Under) Spend Month 3 £m
Learning Disabilities	Non COVID-19 Cost Pressure	Additional Demand in Learning Disabilities	0.366
Learning Disabilities	Underspend	Transport Underspend from Day Centre Closures	(0.400)
Integrated Community Services	COVID-19 Additional Cost	Infection Control & Rapid Testing Costs	1.302
Integrated Community Services	COVID-19 External Funding	Infection Control & Rapid Testing Grants	(1.302)
Integrated Community Services	COVID-19 External Funding	NHS funding for Discharge scheme 3	(0.723)
<b>Total ASC</b>			<b>5.149</b>
<i>Of which CV-19 pressures</i>			<i>3.273</i>
<b>Total People</b>			<b>10.858</b>
<i>Of which CV-19 pressures</i>			<i>6.219</i>
<b>PUBLIC HEALTH</b>			
Children & Young People	Underspend	£4k underspend	(0.004)
NHS Health Checks	Underspend	Lower demand for NHS Health Checks during the pandemic has resulted in a minor underspend	(0.016)
Obesity and Physical Activity	Non COVID-19 Cost Pressure	£54k has been forecasted for the NHS salary uplift in 2021/22. This is offset by a minor underspend due to a supplier folding at the start of 2021/22.	(0.034)
Other Public Health	Non COVID-19 Cost Pressure	Predominantly due to various one-off Public Health commissioning projects (£144k)	(0.050)
Smoking & Tobacco	Non COVID-19 Cost Pressure	The Smoke free Pregnancy project has resulted in an overspend	0.042
Sexual Health	Underspend	Activity is expected to continue to be low for 2021/22. Consequently the division will continue to pay baseline tariffs to suppliers.	(0.472)
Substance Misuse	Non COVID-19 Cost Pressure	Demand has continued to be high in the first quarter of 2021/22. Consequently, the division will be paying the same contract value as the previous year.	0.046
Public Health	COVID-19 Additional Cost	Mainly due to an increase in online access to STI testing and treatment and online contraception	0.488
<b>Total Public Health</b>			<b>0.000</b>
<i>Of which CV-19 pressures</i>			<i>0.488</i>
<b>RESOURCES DIRECTORATE</b>			
Digital Services	COVID-19 Additional Cost	IT infrastructure costs	0.171
Digital Services	COVID-19 Additional Cost	IT equipment purchased and shipped for people whilst WFH, chargers, mobiles, headphones etc.	0.023
Digital Services	COVID-19 Additional Cost	Cost of additional helpdesk/engineer support (weekend work / overtime)	0.084
Digital Services	COVID-19 Additional Cost	Resource Costs	0.200
Digital Services	COVID-19 Additional Cost	Additional devices	0.130
Digital Services	COVID-19 Additional Cost	Courier/Transport Cost	0.005
Digital Services	COVID-19 Additional Cost	Software Subscriptions	0.126
Digital Services	COVID-19 Additional Cost	Support/Maintenance costs as a result of COVID-19	0.070
Digital Services	COVID-19 Additional Cost	Update Wi-Fi in key buildings to enable social distancing	0.123
Digital Services	COVID-19 Additional Cost	Fit out Council Chamber for broadcast	0.198
Digital Services	COVID-19 Additional Cost	Audio/Visual fit out	0.128
Digital Services	COVID-19 Additional Cost	Project overrun	0.170
Digital Services	COVID-19 Additional Cost	Digital Trainers	0.080
Digital Services	COVID-19 Additional Cost	PSN Remediation & Compliance (COVID-19 delay)	0.170
Digital Services	COVID-19 Additional Cost	Server 2008 migrations (COVID-19 delay)	0.148
Digital Services	COVID-19 Additional Cost	Working From Home Support Scheme - IT and furniture	0.110
Legal	COVID-19 Additional Cost	Delays on legal case management project	0.145
Legal	COVID-19 Loss of Income	Lost income due to reduction in legal service in regards to planning and property matters	0.024
<b>Total Resources</b>			<b>2.105</b>
<i>Of which CV-19 pressures</i>			<i>2.105</i>
<b>Directorates Total</b>			<b>17.602</b>
<i>Of which CV-19 pressures</i>			<i>18.306</i>
<b>CORPORATE</b>			
LCTS Hardship Scheme	COVID-19 Additional Cost	Local Council Tax Support Hardship scheme 2021/22 - Mirroring £150 deduction scheme provided in 2020/21	2.229
Pay Inflation	Non COVID-19 Cost Pressure	Assumed cost of 2021/22 pay award (TBC), in contrast to pay freeze assumed at 2021/22 budget setting	2.900
<b>Total Corporate Items</b>			<b>5.129</b>
<i>Of which CV-19 pressures</i>			<i>2.229</i>
<b>OVERALL GENERAL FUND</b>			<b>22.731</b>
<i>Of which CV-19 pressures</i>			<i>20.535</i>
COVID-19 Grant Tranche 5 and COMF Allocation 2021/22			(11.714)
SFC Q1 Compensation (Initial Estimate)			(2.436)
Assumed Call on Contingency Budget			(2.900)
COVID-19 Contingency Budget			(5.500)
<b>FORECAST NET GENERAL FUND</b>			<b>0.181</b>

## Appendix 2: 2021/22 Budget Monitoring by Service Area - Month 3

<b>GENERAL FUND</b>					
	Expenditure Budget	Income Budget	Net Budget	Forecast Outturn	Over/(Under) Spend Month 3
	£m	£m	£m	£m	£m
<b>CHIEF EXECUTIVE'S DIRECTORATE</b>					
Chief Executive's Office	0.430	(0.342)	0.088	0.088	0.000
Communications	2.136	(1.091)	1.045	1.045	0.000
<b>Total Chief Executive's</b>	<b>2.566</b>	<b>(1.433)</b>	<b>1.133</b>	<b>1.133</b>	<b>0.000</b>
<i>Of which CV-19 pressures</i>					<i>0.000</i>
<b>COMMUNITY WEALTH BUILDING</b>					
Community Finance Resilience	5.721	(3.445)	2.276	2.276	0.000
Corporate Landlord	24.854	(12.366)	12.488	13.188	0.700
Inclusive Economy	1.222	0.000	1.222	1.222	0.000
Planning & Development	3.928	(3.588)	0.340	0.440	0.100
Procurement	0.745	0.000	0.745	0.745	0.000
<b>Total Community Wealth Building</b>	<b>36.470</b>	<b>(19.399)</b>	<b>17.071</b>	<b>17.871</b>	<b>0.800</b>
<i>Of which CV-19 pressures</i>					<i>0.800</i>
<b>ENVIRONMENT</b>					
Business Performance & Improvement	1.126	(0.517)	0.609	0.609	0.000
Climate Change & Transport	18.913	(7.395)	11.518	10.845	(0.673)
Directorate	1.117	(0.560)	0.557	0.557	0.000
Environment & Commercial Operations	55.076	(66.538)	(11.462)	(6.292)	5.170
Public Protection	10.905	(7.881)	3.024	2.114	(0.910)
<b>Total Environment</b>	<b>87.137</b>	<b>(82.891)</b>	<b>4.246</b>	<b>7.833</b>	<b>3.587</b>
<i>Of which CV-19 pressures</i>					<i>7.566</i>
<b>HOUSING</b>					
Temporary Accommodation (Homelessness Direct)	11.924	(9.239)	2.685	1.786	(0.899)
Housing Needs (Homelessness Indirect)	4.565	(3.341)	1.224	1.936	0.712
Housing Strategy and Development	0.069	0.000	0.069	0.069	0.000
Housing Administration	1.099	(0.084)	1.015	0.979	(0.036)
No Recourse to Public Funds	1.401	(0.285)	1.116	1.339	0.223
Community Safety	0.512	(0.173)	0.339	0.339	0.000
<b>Total Housing</b>	<b>19.570</b>	<b>(13.122)</b>	<b>6.448</b>	<b>6.448</b>	<b>0.000</b>
<i>Of which CV-19 pressures</i>					<i>0.876</i>
<b>FAIRER TOGETHER</b>					
Strategy & Commissioning (Adults)	0.870	(0.489)	0.381	0.381	0.000
Customer Experience (Resources)	5.095	(2.850)	2.245	2.497	0.252
Voluntary & Community Services	3.745	(0.959)	2.786	2.786	0.000
Early Intervention & Prevention	0.000	0.000	0.000	0.000	0.000
<b>Total Fairer Together</b>	<b>9.710</b>	<b>(4.298)</b>	<b>5.412</b>	<b>5.664</b>	<b>0.252</b>
<i>Of which CV-19 pressures</i>					<i>0.252</i>
<b>CHILDREN'S</b>					
Young Islington	6.711	(1.354)	5.357	6.257	0.900
Safeguarding and Family Support	48.639	(7.393)	41.246	44.502	3.256
Learning and Culture	175.988	(155.884)	20.104	20.754	0.650
Early Intervention & Prevention	28.382	(17.335)	11.047	11.951	0.904
Strategy and Commissioning	(0.155)	(0.372)	(0.527)	(0.527)	0.000
Directorate	(0.038)	(0.062)	(0.100)	(0.100)	0.000
<b>Total Children's</b>	<b>259.527</b>	<b>(182.400)</b>	<b>77.127</b>	<b>82.836</b>	<b>5.709</b>
<i>Of which CV-19 pressures</i>					<i>2.946</i>
<b>ADULT SOCIAL SERVICES</b>					
Adult Social Care	(0.331)	(24.252)	(24.583)	(25.283)	(0.700)
In House Services	9.226	(3.235)	5.991	6.071	0.080
Integrated Community Services	51.118	(19.331)	31.787	37.803	6.016
Learning Disabilities	36.584	(8.236)	28.348	28.314	(0.034)
Strategy & Commissioning	40.313	(22.523)	17.790	17.577	(0.213)
<b>Total Adult Social Services</b>	<b>136.910</b>	<b>(77.577)</b>	<b>59.333</b>	<b>64.482</b>	<b>5.149</b>
<i>Of which CV-19 pressures</i>					<i>3.273</i>
<b>Total People</b>	<b>396.437</b>	<b>(259.977)</b>	<b>136.460</b>	<b>147.318</b>	<b>10.858</b>
<i>Of which CV-19 pressures</i>					<i>6.219</i>

## Appendix 2: 2021/22 Budget Monitoring by Service Area - Month 3

	Expenditure Budget	Income Budget	Net Budget	Forecast Outturn	Over/(Under) Spend Month 3
	£m	£m	£m	£m	£m
<b>PUBLIC HEALTH</b>					
Children 0-5 Public Health	3.672	0.000	3.672	3.672	0.000
Children and Young People	2.492	(0.160)	2.332	2.328	(0.004)
NHS Health Checks	0.265	0.000	0.265	0.249	(0.016)
Obesity and Physical Activity	0.957	(0.268)	0.689	0.655	(0.034)
Other Public Health	10.285	(31.202)	(20.917)	(20.895)	0.022
Sexual Health	7.294	(0.775)	6.519	6.463	(0.056)
Smoking and Tobacco	0.455	0.000	0.455	0.497	0.042
Substance Misuse	6.897	0.000	6.897	6.943	0.046
<b>Total Public Health</b>	<b>32.317</b>	<b>(32.405)</b>	<b>(0.088)</b>	<b>(0.088)</b>	<b>0.000</b>
<i>Of which CV-19 pressures</i>					<i>0.488</i>
<b>RESOURCES</b>					
Director of Resources	0.959	0.000	0.959	0.959	0.000
Digital Services	19.756	(6.381)	13.375	13.375	0.000
Digital Services Projects	0.000	0.000	0.000	1.936	1.936
Financial Management	6.322	(3.759)	2.563	2.563	0.000
Revenues & Technical Services	4.881	(1.419)	3.462	3.462	0.000
Community Finance Resilience	202.771	(204.143)	(1.372)	(1.372)	0.000
Internal Audit	0.682	0.000	0.682	0.682	0.000
Law & Governance	6.536	(3.610)	2.926	3.095	0.169
Human Resources	4.573	(1.751)	2.822	2.822	0.000
Transformation	0.952	(0.068)	0.884	0.884	0.000
<b>Total Resources</b>	<b>247.432</b>	<b>(221.131)</b>	<b>26.301</b>	<b>28.406</b>	<b>2.105</b>
<i>Of which CV-19 pressures</i>					<i>2.105</i>
<b>Directorates Total</b>	<b>831.639</b>	<b>(634.656)</b>	<b>196.983</b>	<b>214.585</b>	<b>17.602</b>
<i>Of which CV-19 pressures</i>					<i>18.306</i>
<b>CORPORATE</b>					
Business Rates Retention Scheme	0.000	(91.909)	(91.909)	(91.909)	0.000
Contingency	5.000	0.000	5.000	5.000	0.000
Corporate Financing	(24.698)	(0.950)	(25.648)	(25.648)	0.000
Council Tax	0.000	(99.249)	(99.249)	(99.249)	0.000
COVID-19 Contingency	5.500	0.000	5.500	5.500	0.000
COVID-19 Cross-Cutting Schemes	0.000	0.000	0.000	2.229	2.229
Cross-cutting Savings	0.000	(2.615)	(2.615)	(2.615)	0.000
Demographic Growth and Inflation	8.925	0.000	8.925	11.825	2.900
Levies	18.509	0.000	18.509	18.509	0.000
Pensions	12.116	(3.111)	9.005	9.005	0.000
Prior Year Collection Fund (Surplus)/Deficit	22.636	0.000	22.636	22.636	0.000
Transfer to/(from) Reserves	0.000	(15.047)	(15.047)	(15.047)	0.000
Revenue Support Grant	0.000	(24.594)	(24.594)	(24.594)	0.000
Specific Grants	0.000	(14.514)	(14.514)	(14.514)	0.000
Technical Accounting Adjustments	7.018	0.000	7.018	7.018	0.000
<b>Total Corporate Items</b>	<b>55.006</b>	<b>(251.989)</b>	<b>(196.983)</b>	<b>(191.854)</b>	<b>5.129</b>
<i>Of which CV-19 pressures</i>					<i>2.229</i>
<b>TOTAL GENERAL FUND</b>	<b>886.645</b>	<b>(886.645)</b>	<b>(0.000)</b>	<b>22.731</b>	<b>22.731</b>
<i>Of which CV-19 pressures</i>					<i>20.535</i>
COVID-19 Grant Tranche 5 & 2021/22 COMF Allocation					(11.714)
SFC Q1 Compensation (Initial Estimate)					(2.436)
COVID-19 Contingency Budget					(5.500)
Assumed Call on Contingency Budget					(2.900)
<b>NET GENERAL FUND</b>					<b>0.181</b>

## **Appendix 2: 2021/22 Budget Monitoring by Service Area - Month 3**

<b>HOUSING REVENUE ACCOUNT (HRA)</b>			
<b>Service Area</b>	<b>Net Budget</b>	<b>Forecast Outturn</b>	<b>Over/(Under) Spend Month 3</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Dwelling Rents	(160.528)	(160.850)	(0.322)
Tenant Service Charges	(18.261)	(18.395)	(0.134)
Non Dwelling Rents	(1.600)	(1.600)	0.000
Heating Charges	(1.947)	(1.947)	0.000
Leaseholder Charges	(15.700)	(15.700)	0.000
Parking Income	(2.397)	(2.008)	0.389
PFI Credits	(22.855)	(22.855)	0.000
Interest Receivable	(0.990)	(0.990)	0.000
Contribution from General Fund	(0.816)	(0.816)	0.000
Transfer from HRA Reserves	(19.010)	(19.010)	0.000
Other Income	(0.500)	(0.500)	0.000
<b>Income</b>	<b>(244.604)</b>	<b>(244.671)</b>	<b>(0.067)</b>
Repairs and Maintenance	35.258	35.258	0.000
General Management	53.455	53.455	0.000
PFI Payments	44.929	44.929	0.000
Special Services	24.475	24.475	0.000
Rents, Rates, Taxes & Other Changes	0.990	0.990	0.000
Capital Financing Costs	16.693	16.693	0.000
Depreciation (mandatory transfer to Major Repairs Reserve)	31.178	31.178	0.000
Revenue Contributions to Capital Expenditure	31.863	16.851	(15.012)
Bad Debt Provisions	3.513	3.513	0.000
Contingency	2.250	2.250	0.000
Transfer to HRA Reserves	0.000	0.000	0.000
<b>Expenditure</b>	<b>244.604</b>	<b>229.592</b>	<b>(15.012)</b>
<b>In-year (Surplus)/Deficit</b>	<b>0.000</b>	<b>(15.079)</b>	<b>(15.079)</b>

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Appendix 3: Capital Programme 2021/22 Month 3

Directorate/Scheme	Original Budget	M12 2020/21 Slippage	Current Budget	Forecast Outturn	Forecast Variance	Reason for Variance	Expenditure to Date	2020/21 Forecast Spent to Date
	£m	£m	£m	£m	£m	Dropdown	£m	%
<b>Community Wealth Building</b>								
Compliance and Modernisation (non-housing)	2.865	-	2.865	2.865	-	No Current Variance	0.022	1%
48 Seven Sisters Road	-	0.349	0.349	0.349	-	No Current Variance	0.105	30%
Finsbury Leisure Centre Development	0.925	0.035	0.960	0.925	- 0.035	No Current Variance	0.005	1%
Public Realm - Kings Square Shopping Area Public Space	0.547	-	0.547	0.547	-	No Current Variance	-	0%
Laycock Street	-	0.233	0.233	0.233	-	No Current Variance	-	0%
Jean Stokes Community Hub (General Fund Contribution)	0.250	-	0.250	0.250	-	No Current Variance	-	0%
GGF Affordable Work Space	-	0.727	0.727	0.727	-	No Current Variance	0.179	25%
Clerkenwell Green	1.781	-	1.781	1.781	-	No Current Variance	0.003	0%
Hungerford Rd Cladding Replacement	0.977	- 0.258	0.719	0.719	-	No Current Variance	0.522	73%
<b>Total - CWB</b>	<b>7.345</b>	<b>1.086</b>	<b>8.431</b>	<b>8.396</b>	<b>- 0.035</b>	<b>-</b>	<b>0.836</b>	
<b>Environment</b>								
Bunhill Energy Centre Phase 2	-	2.073	2.073	2.073	-	No Current Variance	- 0.453	(22%)
Cemeteries	-	0.002	0.002	0.002	-	No Current Variance	- 0.021	(1,050%)
Corporate CCTV Upgrade	1.500	0.224	1.724	1.724	-	No Current Variance	-	0%
Council Building Renovation (Special Projects)	0.085	0.101	0.186	0.186	-	No Current Variance	-	0%
Energy - LED Lighting Upgrades	0.334	-	0.334	0.334	-	No Current Variance	-	0%
Energy - Solar Panels on Corporate Buildings	0.334	-	0.334	0.334	-	No Current Variance	-	0%
Energy Services	-	0.441	0.441	0.441	-	No Current Variance	0.033	7%
Environment - Other	-	0.001	0.001	0.001	-	No Current Variance	-	0%
Greenspace - Barnard Park Renewal	0.903	-	0.903	0.903	-	No Current Variance	0.018	2%
Greenspace - Bingfield Park (including Crumbles Castle legacy)	0.682	-	0.682	0.682	-	No Current Variance	0.002	0%
Greenspace - Floodlight Upgrades	0.090	-	0.090	0.090	-	No Current Variance	-	0%
Greenspace - Greenspace (Park Improvements)	0.400	0.017	0.417	0.417	-	No Current Variance	0.018	4%
Greenspace - Highbury Bandstand/Highbury Fields	0.690	0.005	0.695	0.695	-	No Current Variance	-	0%
Greenspace - Other	-	0.182	0.182	0.182	-	No Current Variance	0.071	39%
Greenspace - New River Walk	0.403	0.032	0.435	0.435	-	No Current Variance	0.032	7%
Greenspace - Playground Water Features	0.030	- 0.039	-0.009	- 0.009	-	No Current Variance	-	0%
Greenspace - Tufnell Park all-weather pitch	0.400	-	0.400	0.400	-	No Current Variance	-	0%
Greenspace - Whittington Park Hocking Hall Community Centre Phase 1	0.941	0.027	0.968	0.968	-	No Current Variance	-	0%
Greenspace - Woodfall Park Improvements	0.205	-	0.205	0.205	-	No Current Variance	-	0%

**Appendix 3: Capital Programme 2021/22 Month 3**

Greenspace - Wray Crescent Cricket Pavilion	0.219	-	0.219	0.219	-	No Current Variance	0.021	10%
Highways	1.400	0.309	1.709	1.709	-	No Current Variance	0.223	13%
Islington Heat Networks	-	-	0.000	-	-	No Current Variance	-	100%
Leisure - Cally Pool	0.250	-	0.250	0.250	-	No Current Variance	-	0%
Leisure - Leisure repairs/modernisation	0.100	0.168	0.268	0.268	-	No Current Variance	0.004	1%
Leisure - Strategic Provision		-	0.000	-	-	No Current Variance	-	100%
Leisure - Sobell Leisure Centre		0.445	0.445	0.445	-	No Current Variance	-	0%
People Friendly Streets - Liveable Neighbourhoods	1.950	0.050	2.000	2.000	-	No Current Variance	-	0%
People Friendly Streets - Low Traffic Neighbourhoods	4.243	- 0.247	3.996	3.996	-	No Current Variance	0.087	2%
Recycling Site Improvement	0.100	-	0.100	0.100	-	No Current Variance	-	0%
School Streets	0.400	-	0.400	0.400	-	No Current Variance	-	0%
Section 106/CIL Funded Schemes	5.000	-	5.000	5.000	-	No Current Variance	-	0%
Section 106/CIL Other	-	-	0.000	-	-	No Current Variance	0.007	100%
Street Lighting	-	0.070	0.070	0.070	-	No Current Variance	-	0%
Traffic & Safety - Cycling	0.907	- 0.102	0.805	0.805	-	No Current Variance	0.148	18%
Traffic & Safety - Electric Vehicles	0.160	- 0.194	-0.034	- 0.034	-	No Current Variance	-	0%
Traffic & Safety - Enforcement	0.400	0.036	0.436	0.436	-	No Current Variance	0.081	19%
Traffic & Safety - Safety	0.778	0.179	0.957	0.957	-	No Current Variance	0.128	13%
Tree Planting Programme	0.239	-	0.239	0.239	-	No Current Variance	-	0%
Vehicle fleet electrification (infrastructure)	3.566	0.200	3.766	3.766	-	No Current Variance	-	0%
Vehicle Replacement	4.600	0.708	5.308	5.308	-	No Current Variance	0.047	1%
<b>Total - Env</b>	<b>31.309</b>	<b>4.688</b>	<b>35.997</b>	<b>35.997</b>	<b>-</b>		<b>0.446</b>	<b>1%</b>
<b>Housing - GF</b>								
HRA Current New Build Programme - General Fund Open Market Sales Units	15.909	1.665	17.574	14.193	- 3.381	Reprofiling - Largely CV-19	1.606	11%
HRA Pipeline New Build Programme - General Fund Open Market Sales units	5.881	-	5.881	5.881	-	No Current Variance	0.096	2%
<b>Housing - HRA</b>								
Housing Revenue Account Major Works and Improvements	40.000	-	40.000	32.393	- 7.607	Reprofiling - Partly CV-19	7.332	23%
HRA Current New Build Programme - HRA Social Rented Units	64.412	6.662	71.074	57.463	- 13.611	Reprofiling - Largely CV-19	6.502	11%
HRA Pipeline New Build Programme - HRA Social Rented Units	10.922	-	10.922	10.922	-	No Current Variance	0.177	2%
Jean Stokes community hub	0.350	-	0.350	0.350	-	No Current Variance	-	0%
Retrofitting Housing Estates - Pilot Projects	0.550	-	0.550	0.550	-	No Current Variance	-	0%

**Appendix 3: Capital Programme 2021/22 Month 3**

<b>Total - Housing</b>	<b>138.024</b>	<b>8.327</b>	<b>146.351</b>	<b>121.752</b>	<b>-</b>	<b>24.599</b>		<b>15.713</b>	
<b>People</b>									
Adult Social Care	0.505	- 0.035	0.470	0.470	-	-	No Current Variance	0.085	18%
Major Works	0.250	0.649	0.899	0.211	-	0.688	Underspend	0.030	14%
Schools	2.075	1.399	3.474	3.474	-	-	No Current Variance	0.248	7%
Schools Matching	-	0.040	0.040	0.040	-	-	No Current Variance	0.005	13%
Early Years	1.249	0.149	1.398	1.084	-	0.314	Reprofiling - Non CV-19	0.058	5%
Libraries	1.400	0.017	1.417	1.411	-	0.006	Other	- 0.005	(0%)
Adventure Playgrounds	2.100	0.094	2.194	0.844	-	1.350	Reprofiling - Non CV-19	0.026	3%
SEND	2.253	-	2.253	2.253	-	-	No Current Variance	-	0%
Other	0.279	-	0.279	0.279	-	-	No Current Variance	-	0%
<b>Total - People</b>	<b>10.111</b>	<b>2.313</b>	<b>12.424</b>	<b>10.066</b>	<b>-</b>	<b>2.358</b>		<b>0.447</b>	<b>4.44%</b>
<b>Total - Capital Programme</b>	<b>186.789</b>	<b>16.414</b>	<b>203.203</b>	<b>176.211</b>	<b>-</b>	<b>26.992</b>		<b>17.442</b>	<b>10%</b>

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

<b>Meeting of</b>	<b>Date</b>	<b>Ward(s)</b>
Executive	2 September 2021	All
Delete as appropriate	Exempt	Non-exempt

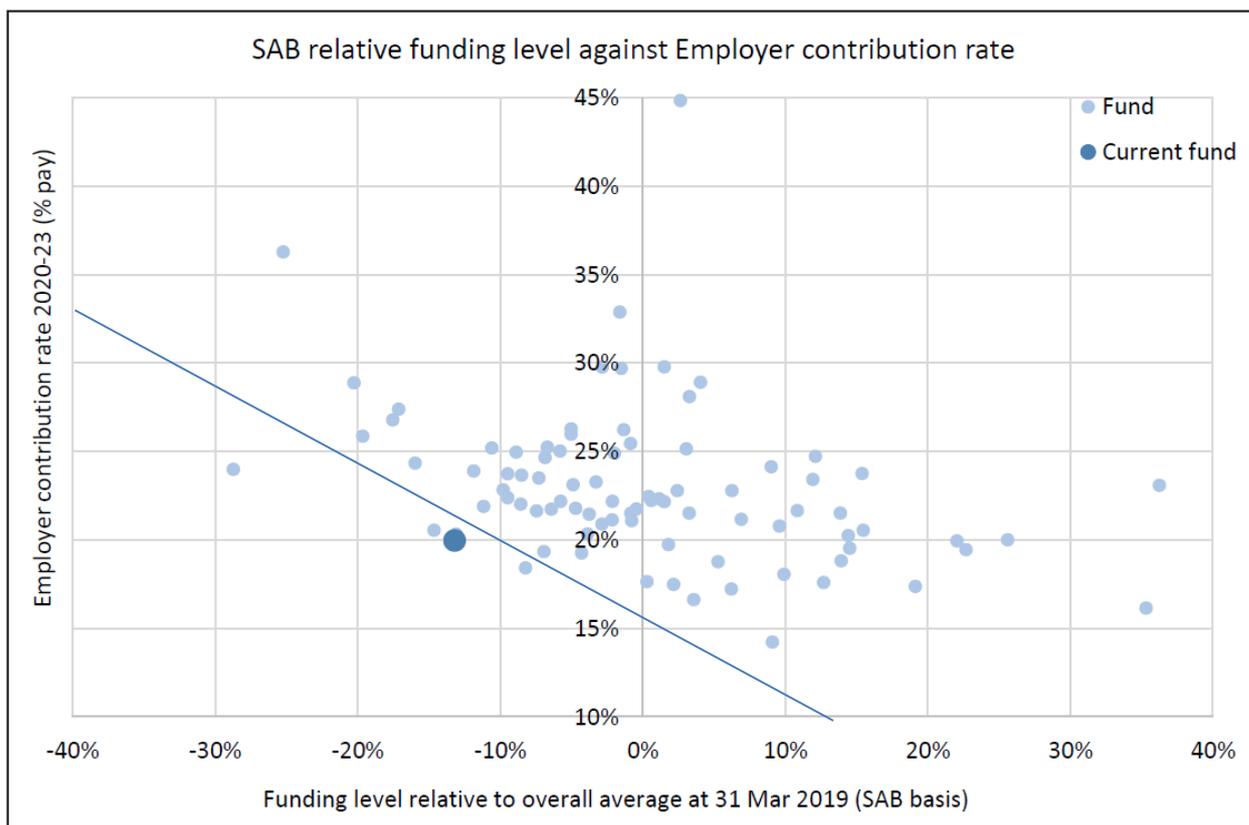
## **SUBJECT: London Borough of Islington Pension Fund Deficit**

### **1. Synopsis**

- 1.1 This report presents the latest valuation of the Council's Pension Fund deficit and options available to the Council to reduce this deficit. Eradicating the deficit would achieve reduced costs to the Council as an employer in the longer term.
- 1.2 At the last actuarial valuation (31 March 2019) Islington's pension liabilities were 85% funded within the Fund, resulting in a funding deficit of £249m. As a result of holding the deficit the Council incurs interest at an estimated rate of 4.2% per annum. The cash amount of payments required to pay off the deficit over the recovery plan period is estimated at around £360m. The recommended options would reduce revenue costs by just less than £14m over a 19 year period.
- 1.3 The actuarial valuation is the critical point at which contributions for the following 3 year period are set, taking account of the prevailing deficit level. As a result of market movements, this deficit will fluctuate between valuations however contributions will not change until the next valuation. Following improved market performance, lower than expected pension increases and a prepayment of contributions it is estimated the deficit is presently £67m. Should this value remain significantly lower than the £249m it would be good news however it should be noted that markets can go down as well as up and that it should not be assumed that the pension fund will end the valuation period at this improved funding level.
- 1.4 Because £249m is the agreed deficit at the valuation point and the £67m is an estimate based on fluctuating markets, the remainder of the paper will discuss the deficit based on £249m. The benefits quoted are not impacted by deficit numbers varying unless it is below the proposed payment level. Should the deficit value reduce

below the proposed payments, the payments will be reduced accordingly. Overall a benefit will exist and the scale of which will be reduced in proportion to the reduction in payment level.

- 1.5 The recommendations within this paper stand should the fund be in deficit. In the optimistic case that pension fund assets continue their performance levels and the deficit is eradicated then no additional payments to the Fund will be made.
- 1.6 Should the fund subsequently move in to surplus following additional payments being made, the actuary could agree a funding strategy whereby the excess assets reduce the Council's ongoing contribution. Alternatively, the Council could take the opportunity afforded to reduce the level of risk in its investment strategy – ie move funding allocations to safer, but lower yield assets. This would not reduce the ongoing contribution but would head off a risk of investments going down. Either of these outcomes would be positive for the Council and the increased borrowing resulting from the recommended decisions would be supported by a reduction in deficit recovery payments.
- 1.7 Each year the Government Actuary Department (GAD) produces a report on Local Government Pension Schemes. Islington is one of only four Funds in the country to be engaged by GAD as a result of flagging as amber.
- 1.8 The GAD use a method of review which looks at the relative funding level of a pension fund against the amount of contributions being made to pay off the deficit. This is a simplistic way of analysing and looks at the Fund's relative position against other funds rather than our own trajectory. Our deficit is reducing, but not as fast as other funds.
- 1.9 Based on the methodology used, the LBI Fund was the fourth lowest out of 87 funds in terms of a comparison with time taken to recover the deficit versus the anticipated deficit payments through to 2023. It is therefore important that the organisation takes steps to ensure its plans for deficit recovery are robust.
- 1.10 The graphic below was prepared by the GAD and it shows the distribution of the 87 pension funds in their analysis. The four below the line are those flagged as amber and engaged by the GAD to discuss our plans.



1.11 The Council has a number of potential options available to it in order to reduce the pension fund deficit and the key ones considered within this report are:

- 1) Repay the deficit as per the current deficit reduction plan
- 2) Full repayment via internal resources (reserves)
- 3) Full repayment via borrowing
- 4) Part repayment via flexible use of capital receipts
- 5) Part repayment through the HRA

1.12 Options 4 and 5 are the recommended options. Option 4 would generate an anticipated General Fund revenue saving of up to £7m spread across the remaining 19 years of the deficit recovery plan. Option 5 would immediately reduce the HRA balances by c£20m but allow a reduction in interest costs estimated at a further £6.9m over the recovery period. The use of the HRA balances therefore has no detrimental impact on services to residents or the housebuilding programme. Taken together the recommendations will reduce revenue costs by just less than £14m over a 19 year period.

1.13 Whilst previous performance is not an indicator of future performance, it is demonstrable that over the long term, the Pension Fund assets perform well. The Council must meet the interest costs of holding a deficit in the Pension Fund whereas if the assets were held in the Fund itself, they would historically have achieved significant additional returns.

- 1.14 Eradicating the Pension Fund Deficit is in the long term interests of the Council and its residents. Financially, the interest saved on the deficit can be recycled to invest in services. Within the HRA, paying off the deficit early means that funding can be freed up for long term house building projects. Additionally through the Fund's decarbonisation agenda, the additional assets which will sit within the fund will be invested in low carbon investments and therefore indirectly support the Council's net zero carbon agenda.
- 1.15 All Local Government Pension Funds are revalued once every three years. In between the valuations the Council can and will undertake periodic 'desktop' revaluations to understand how its assets and liabilities are moving. Where these reviews identify options available to the Council to minimise the deficit, these will be recommended as appropriate.

## **2. Recommendations**

- 2.1. To note that despite the deficit reducing, the London Borough of Islington Pension Fund was identified by the Government Actuaries Department as the fourth lowest fund out of 87 in terms of a comparison with time taken to recover the deficit versus the anticipated deficit payments through to 2023.
- 2.2. To note the options in relation to the reduction of the Fund deficit and the consequences of each option.
- 2.3. To approve deficit reduction options 4 and 5 to be taken forward for implementation, and recommend that the Section 151 officer in consultation with the Executive Member for Finance and Performance receive the appropriate delegation to approve the payments and budget adjustments in order to achieve successful implementation.
- 2.4. To approve the recommendation to Full Council on the 23<sup>rd</sup> September 2021 the adoption of a Flexible Use of Capital Receipts policy in order to achieve an ongoing revenue saving in relation to reduced costs of the Pension Deficit.
- 2.5. To note that further Executive approval may be sought to make subsequent payments from fortuitous underspends and flexible use of capital receipts where there is a clear rationale for this in the long term interests of residents.

### **3. Islington Pension Fund: Deficit Repayment Options**

#### **Option 1: Repay the deficit as per the current Funding Strategy Statement conditions**

- 3.1. Under the LGPS regulations the Council must maintain and publish a Funding Strategy Statement (FSS). The funding objective is to achieve and maintain a solvency funding level of 100% of liabilities. Where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall.
- 3.2. The deficit recovery plan assumes this deficit will be paid off in 19 years with effect from 1 April 2020 (expected to be 16 years from 1 April 2023).
- 3.3. This approach to deficit recovery is standard across the LGPS and there are no legal or accounting issues. By spreading the deficit recovery over 19 years the Council is able to manage this within annual revenue budgets.
- 3.4. However, for every year that Islington has a deficit on the Pension Fund it potentially loses returns that would be made were this income invested as part of the Pension Fund in the long term. In other words, the total contributions paid by the Council over the recovery period will exceed £249m due to compounding of interest on the initial deficit amount. Whilst the exact amount is dependent on market conditions and fund performance over time, based on the current deficit payment schedule at the 2019 valuation total contributions are expected to be £360m. (I.e. to bridge the deficit of £249m over 19 years the Council will actually have to make cash payments to the pension fund of £360m).

#### **Option 2: Full repayment of Pension Fund deficit – via internal resources (reserves)**

- 3.5. If the Council were to repay the deficit in full the Pension Fund it would generate returns on this amount from the outset and avoid the additional contributions associated with repayment over a longer time period (i.e. would need to make cash payments £249m to clear the deficit rather than £360m).
- 3.6. In order to ensure financial prudence, and ensure compliance with Treasury Management policies, the Council must have cash balances greater than the deficit payment that it wishes to make.
- 3.7. At the point of setting the 2021/22 budget, total revenue reserve balances were expected to be £255m at year end 2020/21, and £234m in March 2022. This would be right at the limit of the deficit recovery payment, were it to be made in full (~£249m). Additionally, approximately 60% of this balance is held within the HRA, but its share of the deficit is less than 20%. Of the remaining reserves, the Collection Fund deficit timing difference means that the total level of reserves is temporarily and artificially inflated.
- 3.8. In other words, if the Council were to repay the pension deficit in full it would leave itself with no reserves. This would clearly be hugely financially irresponsible as well as contravene Sections 32 and 43 of the Local Government Finance Act 1992 which

require local authorities to consider the level of reserves as part of their budget requirement. Even at the estimated reduced deficit level, using a significant proportion of reserves would leave them at an unsustainably low level.

- 3.9. For this reason, a full repayment of the deficit from reserves is not currently a feasible option for the Council as a whole. It is possible for the HRA to repay its element of the deficit in full and this option is included as option 5.

### **Option 3: Full repayment of Pension Fund deficit – via borrowing**

- 3.10. Given present economic circumstances the cost of borrowing from the PWLB is historically low, (~1.5% p.a. over a 15-20 year term). This compares favourably to the cost of holding a deficit on the pension fund, with the fund roughly accruing an annual expected cost of around 4.2%, if the actuarial projections are borne out in practice in the long term. This is not a guaranteed amount and varies due to the nature of the assets held in the pension fund but does provide a useful comparison versus the borrowing cost.
- 3.11. The table below represents the potential order of magnitude of this saving in the early years of the recovery plan if the Council were in a position to repay this deficit in full (i.e. pay off £249m in one lump sum). Over time this saving will reduce as the recovery deficit reduces (i.e. in the early stages of the recovery period the ratio of interest:principal payments is higher than at the later stages in a similar way to a typical mortgage arrangement).
- 3.12. For this reason, as well as the fact the actual performance of the fund will vary, the figures below should be viewed as illustrative only. Nonetheless, it indicates that there could be substantial revenue savings associated with this approach.

Pension Fund Deficit	£249m
Cost Accrued – Pension Fund (discount rate)	4.2%
Annual Revenue Cost	£10.4m
PWLB Certainty Rate – 19 year annuity (25/3/21)	1.56%
Annual Revenue Cost (assuming borrowing of £249m)	£3.9m
Allowance for Repayment (Spread over 50 years max)	£4.95m
Annual saving	£1.52m

- 3.13. However, borrowing solely for revenue benefits without the creation of a corresponding (non-current) asset is not permissible. In other words, the Council could not borrow solely with the intention of passporting money into the Pension Fund.
- 3.14. The Council is aware of another authority who has acquired shares in an investment company, allowing the authority through the investment company to purchase assets worth £72 million in the Local Government Pension Scheme (LGPS) to reduce the Council's pension fund deficit by a similar amount. The legal and accounting position on this arrangement is presently unclear.

3.15. Islington have engaged directly with the authority on this issue and will continue to monitor the situation to understand whether a similar approach may be feasible. As such this option is not presently recommended.

**Option 4: Part repayment of deficit – flexible use of capital receipts (General Fund)**

3.16. Rather than paying the deficit in full, the Council could make additional one-off payments, over and above the annual deficit repayment lump sums already budgeted for.

3.17. Under guidance issued by the Secretary of State in 2016, the Council has the ability for the ‘flexible use of capital receipts’. This means capital receipts can be used to fund any project that is designed to generate ongoing revenue savings in the delivery of public services. It is the Council’s view that the Pension Fund deficit payment would fall under this qualifying criteria and could be applied for this purpose directly.

3.18. Before the Council can flexibly use capital receipts it must prepare, publish and maintain a flexible use of capital receipts strategy. This must consider the impact of this flexibility on the affordability of borrowing by including updated prudential indicators. Full Council must approve this strategy before any qualifying expenditure is incurred.

3.19. The Council (General Fund) is expecting £30m of capital receipts in 2021/22, which could be used to make a one-off contribution towards the balance of the Pension Fund deficit. A further £24m of capital receipts is expected by 2023/24, which could be applied for the same purpose.

3.20. Using these capital receipts to reduce the Pension Fund deficit would reduce the total contribution that the Council would need to make to the Pension Fund, and the number of years over which the Council made these payments. This is illustrated in the table below, but it must be noted these are high-level estimates and the actual performance of the fund will vary so the figures below should be viewed as illustrative only.

	Capital receipt: £30m	Capital receipt: £54m
Total contribution to repay deficit	318	283
<b>Saving against current deficit payment schedule at 2019 valuation (estimated £360m)</b>	<b>(42)</b>	<b>(77)</b>
Initial capital receipt contribution	30	54
Borrowing cost (19 years - interest @at 1.56%)	9	16
<b>Net saving after cost of borrowing and repayment (£m)</b>	<b>3</b>	<b>7</b>

3.21. Capital receipts generated are currently used to support the funding of the Council's capital programme. Using the capital receipts for pension fund deficit payments would therefore have a corresponding impact on the amount the Council would need to borrow to fund its planned capital programme. The impact of this is also illustrated in the table above – even with the Council incurring these additional borrowing costs there is still a net benefit from early repayment contributions.

#### **Option 5 - Repayment of deficit - HRA**

3.22. This proposal does not impact on services to residents or the housebuilding programme. It proposes a more efficient use of cash reserves and does not represent a reduction in the funds available for investment over the 30 year business plan.

3.23. An element of the Council's pension deficit relates to the HRA and the HRA Business Plan currently assumes an annual £1.6m deficit contribution to the Pension Fund.

3.24. As outlined in option 2, a significant portion of the Council's reserve balances are currently held by the HRA. This includes £108m in Earmarked HRA Reserves and the HRA Balance (as at 31 March 2020).

3.25. Given the level of HRA balances currently held, the element of the deficit relating to the HRA (estimated at c.£20m) could be paid off in full. However, given the pension deficit is currently held corporately (i.e. Council-wide), further work is required by the actuary to value the portion of deficit exactly.

3.26. Whilst subject to final confirmation from the actuaries in terms of value, and accounting experts in terms of our treatment, it is recommended that, should those checks not identify any impediment, the HRA deficit is paid in full by the HRA and the associated forward looking business plan ceases to contribute a deficit recovery payment.

3.27. Based on an assumed £20m one off payment, a decision to pay off the deficit would release savings within the 30 year HRA Business Plan to reinvest in building new homes, investing in our stock and supporting our residents.

#### **4. Alternative Options Considered**

4.1. If the Council were able to treat the deficit recovery payment as an investment this would also be recorded on the Council's balance sheet rather than as a one-off expense in the Council's income and expenditure account. However, legal advice is that this payment would not meet the definition of an investment and this option has therefore presently been discounted. (This advice is consistent with that received by other authorities). This would also preclude the expenditure being treated as capital expenditure.

4.2. As with any investment held, returns from the Pension Fund are variable. Whilst in the long term the risk of negative growth is low, in some scenarios returns may be negative over a period of time. In this situation, early repayment of the deficit would result in a cost to the Council. Equally, the return could be much more beneficial if returns are higher than currently assumed.

4.3. Presently the rate certificate and agreed contributions are lower than theoretically required to reduce the deficit. There is a significant jump in contributions (c£6m) in

2026/27 planned. An additional option would be to create a smooth 'glide path' approach to that increase which contributes additional money to the deficit recovery plan in earlier years and gives a less stark increase in later years. This would see, for example, a £1m per year increase in contributions for 6 years. Clearly this would need to be considered in the context of the Council's wider financial position however the additional payments would generate longer term reductions in cost given the compounding of interest on the deficit. This option will be considered as part of the budget setting process and discussed with the actuary during the rate setting period.

## **5. Powers allowing the Council to make these payments**

- 5.1. Local authority pension funds operate under the provisions of the Public Service Pensions Act 2013 and the Local Government Superannuation Act 1972. The Council is the "administering authority" of the Islington Pension Fund (the Fund) under the Local Government Pension Scheme (LGPS). The Council is also one of the "scheme employers" in the Fund.
- 5.2. The LGPS is :- (1) A defined benefit scheme; and (2) A funded scheme, and the Council has duties to:
  - 5.2.1. Make minimum deficit recovery contributions, based on triennial actuarial valuations, under Regulation 62 of the LGPS Regulations and an actuarially prepared 3 years Rates and Adjustments Certificate (the Certificate), in order to secure the solvency of the Fund and its long term cost efficiency; and
  - 5.2.2. Make contributions to the Fund each year under Regulations 16 and 67-71 inclusive.
- 5.3. The wording and interpretation of the Regulations do not appear to prevent an authority making a prepayment of contributions, and the current Rates and Adjustments certificate allows for contribution over payments to be made. In practice where a prepayment extends beyond the period of the prevailing Rates and Adjustment Certificate (i.e. 31 March 2023 here), the deficit would be re-set at the next valuation to take into account the updated funding strategy and experience over the inter-valuation period (i.e. over 2019 – 2022). The impact of the prepayment would then be taken into account in future contribution outcomes arising from that valuation.
- 5.4. The Council has also sought legal advice from James Goudie QC who has advised that the Council has the legal power to make a beneficial prepayment in respect of its overall deficit (under the General Power of Competence in section 1 of the Localism Act 2011).
- 5.5. Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities.

- 5.6. The Local Government Act 2003 (“the Act”), section 15(1) requires a local authority “... to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify ...”.
- 5.7. The Statutory Guidance “Statutory Guidance on the Flexible Use of Capital Receipts (updated)” is issued under section 15(1) of the Act and authorities are therefore required to have regard to it.
- 5.8. The Statutory Guidance defines qualifying expenditure as ‘Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility’ and goes on to give examples of qualifying expenditure including: ‘Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation’.
- 5.9. It is the Section 151 Officer’s opinion that the approach described within this paper for the Flexible Use of Capital Receipts meets the definition required within the Statutory Guidance.
- 5.10. As detailed in paragraph 3.18 Full Council approval is required for the use of the capital receipt as referred to in the report.

## 6. Risk Assessment

- 6.1. The key risks relating to options 4 & 5 are as follows:

Risk	Implication	Mitigating actions
That markets underperform or investments reduce as a result of prevailing market conditions.	Investments can go down as well as up. The Council could put in additional money into the Fund only to see it reduce below the original value invested.	Having more assets in the Fund means that the difference between total value and the required value will be smaller than had no decision been made.  Investments into the Pension Fund are long term and overall will operate in cycles. A short term dip in assets will average out over time when this long term view is applied. A cyclical reduction in Fund value would not directly require additional investment from the Council.
The auditors don't agree with the Council's treatment	If the external auditors do not agree with the Council's accounting treatment of deficit recovery payments then they may issue an adverse	The Council has taken professional accounting advice and Counsel's advice on the legal and accounting implications. Officers will continue to liaise with the auditors prior to making the payments to the Fund.

<b>Risk</b>	<b>Implication</b>	<b>Mitigating actions</b>
	opinion on the Council's accounts.	
Capital receipts don't materialise	If capital receipts are not received then no payment can be made to the Fund.	A regular tracker will be maintained ensuring accurate forecasts of future receipts. No payments will be made until appropriate receipts are received.
Interest rates increase	If interest rates increase then the cost of substituting borrowing for capital receipts will increase meaning that it would cost more to go ahead with the capital receipts recommendation.	The prevailing interest rates will be compared to the effective interest rate incurred by the deficit and should the benchmark be exceeded then no payments of capital receipts will be made to the Fund.
No further fortuitous underspends occur	If no further one off funds are available to contribute to the Pension Fund deficit then the deficit recovery will take longer.	The Council will continue to manage its finances in a prudent, robust and forward looking way. This will ensure that opportunities for reducing the future costs of the deficit liability are taken wherever appropriate.
The Council needs to access its capital receipts after payment to the Fund	If the Council pays its capital receipts into the Pension Fund then it is no longer legally able to transfer them back for usage.	Robust financial planning of the Councils revenue and capital position will mean that this does not become the case.
Further 'current service' deficits occur	If the Council's current staffing structure costs more through an actuarial valuation than it is contributing for current (as opposed to historical) service then a new deficit will occur, increasing the overall deficit for the Fund.	This would not be a risk associated with making the payments – more of a risk mitigated by making additional payments.  Regular actuarial reviews of the Councils current service obligations are calculated and appropriate budgets set aside as part of the budget setting process.
The next triennial valuation increases the Fund deficit	If the next triennial valuation increases the deficit then the Council must consider the impact on its deficit recovery plan.	This would not be a risk associated with making the payments – more of a risk mitigated by making the payments.  The recommended additional payments would help to mitigate any increase in the deficit by increasing Fund assets.

Risk	Implication	Mitigating actions
		Valuations fluctuate as market conditions, assumed pay levels and life expectancy of membership assumptions change.
The next triennial valuation decreases the Fund deficit to zero or else a surplus	If the next triennial valuation reduces the Fund deficit to either fully or over funded then the Council will have foregone the benefit of the amounts transferred to the Fund unnecessarily.	Should the fund assets overperform and exceed a 100% funded position then the actuary could agree a funding strategy where the excess assets reduce the Council's ongoing contribution.  Alternatively, the Council could take the opportunity afforded to reduce the level of risk in its investment strategy – ie move funding allocations to safer, but lower yield assets. This would not reduce the ongoing contribution but would head off a risk of investments going down.

## 7. Implications

### Financial Implications

- 7.1 The amount chargeable to the General Fund of a local authority for pension contributions is a statutorily defined annual amount, the annual amount being that set out in the actuary's Rates and Adjustments certificate.
- 7.2 Given that the contributions are a statutorily defined annual charge, the accounting therefore follows the timing of the cash flows in relation to the charge due, which is an annual charge. In the normal course of events this means that a local authority would pay the contributions due annually in line with the rates and adjustments certificate. In other words if the rates and adjustments certificate specifies that the Council is to pay contributions of £10m in 2021/22 and £10m in 2022/23, then the Council is obliged to do so in the specified years.
- 7.3 The actuary's certificate covers a 3 year period and as such it is reasonably common for local authority prepayments to be made on a triennial basis. As such, the legal and accounting position for these prepayments are well established, unlike deficit recovery payments covering a longer time period.
- 7.4 Utilising borrowing instead of capital receipts will increase the Council's borrowing requirement. This is affordable and will remain within prudential indicators. Amendments to the capital financing of items within the capital programme will be required to accommodate the change.
- 7.5 Should the HRA extinguish its deficit using some of its balances, the £1.6m annual charge will be removed and will be available for reinvestment within the HRA Business Plan.

7.6 If the Council makes any form of additional payment to partially extinguish the deficit, the actuary will not review its rate certificate until the next valuation, meaning the Council must continue to pay against its expected contributions until they are revised. The following table sets out the presently agreed contributions together with the actuaries view of what contributions are theoretically required. The Council's deficit recovery plan currently assumes a significant step up in revenue cost in 2026/27. The lower payments in prior years is supplemented by a required additional performance on the pension fund's assets in order to make up the shortfall.

Year	Deficit Lump Sum Agreed £m	Full Theoretical Deficit Lump Sum £m
<b>2020/21</b>	8.2	13.39
<b>2021/22</b>	8.52	13.91
<b>2022/23</b>	8.85	14.45
<b>2023/24</b>	9.2	15.01
<b>2024/25</b>	9.56	15.60
<b>2025/26</b>	9.93	16.21
<b>2026/27</b>	16.84	16.84
<b>Total</b>	<b>71.1</b>	<b>105.41</b>

### **Legal Implications**

7.7 The legal implications of the recommendations are included within section 5 within this report.

### **Environmental Implications**

7.8 This report does not have any direct environmental implications.

### **Resident Impact Assessment**

7.9 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.

7.10 This report considers options for financial investment and does not have direct policy implications, so a separate RIA is not required for this report.

### **Conclusion and reasons for recommendations**

7.11 The Council is incurring additional costs in relation to holding a pension deficit. The recommendations support the reduction of this deficit in a financially advantageous way to both the General Fund and the Pension Fund. Should the recommendations not be adopted then the Council will continue to stand higher interest costs that it could avoid.

**Appendices:** None

**Background papers:** None

**Signed by:**

*Sabina Curran*

20 August 2021

Executive Member for Finance and Performance

Date

**Report Author:** Paul Clarke, Director of Finance

**Legal Implications Author:** Peter Fehler, Director of Law and Governance

## Report of: Executive Member for Housing and Development

Meeting of:	Date:	Ward(s):
Executive	2 September 2021	N/A

Delete as appropriate:		Non-exempt
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## SUBJECT: Local Development Scheme 2021

### 1. Synopsis

- 1.1 The Local Development Scheme (LDS) is the work programme which sets out how the Council will prepare and review its Local Plan and other planning guidance. Islington's adopted Local Plan comprises a number of separate Development Plan Documents including the Core Strategy, Development Management Policies, Site Allocations, Finsbury Local Plan and the North London Waste Plan (currently in preparation). The Local Plan is supported by various Supplementary Planning Documents (SPDs) which provide additional guidance on Local Plan policies.
- 1.2 Local authorities are required by statute to prepare and maintain an up-to-date LDS. The Executive approved the last version of the Local Development Scheme in September 2019.
- 1.3 The LDS requires revision in order to set out the timescale for the review of the Local Plan. Amending the LDS will also allow the document to reflect the revised timetable for the North London Waste Plan. Furthermore, the revised LDS includes timescales for the preparation of new or revision of existing Supplementary Planning Documents.
- 1.4 Following enactment of the Localism Act 2011, the Council is no longer required to submit the LDS to the Mayor of London and Secretary of State prior to its approval. However, the Mayor and Secretary of State retain the ability to direct changes to the LDS for the purposes of ensuring effective coverage of the authority's area by the development plan documents taken as a whole.

1.5 The LDS describes how the Council will exercise its statutory plan-making powers. Extensive consultation is undertaken on component parts of the Local Plan at key stages in their development. Publication of the LDS gives residents and interested parties advance notice of publication of planning documents, thus increasing their ability to participate in consultation.

## **2. Recommendations**

2.1 To approve the Local Development Scheme 2021 as set out in Appendix 1, and agree that the scheme is to have effect from 8 September 2021.

## **3. Background**

3.1 Local planning authorities are required to prepare an up-to-date work programme called the Local Development Scheme (LDS). Its main purpose is to provide a mechanism for the local community and interested parties to find out about Local Plan documents and planning guidance that the Council intends to review or produce over the coming three years. The LDS can be reviewed at any time.

3.2 The Council's Core Strategy was adopted in February 2011. The Council subsequently adopted the Finsbury Local Plan, Development Management Policies and Site Allocations in June 2013, which contain further detailed policies on how the Core Strategy will be delivered. A review of the Local Plan is currently progressing.

3.3 The revised LDS includes up-to-date timescales for the preparation of the Draft Local Plan, new Supplementary Planning Documents, as well as for the review of the existing SPDs.

3.4 The updated LDS at Appendix 1 focuses solely on statutory documents (i.e. those that are specifically governed by legislation) and does not include any non-statutory documents. The 2016 LDS referred to the following informal Planning Guidance Notes (PGNs):

- Promoting Sustainable Drainage Systems
- Islington Shopfront Design Guide
- Refuse and Recycling Storage Requirements
- Islington Tree Policy

3.5 Although these documents are no longer referred to in the LDS, they are still capable of being a material consideration for specific planning applications. It is also noted that the policies of the adopted and emerging Local Plan (which will have an increasing amount of weight in planning decisions up to adoption, when it has full weight) and some adopted SPDs cover the same topics as these PGNs.

## **4. Implications**

### **4.1 Financial implications:**

The LDS is a three-year work programme, which covers the period 2021 to 2023/2024. The work programme set out in the LDS will be funded through the Planning and Development budget. Some aspects of the LDS may need to be reprioritised and reprogrammed if the future budget is unable to support the full programme.

## **4.2 Legal Implications:**

The Planning and Compulsory Purchase Act 2004 S15 requires a local planning authority to prepare and maintain an LDS. The scheme must specify the local development documents which are to be development plan documents; the subject matter and geographical area to which each development plan document is to relate; which development plan documents are to be prepared jointly with one or more other local planning authorities; and the timetable for the preparation and revision of the development plan documents.

To bring the scheme into effect, the local planning authority must resolve that the scheme is to have effect and in the resolution specify the date from which the scheme is to have effect.

## **4.3 Environmental Implications**

The LDS itself is simply a work programme for the preparation of future Development Plan Documents and Supplementary Planning Documents, which will be subject to Sustainability Appraisal /Strategic Environmental Assessment (SA/SEA) requirements in due course. As such the LDS itself does not have any environmental 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 Resident Impact Assessment (RIA) has not been completed for the LDS as it is a work programme document (i.e. it is not in itself a policy or programme). All documents to be prepared which are identified within the work programme will be subject to an RIA during their production.

## **5. Reason for recommendations**

- 5.1 The revision of the Local Development Scheme is required in order to set out an updated timescale for the review of Islington's Local Plan, and for the preparation and review of Supplementary Planning Documents. It is recommended that the draft Local Development Scheme 2021 be approved and brought into effect on 8 September 2021.

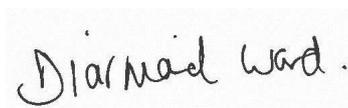
## **Appendices**

- Appendix 1 - Local Development Scheme 2021

**Background Papers:** None.

Final report clearance:

**Signed by:**

A handwritten signature in black ink that reads "Diarmaid Ward." The signature is written in a cursive style and is placed on a light-colored rectangular background.

19 August 2021

Executive Member for Housing and Development

Date

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# **Local Development Scheme September 2021**

# 1 About the Local Development Scheme

- 1.1. Islington Council has a duty to maintain a statutory Local Plan, which is used to inform decisions on planning applications in the borough. It also has a duty to maintain an up-to-date **Local Development Scheme (LDS)**<sup>1</sup>.
- 1.2. The LDS is a formal work programme which identifies which planning documents the council proposes to produce or review over the next three years, and when these documents are expected to be consulted upon and adopted.
- 1.3. This LDS sets out a timetable for a review of the Local Plan. In addition, it identifies when Supplementary Planning Documents will be produced and reviewed. Indicative timetables for document preparation and review are provided in Appendices 1 and 2.

## What's in a Local Plan?

A Local Plan contains planning policies which are used to make decisions on planning applications.

A Local Plan is composed of one or more **Development Plan Documents (DPDs)**. These documents are subject to a statutory preparation and adoption procedure, including an Independent Examination.

**Supplementary Planning Documents (SPDs)** are used to elaborate on policies contained in DPDs. They are not part of the Local Plan. SPDs are prepared using a set procedure for public consultation, but do not undergo Independent Examination.

The **Statement of Community Involvement (SCI)** sets out minimum standards for community involvement in both plan making and in determining planning applications. It is not part of the Local Plan. Islington's current SCI was adopted in May 2017.

# 2 National and London-wide planning policy

- 2.1. The government first published its National Planning Policy Framework (NPPF) in March 2012; the latest update was published in February 2019. This document sets out how councils should produce planning documents to guide the development and use of land within a local authority's boundary.
- 2.2. In 2011 the government introduced changes to the planning system through the Localism Act. This gave new powers to communities to produce Neighbourhood Plans (see Section 5 for details of neighbourhood planning in Islington).
- 2.3. The Mayor of London produces, and regularly reviews, a Spatial Development Strategy for London (known as the London Plan). All London boroughs' Local Plans must be in general conformity with this document. The new London Plan (called the London Plan 2021) was published in March 2021.

# 3 Islington's Local Plan

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<sup>1</sup> Prior to the Localism Act 2011, the LDS was required to be approved by the Secretary of State. This is no longer the case.

- 3.1.** Islington has an adopted Local Plan, which comprises the following documents:
- Core Strategy (February 2011)
  - Development Management Policies (June 2013)
  - Site Allocations (June 2013)
  - Finsbury Local Plan (June 2013)
- 3.2.** The Policies Map forms part of the statutory Development Plan, and reflects policies, designations and allocations arising from the DPDs. The Policies Map was also adopted in June 2013.
- 3.3.** The Council is reviewing its Local Plan. The Core Strategy and the Development Management Policies will be merged into a single document (called Strategic and Development Management Policies), whilst the Finsbury Local Plan (to be renamed as the Bunhill and Clerkenwell Area Action Plan) and the Site Allocations will remain as stand-alone documents.
- 3.4.** The council submitted the Draft Local Plan to the Secretary of State in February 2020 for examination which is the last stage of the plan making process. An indicative timetable for the adoption of the Draft Local Plan is provided at Appendix 1.
- 3.5.** An additional DPD – the North London Waste Plan – is progressing through the Examination process in partnership with the London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey and Waltham Forest. Boroughs are awaiting the Planning Inspector’s report.

## **4 Preparation and review of other planning documents**

- 4.1.** The following Supplementary Planning Documents and Statement of Community Involvement are extant (listed in order of adoption; most recent first). An indicative timetable for preparation of all non-Local Plan documents is provided at Appendix 2:
- Holloway Prison Site SPD (January 2018)
  - Statement of Community Involvement (May 2017)
  - Urban Design Guide SPD (January 2017)
  - Planning Obligations (Section 106) SPD (December 2016)
  - Location and Concentration of Uses SPD (April 2016)
  - Development Viability SPD (January 2016)
  - Basement Development SPD (January 2016)
  - Preventing Wasted Housing Supply SPD (July 2015)
  - Finsbury Park Development Framework SPD (March 2015)
  - Finsbury Park Town Centre – Joint SPD by Islington, Hackney and Haringey (June 2014)
  - Inclusive Design in Islington (Feb 2014)
  - Cally Plan SPD (January 2014)
  - Student Accommodation Contributions for Bursaries SPD (June 2013)
  - Affordable Housing – Small Sites Contributions SPD (October 2012)
  - Streetbook SPD (October 2012)

- Environmental Design SPD (October 2012)
- Mount Pleasant SPD (February 2012)
- Inclusive Landscape Design SPD (January 2010)
- Archway Development Framework SPD (September 2007)
- Nag's Head Town Centre Strategy SPD (May 2007)
- King's Cross Neighbourhood Framework SPD (July 2005)

**4.2.** Following the adoption of the new Local Plan, the status of the existing SPDs will be reviewed, which may lead to some SPDs being revised or cancelled. Additional new SPDs may be necessary following the adoption of the new Local Plan.

**4.3.** The council will update the LDS following adoption of the Local Plan to reflect any proposed changes to existing SPDs, and to identify any new SPDs which will be prepared.

## **5 Neighbourhood planning**

**5.1.** Three Neighbourhood areas have been designated in Islington, two of which also have designated forums:

- Crouch Hill & Hornsey Rise neighbourhood area was formally designated in November 2015.
- Mount Pleasant neighbourhood area and forum were formally designated in February 2016.
- Finsbury Park and Stroud Green neighbourhood area and forum were formally designated in September 2018.

**5.2.** Although the council provides guidance to community groups, Neighbourhood Forums are responsible for advancing neighbourhood planning in their areas and will work to their own timescales. Therefore, it is not possible to include timetables for the preparation of any potential Neighbourhood Plan.

## Appendix 1: Indicative timetable for Local Plan documents currently being prepared / scheduled for review

Development Plan Document	Evidence gathering / preparation	Consult statutory bodies on scope of SA	Regulation 18 consultations <sup>2</sup>	Publication of DPD and start of public consultation <sup>3</sup>	Submission to Secretary of State	Hearing sessions	Receipt of Inspector's report	Adoption
Strategic and Development Management Policies Page 51	Throughout 2015, 2016 and 2017	Summer 2016	Scope of the Review consultation: November 2016 Regulation 18 draft consultation: November 2018	September 2019	February 2020	Autumn 2021	Early 2022	Spring/ Summer 2022
Bunhill and Clerkenwell Area Action Plan (previously Finsbury Local Plan)	As above	As above	Scope of the Review consultation: Nov 2016; Site Allocations Direction of Travel: February 2018 Regulation 18 draft consultation: November 2018	As above	As above	As above	As above	As above

<sup>2</sup> Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012

<sup>3</sup> Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012

## Appendix 1: Indicative timetable for Local Plan documents currently being prepared / scheduled for review

Development Plan Document	Evidence gathering / preparation	Consult statutory bodies on scope of SA	Regulation 18 consultations <sup>2</sup>	Publication of DPD and start of public consultation <sup>3</sup>	Submission to Secretary of State	Hearing sessions	Receipt of Inspector's report	Adoption
Site Allocations	As above	As above	Scope of the Review consultation: Nov 2016; Site Allocations Direction of Travel: February 2018 Regulation 18 draft consultation: November 2018	As above	As above	As above	As above	As above
North London Waste Plan	Throughout 2013, 2014 and 2015	2013	July 2015	March 2019	Summer 2019	November 2019	Mid 2021	Late 2021

## Appendix 2: Indicative timetable for non-Local Plan documents

Document	Current document adopted	Current document status	Proposed review/production		Updated / new document status
			Formal Consultation	Adoption	
Conservation Area Design Guidelines	Various	Design Guidelines	Replace on ongoing basis.		SPD
Net Zero Carbon NEW	n/a	n/a	Spring/Summer 2022	Late 2022	SPD
Followway Prison Site	January 2018	SPD	No review scheduled		
Statement of Community Involvement	May 2017	SCI	No review scheduled		
Urban Design Guide	January 2017	SPD	No review scheduled		
Planning Obligations (S106)	December 2016	SPD	Autumn 2022	Early 2023	SPD
Location and Concentration of Uses	April 2016	SPD	No review scheduled		
Development Viability	January 2016	SPD	No review scheduled		
Basement Development	January 2016	SPD	No review scheduled		
Preventing Wasted Housing Supply	July 2015	SPD	No review scheduled		
Finsbury Park Development Framework	March 2015	SPD	No review scheduled		
Finsbury Park Town Centre Strategy	June 2014	SPD	No review scheduled		
Inclusive Design in Islington	February 2014	SPD	No review scheduled		
Cally Plan	January 2014	SPD	No review scheduled		
Student Accommodation Contributions for Bursaries	June 2013	SPD	No review scheduled		

## Appendix 2: Indicative timetable for non-Local Plan documents

Document	Current document adopted	Current document status	Proposed review/production		Updated / new document status
			Formal Consultation	Adoption	
Affordable Housing – Small Sites Contributions	October 2012	SPD	No review scheduled		
Streetbook	October 2012	SPD	No review scheduled		
Environmental Design	October 2012	SPD	Will be partly or wholly replaced by the new Local Plan and the new Net Zero Carbon SPD.		
Mount Pleasant	February 2012	SPD	No review scheduled		
Inclusive Landscape Design	January 2010	SPD	No review scheduled		
Archway Development Framework	September 2007	SPD	No review scheduled		
Nag's Head Town Centre Strategy	May 2007	SPD	No review scheduled		
King's Cross Neighbourhood Framework	July 2005	SPD	No review scheduled		



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

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Executive	2 September 2021	All

<b>Delete as appropriate</b>	<b>Exempt</b>	<b>Non-exempt</b>
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## **SUBJECT: Procurement Strategy for The Single Advocacy Service**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of The Single Advocacy Service in accordance with Rule 2.7 of the Council's Procurement Rules.

This report also seeks pre-tender approval to procure The Single Advocacy Service jointly with the London Borough of Camden.

- 1.2 The Single Advocacy Service will deliver a single point of access to a range of statutory and non-statutory advocacy functions in Islington (see 3.1). The service will support vulnerable adults aged 16+ in Islington, as well as residents outside of the borough where Islington retains statutory responsibility for the provision of these services.

### **2. Recommendations**

- 2.1 To approve the procurement strategy for The Single Advocacy Service as outlined in this report.
- 2.2 To delegate authority to award the contract to the Corporate Director of People in consultation with the Executive Member for Health and Social Care.
- 2.3 To agree that this service will be jointly procured with the London Borough of Camden.

### 3. Background

3.1 The Single Advocacy Service was first commissioned in August 2016, at which point it unified several fragmented advocacy functions under a new, integrated model. It has an annual budget of £417,000.

The service provides a single gateway into advocacy services for vulnerable residents aged 16+, and for residents outside the borough where Islington retains statutory responsibility for their provision. The service delivers several functions including:

- Statutory Independent Mental Capacity Advocacy (IMCA)
- Statutory Independent Mental Health Advocacy (IMHA)
- Statutory Independent Advocacy under the Care Act (ICSA)
- Statutory Deprivation of Liberty Standards (DoLS) conducted by Relevant Person's Representative (RPR)
- Independent NHS Complaints Advocacy (ICAS)
- Information, Advice and Guidance (IAG) meeting obligations under section 4 of the Care Act, outwardly advertised as "Community Advocacy"

The current contract is primarily provided by a Lead Provider, who sub-contract an element of the "Community Advocacy" function addressing IAG needs of residents with a Learning Disability to a Third Sector provider.

Our intention in re-commissioning our advocacy services is to retain our integrated model, in which our statutory advocacy functions are provided through a single "front door" function owned by a single provider. This model has proven successful in Islington and is increasingly being replicated across London and the country more broadly. This model of service allows for a "no wrong front door" approach to referrals, a reduction in failure demand, and a seamless experience of the service across various advocacy functions.

In re-commissioning our Single Advocacy Service, we also aim to retain the "Community Advocacy" function of the current service.

Whilst not providing "advocacy" under the legislative understanding of the term, this function nevertheless provides an effective early intervention and prevention service for residents who often fall in-between services and require support to self-advocate.

However, we will see to work closely with relevant stakeholders to ensure that the provision of this IAG focuses on areas of significant added value; utilises volunteers; and is embedded into the sector of similar IAG services in the borough to ensure effective, timely and relevant signposting.

We will also account for several upcoming changes to legislation and codes of practice that will impact on advocacy services, including:

- The Mental Capacity (Amendment) Act, which will replace the DoLS with Liberty Protection Safeguards (LPS), the plans for implementing which are under way in Islington in advance of its expected mobilisation in April 2022. Future arrangements under this amended legislation include having the LPS function undertaken by an IMHA rather than an RPR; a wider application that (as under the DoLS) hospitals and care homes; reduction of the age criteria to 16+; and inclusion

of hospitals, Clinical Commissioning Groups and care homes as potential Authorising Bodies (replacing the current role of the local authority as the Responsible Body).

- The introduction of a revised Mental Capacity Act Code of Practice, replacing the current separate codes of practice for the Mental Capacity Act and DoLS. This is due to be published in Spring 2021, and may be supported with specific funding streams to support its implementation.
- Proposed legislative reforms to the Mental Health Act, expected to include clearer, stronger detention criteria and give patients more substantive rights to challenge detention.

Professionals engaged in this procurement to date have indicated that these changes will lead to a greater volume of referrals for advocacy services as these changes are implemented, particularly given the wider scope for providing IMCA support in the community under the LPS. For this reason, we are not looking to generate budget efficiencies from this procurement.

In commissioning a new Single Advocacy Service we will address council priorities, including:

- **Social Value:** This will include work to develop a volunteer bank, particularly in our commissioning of IAG under this contract, and continuing to encourage smaller, local providers to be involved in the delivery of this service via sub-contractual partnerships. We will also require providers to develop and present their own ideas for providing significant Social Value through the tender process for this contract.
- **Challenging Inequalities:** This will include delivering bespoke advocacy training to smaller local organisations enabling the borough's Third Sector to more readily self-advocate for its service users, commissioning bespoke projects exploring advocacy issues relating to marginalised groups (e.g. homeless residents, non-English-speaking residents, BME residents), and utilising learning from recent Safeguarding Adults Reviews.
- **Fairer Together:** This will include more closely involving our advocacy service and utilising its relationships with service users and the third sector in conversations surrounding the design and delivery of statutory services (e.g. integrated locality teams, the Adult Social Care Policy Group).

In commissioning a new Single Advocacy Service, we will pursue a joint procurement with the London Borough of Camden.

Several options were discussed departmentally – for more information see 3.4. There is a preferred option primarily because of the similarities in the commissioning intentions of the two boroughs, who seek to either retain (Islington) or commission a new (Camden) an integrated service model of advocacy functions. Islington and Camden currently commission the same number of hours (10,000) of advocacy per year.

Islington and Camden also share a Mental Health Foundation Trust, and from engagement with stakeholders within the Trust there is support for a joint procurement across the two boroughs. This would reduce failure demand, in which a service user of the Trust is referred to the incorrect borough's advocacy service, as well as facilitate the changes to responsible bodies due to be implemented by the introduction of the LPS.

In addition, Islington and Camden share a commitment to Social Value, to sub-contracted elements in advocacy provision, and to the use of volunteers.

A larger service encompassing both boroughs will allow for greater flexibility in managing fluctuations in referrals for advocacy across the two boroughs. This is particularly beneficial when accounting for the introduction of the LPS, after which we expect a greater number of referrals from a greater number of referring bodies.

Islington will continue to have intensive oversight of our advocacy service following the implementation of this contract, via joint borough and borough specific contract monitoring meetings.

Commissioners in Islington will take part in joint contract monitoring meetings with the successful provider(s) and commissioners in Camden, discussing trends across the two boroughs and facilitating joint improvements or changes where necessary. However commissioners in Islington will also conduct borough-specific meetings with the successful provider(s) and Islington-specific professional stakeholders to assess both the performance of our advocacy services and referring bodies.

### 3.2 Estimated value

The estimated maximum value of this contract will be £5,838,000 over a maximum seven year period. As this funding will be split 50/50 between Islington and Camden, the total maximum value of this contract for Islington will be £2,919,000. This is based on a maximum annual cost of £834,000, with each borough contributing a maximum of circa £417,000 per annum. In Islington, the annual budget is inclusive of a small contribution of £30,000 per annum from the CCG, paid through the section 75 agreement. The continuation of this contribution has been agreed at the CCG's section 75 meeting.

This will be advertised as a forty eight month contract with two optional extensions, of 24 months and twelve months respectively.

The proposed annual budget for the procurement is the same as the current annual contract value for this service. As the procurement of this service dovetails with several legislative changes that will impact our advocacy provision, we recommend ring-fencing this service from considerations relating to budget efficiencies. This accounts for the fact that demand for Independent Advocacy under the LPS is still unknown, but modelling suggests demand will increase.

Any percentage reduction in the budget would impact on the ability of the borough to meet its statutory duties for the provision of advocacy.

Benchmarking has revealed that spend on our advocacy services is in line with several of our neighbouring boroughs.

### 3.3 Timetable

The timetable for the Islington internal governance sign-off for the procurement of this service is:

<b>Key milestone</b>	<b>Date</b>
Approval of the strategy by the Executive	2 September 2021
Contract notice advertised	November 2021
Evaluation	January 2022
Contract award	February 2022
Mobilisation period	February 2022 – May 2022
Contract start date	1 June 2022

The current Islington contract for Single Advocacy Service expires on 31 May 2022, meaning that the new contract must be in place for a start date of 1 June 2022.

The current Camden contracts for advocacy services expire on 31 September 2022, meaning that their contractual arrangements must be in place for a start date of 1 October 2022.

We have so far consulted with several colleagues in the statutory sectors including Strategy and Commissioning (LBI), Adult Social Care operations (LBI, and including the Islington Learning Disabilities Partnership), the NCL CCG, The Whittington Hospital, the Mental Health Foundation Trust, our providers, and advocacy commissioners across the geographic patch of the NCL (Barnet, Camden, Enfield, Haringey and Islington).

We have also consulted with Third Sector organisations including national providers of advocacy services, mental health services, older peoples' services, services for residents with learning disabilities, Healthwatch, local BAME organisations, and providers in the homelessness sector.

We will continue to engage with these stakeholders and others in advance of the procurement.

### 3.4 Options appraisal

Four procurement options have been explored with an options appraisal. A precis of these options is set out below.

#### **Option 3 is the recommended option.**

<b>Option</b>	<b>Benefits</b>	<b>Drawbacks</b>
1. In-sourcing this service	N/A	These services cannot be in-sourced as they provide services that are explicitly commissioned to be independent from the Council and other statutory services.
2. Procuring as a single borough	Retention of integrated model. Existing, strong local partnerships in place. Understanding of local VCS. Understanding of localised interpretations of legislation.	Fragmented working arrangements between Mental Health Foundation Trust and advocacy provision (IMHA) and hospitals and advocacy provisions (IMCA). Limited capacity to respond to surges in demand.
3. Jointly procuring the service with the London Borough of Camden	Shared commissioning intentions vis a vis integrated model.	Staggered implementation process across June-October.

	<p>Shared commissioning intentions vis a vis "Community Advocacy" IAG function.</p> <p>Feasibility of "commissioning in" autonomy between boroughs' advocacy functions to retain different approaches and keep strong local relationships intact.</p> <p>Greater potential to respond to fluctuations in demand.</p> <p>Shared ambitions vis a vis Social Value, volunteering.</p> <p>Non-cashable benefits for Mental Health Foundation Trust through making IMHA referrals more efficient.</p>	
4. Jointly procuring this service with Camden Council and Haringey Council	<p>Feasible to "commission in" autonomy between boroughs' advocacy functions to retain different approaches and keep strong local relationships.</p> <p>Provider will have greater potential to respond to fluctuations in demand, with a more substantial workforce.</p> <p>Facilitation of non-cashable benefits for hospitals, particularly The Whittington, by making IMCA referrals more efficient – "no wrong front door".</p>	<p>Staggered implementation process across June – November 2022.</p> <p>Possible that Haringey will extend contract to November 2023.</p> <p>Haringey do not necessarily share commissioning intentions with regards to integration of advocacy provisions.</p> <p>Haringey do not necessarily share commissioning intentions with regards to Community Advocacy function.</p> <p>As Camden and Islington commission more hours of advocacy per annum, arrangements would need to be put in place to ensure these boroughs do not subsidise others' advocacy functions.</p>
5. Jointly procuring this service with all other NCL boroughs	<p>Opportunity for budget savings to be achieved via economies of scale.</p> <p>Alignment of advocacy functions with NCL footprint.</p> <p>Provider will have greater potential to respond to fluctuations in demand, with a more substantial workforce.</p> <p>Conducive to improved understanding of advocacy provision across the NCL.</p> <p>Facilitation of non-cashable benefits for C&amp;I by making IMHA referrals more efficient – "no wrong front door".</p> <p>Facilitation of non-cashable benefits for hospitals by making IMCA referrals more efficient – "no wrong front door".</p>	<p>Staggered implementation process across June – November 2022.</p> <p>Possible that Barnet, Enfield and Haringey will extend contract to November 2023.</p> <p>Loss of localised relationships with VCS.</p> <p>Loss of localised interpretation of legislation, though this could be considered during procurement, especially with regards to Care Act advocacy.</p> <p>Misalignment of boroughs' commissioning intentions.</p> <p>As Camden and Islington commission more hours of advocacy per annum, arrangements would need to be put in place to ensure these boroughs do not</p>

		<p>subsidise others' advocacy functions. Budget savings could not come to fruition due to expected increase in referrals to advocacy services. Potential risk of losing strong local relationships with VCS.</p> <p>Similar exercises across Barnet, Enfield and Haringey failed to generate budget savings. Potential for loss of oversight of Islington-specific advocacy performance, trends and analysis, as expectation would be that procurement and monitoring would be completed by a Lead Borough.</p>
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### 3.5 Key Considerations

In addition to the local economic benefits of the service being provided in Islington, social benefits clauses will be in place with an emphasis on the following:

- The service being part of the fabric of the local community, supporting and encouraging residents of all demographics, with a particular focus in increasing access to marginalised groups and partnership with smaller, hyper-local organisations;
- Engagement with VCS services, including exploring sub-contracting opportunities via market warming, market engagement and networking events;
- Supporting smaller organisations in the borough to develop equal partnerships and positive relationships with the service;
- Utilising volunteers.

The following additional opportunities for Social Value have been identified and will be undertaken as part of the new contract:

- Supporting and promoting purchasing from the local supply chain where possible;
- Supporting and encouraging the adoption of specific workplace health initiatives;
- Providing voluntary and employment opportunities to Islington residents, including through Islington's in-house employment portal;
- Evidencing progression and training opportunities for staff, implementation of equality and diversity policies, and enabling security of employment for the workforce.

London Living Wage will be a condition of this contract where permitted by law.

The service will implement a robust performance-monitoring framework so that value for money, quality, outcomes and cost effectiveness can be assessed. This will include activity levels, and evidence of outcomes achieved as measured against Key Performance Indicators and outcomes.

Regular contract monitoring reviews will take place and the provider will submit information on the service on a quarterly basis. This process will allow for continuous improvement and service development. The service specification will include provisions to ensure that the provider offers continuous improvement against delivery targets, and works with commissioners and service users to co-produce a service where innovations can be quickly implemented.

TUPE will apply for this procurement.

### 3.6 Evaluation

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

Tenders will be evaluated on the basis of the price and ability to deliver the contract as set out in the evaluation criteria below. Commissioners intend to include service users, experts by experience and/or family carers in the evaluation process.

The proposed headline evaluation criteria are below. As the procurement is a joint exercise with Camden, the questions below each headline criteria are subject to agreement with commissioning colleagues in Camden, and other key stakeholders.

Cost – 30%

Quality – 70%, including:

- 30% Service Model
- 20% Social Value
- 10% Implementation
- 10% Co-Production

A high quality component is proposed because of a number of factors, including:

- The particularly sensitive nature of the service and vulnerable service users involved.
- The need to secure suitably qualified advocates to act in the statutory advocacy roles and the limited amount of current supply in this respect.

### 3.7 Business Risks

Both boroughs have nuanced differences in their interpretation of the Care Act and, therefore, the manner in which both boroughs utilise Care Act Advocacy. However, commissioners across Islington and Camden are confident that these differences can be accounted during the procurement, in specifying that while the boroughs share a "front door" each borough will retain a bespoke team of independent advocates.

Another risk relates to contract end dates, as the boroughs' contract end dates are not aligned, with Camden's contracts for advocacy lined up to end several months after Islington (in September 2022, while Islington contracts end May 2022). However, Camden

colleagues have agreed that Camden commissioners will partake in the procurement with Islington and join the service in October 2022.

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

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

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	<p>The Single Advocacy Service will deliver a single point of access to a range of statutory and non-statutory advocacy functions in Islington. The service currently provides this in Islington; this procurement will aim to implement this approach across Islington and Camden.</p> <p>The service will support vulnerable residents aged 16+ in Islington, as well as residents outside of the borough where Islington retains statutory responsibility for the provision of these services.</p> <p>See paragraph 3.1.</p>
2 Estimated value	<p>The estimated value per year is a maximum of £834,000, with a £417,000 contribution from Islington.</p> <p>The agreement is proposed to run for a period of 4 years with an optional extension of 2 years, then an optional extension of 1 year.</p> <p>See paragraph 3.2.</p>
3 Timetable	<p>Advert: November 2021            Evaluation: January 2022            Award: February 2022</p> <p>See paragraph 3.3.</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>We recommend jointly procuring this service with the London Borough of Camden.</p> <p>See paragraph 3.4.</p>
5 Consideration of:	See paragraph 3.5.

Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	
6 Award criteria	Quality 70% (including 20% social value) Price 30%.  The award criteria price/quality breakdown is more particularly described within the report.  See paragraph 3.6.
7 Any business risks associated with entering the contract	See paragraph 3.7.
8 Any other relevant financial, legal or other considerations.	See paragraph 3.8.

## 4. Implications

### 4.1 Financial implications:

The Single Advocacy Service budget sits within the Adult Social Care Base Budget. The budget for this service for 2021-22 is £417,000.

The proposed cost of this new contract will be £417,000 per annum, therefore this does not create a budgetary pressure on the Adult Social Care budget.

The length of the contract is four years with an optional extension of two years, then an optional extension of one year. The estimated total cost of the contract for Islington Council will be £2,919,000.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Implications provided by: Kelly Ward (Senior Accountant) 22-06-2021

### 4.2 Legal Implications:

- a) The services referred to in the body of this Report are provided pursuant to the Council's statutory duties under the Mental Health Act 1983, the Mental Capacity Act 2005, the Health and Social Care Act 2012 and the Care Act 2014.
- b) Procurement Rule 18 requires the Executive to grant specific delegated authority to the Corporate Director to procure and award the contract in this case, as the revenue spend (total contract value over its maximum life of 5+2+1 years) is above £2m.
- c) The combined total contract value (Islington and Camden) is above the "Light Touch" threshold and publication of the recommended Open Procedure procurement in UK

*Find A Tender* and *Contracts Finder* will be required to comply with the Public Contracts Regulations 2015/2020.

- d) Legal Services will provide advice and support for the procurement process and on the form of the joint contract between Islington & Camden and the successful bidder.

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

An environmental impact assessment has been conducted on the proposed contract and identified no significant impacts. Minor impacts associated with staff travel and office - based work include vehicular emissions, congestion, energy and water usage, procurement and waste generation, all of which should be minimised by the contractor.

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

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

### **5. Reason for recommendations**

- 5.1 We recommend approving this procurement strategy for the Single Advocacy Service as outlined in 3.1. This includes approving a joint procurement with Camden for the reasons outlined in 3.1 and 3.4.

This will allow Islington to fulfil its statutory obligations to provide advocacy provisions under the Mental Health Act 1983, the Mental Capacity Act 2005, the Health and Social Care Act 2012, and the Care Act 2014.

## Appendices

- Resident Impact Assessment

## Background papers:

- None

Final report clearance:

## Signed by:



2 August 2021

Executive Member for Health and Social Care

Date

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# Resident Impact Assessment

## Procurement of Single Advocacy Service

### Adult Social Services

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

To deliver a single point of access to a range of statutory and non-statutory advocacy services, primarily for adults, in Islington, including.

- Statutory Independent Mental Capacity Advocacy
- Statutory Independent Mental Health Advocacy
- Statutory Independent Advocacy under the Care Act 2014
- Statutory Deprivation of Liberty Standards – Paid Representatives
- Statutory Independent Advocacy under Liberty Protection Safeguards (TBC)
- Generic and Health Advocacy for People with Learning Disabilities
- Statutory NHS Complaints Advocacy
- Non-Statutory Community Advocacy

The Service will bring together this provision through a single access route, providing an accessible service and continuity of advocacy for service users whilst still seeking to retain access to local distinct advocacy offers.

We intend to procure this service jointly with the London Borough of Camden. See Procurement Strategy for context on this decision.

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#### 2. Resident Profile

The changes proposed affect all adult social care users, and young people where underwritten by relevant legislation (e.g. the Mental Health Act). However the numbers who will be specifically eligible and take up these services is likely to be only a small proportion of these people.

See overleaf for the demographics of our current service user cohort. Note, this information is correct as of 24.06.2021.

		<b>Borough profile</b>	<b>Service User profile</b>
		<b>Total: 206,285</b>	<b>Total: 158</b>
<b>Gender</b>	<b>Female</b>	<b>51%</b>	<b>59%</b>
	<b>Male</b>	<b>49%</b>	<b>41%</b>
<b>Age</b>	<b>Under 16</b>	<b>32,825</b>	<b>0</b>
	<b>16-24</b>	<b>29,418</b>	<b>11</b>
	<b>25-44</b>	<b>87,177</b>	<b>52</b>
	<b>45-64</b>	<b>38,669</b>	<b>57</b>
	<b>65+</b>	<b>18,036</b>	<b>38</b>
<b>Disability</b>	<b>Disabled</b>	<b>16%</b>	<b>96%</b>
	<b>Non-disabled</b>	<b>84%</b>	<b>4%</b>
<b>Sexual orientation</b>	<b>LGBT</b>	<b>No data</b>	<b>1%</b>
	<b>Heterosexual/straight</b>	<b>No data</b>	<b>60%</b>
<b>Race</b>	<b>BME</b>	<b>52%</b>	<b>39%</b>
	<b>White</b>	<b>48%</b>	<b>29%</b>
<b>Religion or belief</b>	<b>Christian</b>	<b>40%</b>	<b>71%</b>
	<b>Muslim</b>	<b>10%</b>	<b>30%</b>
	<b>Other</b>	<b>4.5%</b>	<b>2%</b>
	<b>No religion</b>	<b>30%</b>	<b>4%</b>
	<b>Religion not stated</b>	<b>17%</b>	<b>27%</b>

### 3. Equality impacts

The proposed procurement will entail the delivering of a number of statutory duties through the provision of independent advocates.

The contract will also include the provision of non-statutory advocacy aimed at improving reach and accessibility of advocacy services, providing advocacy support in situations not covered by legislation, and providing health advocacy.

These services will help ensure that service users in adult social care services (and younger service users where applicable) are not adversely impacted due to their conditions and needs making effective communication of their needs and wants difficult.

The new contract will ensure that all members of the client group who are eligible for statutory advocacy also receive community health advocacy and additional non-statutory advocacy, no matter what part of the social care system they come under.

It is unlikely the service will have a significant impact on other equality impacts although the nature of the adult social care service user population does mean more older people will access the service than the general population.

This procurement is aligned with the objectives of the Council's Challenging Inequalities programme, and we will therefore explore during market and resident engagement means

through which we can improve equality of access to statutory services in the general population, e.g. homeless access to statutory services.

## 4. Safeguarding and Human Rights impacts

The service actively mitigates safeguarding and human rights risks by ensuring the provision of advocates that support service users taking part in safeguarding enquiries and providing advocacy for people detained under the mental health act or who are subject to deprivation of liberty.

## 5. Action

Action	Responsible person or team	Deadline
Align objectives of procurement with those of Challenging Inequalities programme via attendance at meetings and engagement with key stakeholders.	Strategy & Commissioning	October 2022
Embed active mitigation of inequalities of access to statutory services into service specification.	Strategy & Commissioning	October 2022
Regular attendance at Liberty Protection Safeguards Local Implementation Network (LPS LIN) meetings to ensure service specification reflects emerging changes to legislation and practice associated with deprivation of liberty safeguards.	Strategy & Commissioning	October 2022

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

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

**Staff member completing this form:**

Signed: 

Date: 24/06/2021

**Head of Service or higher:**

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

Date: [Click here to enter a date.](#)

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## Report of: Leader of the Council

Meeting of:	Date:	Ward(s):
Executive	2 September 2021	All

Delete as appropriate:	Exempt	Non-exempt

## SUBJECT: A New Strategic Plan For The Council

### 1. Synopsis

- 1.1 This report outlines the development of a new strategic plan for the Council. It provides an overview of the structure of the plan and the strategy to develop it further over the coming year.

### 2. Recommendations

- 2.1 To approve the new strategic plan, to be submitted to Full Council for approval.
- 2.2 To note the approach to build on this plan over the coming year by engaging with communities to capture views, lived experiences and aspirations to enhance the delivery of our strategic programmes.

### 3. Background

- 3.1 A lot has changed since the Council's Corporate Plan was published in 2018. A decade on from the pioneering Fairness Commission in 2011, good progress has been made but there is so much more to do in realising our vision of a fairer future for Islington, not least because of the massive challenges we have faced such as a decade of austerity, Brexit and the Covid-19 pandemic.
- 3.2 As we navigate out of the pandemic and with a new Leader of the Council at the helm, this is an opportune moment for us to refresh our priorities, tell our story and clearly reaffirm our mission to create a more equal Islington. The launch of this document in Autumn 2021

will be supported by a strong communications campaign to build and embed our narrative in all we do, in a way that clearly resonates with and demonstrates impact to our diverse communities.

- 3.3 This strategic plan has been developed with colleagues from across the Council to shape the direction of travel for the next decade, but with the understanding that we will spend the next year working with communities and thought leaders to delve deep into evidence and lived experiences of some of the most complex issues our residents face such as poverty, mental ill-health and inequalities. The insight from this engagement work will be used to collectively reimagine the future of our borough and co-design a more detailed transformation delivery plan to underpin the strategic narrative in Autumn 2022.
- 3.4 The structure of the strategic plan incorporates priorities, principles and key strategic programmes to illustrate our ambitions and ways of working as an organisation. Alongside these, we will continue to drive the adoption of the CARE values with all of our staff to support the delivery of this work. To achieve our goals, we will need everyone to play their part.

#### **4. Implications**

##### 4.1 Financial implications:

There are no specific financial implications as a result of this report; however, in light of current financial constraints it is imperative that officers ensure that key strategic programmes set out are delivered within agreed budgets. These budgets will be monitored through the existing monitoring process to identify and address potential issues and also any benefits as a result of improved performance.

##### 4.2 Legal Implications:

While it is correct to say there is no specific statutory duty to produce a strategic plan, it is a necessary element of good governance. The performance regime established by the Local Government Act 1999 as amended by the Local Audit and Accountability Act 2014 together with supporting legislation, requires the Council to work to achieve continuous improvement and best value. A strategic plan, its objectives and in time how the delivery measures up in terms of outcomes, are therefore one of the signifiers of a well-run local authority.

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

The strategic plan sets out our ambition to work together towards finding local solutions to tackle the climate emergency as well as how we will deliver our ambition to achieving net zero carbon by 2030.

##### 4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and

those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The new strategic plan sets out the council's approach to removing and minimising disadvantages by putting Challenging Inequality at the heart of our plans.

There are no specific equality impact issues to consider as a result of this report. Resident Impact Assessments will be considered and developed for the strategic programmes set out in the plan.

## 5. Reason for recommendations

- 5.1 The new strategic plan provides a coherent collective vision for the upcoming decade for the borough as we navigate out of the pandemic and start a new chapter with a new Leader of the Council.

## Appendices

- Draft Strategic Plan (final version to be submitted to Full Council)

## Background papers:

- None

Final report clearance:

## Signed by:



Cllr Kaya Comer Schwartz

23 August 2021

Date

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# Our Ambition for Islington: a more equal future

## Foreword

From the Leader of the Council, Councillor Kaya Comer-Schwartz, and Chief Executive, Linzi Roberts-Egan.

**Our mission for the next decade is to create a more equal Islington, where everyone who lives here has access to opportunity and an equal chance to thrive.**

Islington is a borough of great strengths: thriving businesses; excellent transport links; first rate services; and most importantly a rich and wonderful diversity of people, cultures and communities. But too many of our people are in danger of being left behind. Poverty, mental ill-health and anxiety about the future, lack of access to good jobs, poor air quality and housing conditions, prejudice, racism and injustice hold too many people back, depriving them of opportunities and choices and the autonomy to shape their lives in the way they want.

Since our pioneering Fairness Commission in 2010, we have made great strides in establishing ourselves as the “Council of Fairness”, but global and national challenges – austerity, Brexit and more recently Covid 19 – have served to illuminate and exacerbate poverty and inequality across our borough. With budget cuts of over £250 million over the last decade, we have been restricted in the resources we have to support our most vulnerable residents and we know that the pandemic has left many teetering on the edge. However, it’s not just our most vulnerable residents that have been affected in the last year. The pandemic has resulted in large numbers of residents accessing council support for the first time and while we’ve done all we can to make this experience as easy as possible for them, the root causes of issues need to be tackled.

It is poverty and injustice that keeps children in overcrowded homes struggling to keep up with school work or play safely outside; that means parents working on zero hours contracts are unable to put food on the table; that trap women in abusive relationships financially dependent on abusive partners; that add to the social isolation of the elderly even more cut off now as whole industries move online.

As the pandemic shone a light on the ways in which poverty blights lives, the brutal murders of George Floyd and Breonna Taylor reminded us that there are many dimensions to inequality;

that alongside poverty, our structures and systems perpetuate racial and other injustices which often intersect with poverty to hold people back and prevent them from realising their potential. These murders may have taken place across the Atlantic, but their impact rippled across the globe not because they were a shocking exception, but because they resonated and reawakened an anger in this country where we have experienced similar racial hatred and injustice for far too long. We remember Cherry Groce, Stephen Lawrence and more recently Dalian Atkinson, amongst many others.

We are determined to confront these issues head on. Now, as we emerge from the pandemic, is the time to reimagine our future with a new Leader for our Council and a new strategy for driving change. Over the next decade we will maintain a relentless focus on tackling inequality and eradicating poverty in our borough. This document sets out the approach we will take: starting with our communities, listening to and understanding their diverse experiences and what they want for their lives; co-designing services that reflect their ambitions, that work proactively to build resilience, support emotional wellbeing and create routes into good jobs; ensuring good quality homes in neighbourhoods that are safe and supportive; tackling climate change and improving air quality; supporting our local businesses to thrive; and above all focusing on achieving impact and tangible change. It is an ambitious strategic framework for changing the way we operate as a council and as a borough in order to create a level playing field where everyone has an equal chance to thrive.

We cannot achieve our ambitions alone: we need to work alongside our colleagues, partners and community to realise our shared goals. We have established the Fairer Together Borough Partnership as a vehicle for us all to come together to drive this change and we look forward to working with our community over the next decade to challenge the inequality that blights the lives of our residents and create a fairer future for everyone in Islington.

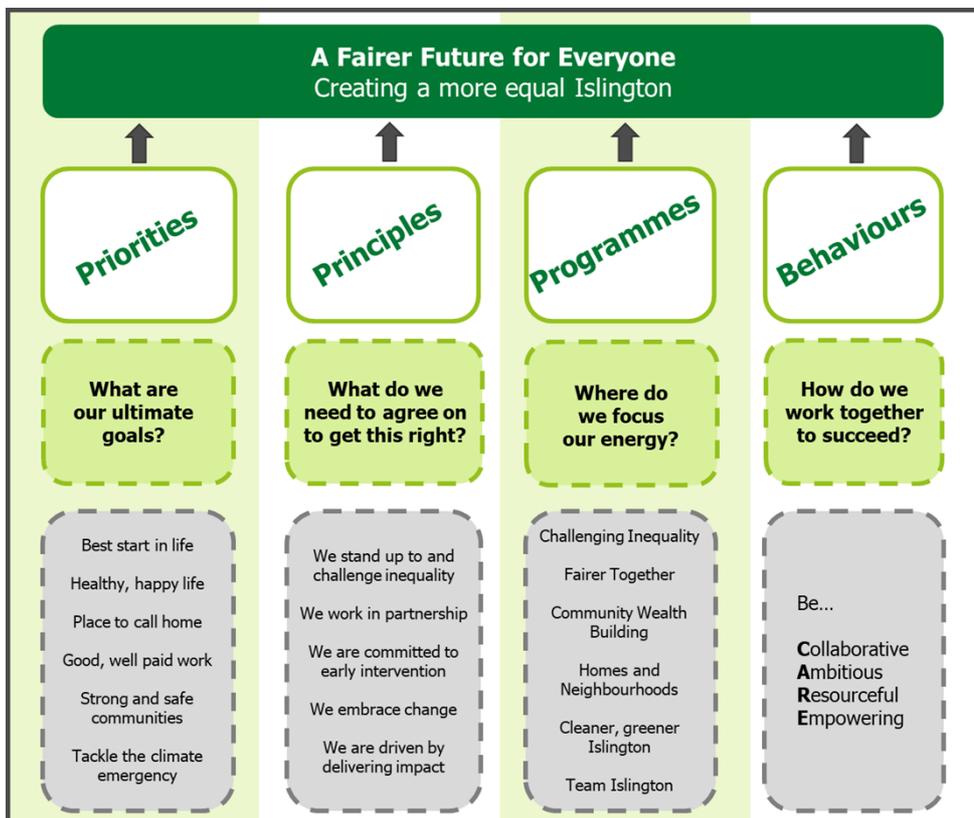
**Councillor Kaya Comer Schwartz – Leader of Islington Council**  
**Linzi Roberts-Egan – Chief Executive of Islington Council**

# Introduction

**This document sets out the strategic framework that will drive our work as a Council and with our partners over the coming years.**

As well as outlining our **priorities** – what we want to achieve for all our residents – it also describes the **principles** that will guide our approach to achieving change. We know from our own experience and from the evidence that the “how” is just as important as the “what”. We also set out the **key transformation programmes** which we are setting in motion to put these principles into practice, reimagining the way we work and the way we use our resources as a Council. Underpinning all of this are the **values** which will shape our behaviour, individually and collectively, and the way we relate to our colleagues, partners, and above all, our residents.

This document does not seek to dictate every step that we should take over the coming years; rather, it should be seen as a compass to guide us towards the ultimate destination of a fairer, more equal future for everyone in Islington. The pace of change has been so rapid in recent years that an agile approach will be required: we will use this document to shape more detailed plans that will need to evolve based on our own learning as well as external pressures that we won't always be able to foresee. But if we stick to our principles and use this strategic framework to maintain an unrelenting focus on our goal, we know we will achieve our shared ambitions.



# About our borough

[Infographic with key stats to be inserted]

Islington is a proudly diverse borough that people from all faiths, nationalities and backgrounds have made their homes - our diversity is one of our most valuable and important strengths. Most importantly, it's a borough where people like to live; in our last resident's survey 91% residents said they enjoyed living in Islington and 92% said it's a place where people from different backgrounds get along well together.

But Islington is also borough of contrasts. It's a place where the gap between the "haves" and "have nots" is stark, where too many children and older people in particular are living in poverty. A decade of austerity, political uncertainty and welfare reform have made life even more challenging for some of the most vulnerable people in our community and that's why we won't rest in our determination to make Islington fairer.

- The **population of Islington is estimated to be 242,827 in 2020**. This is an increase of approximately 18% (36,000 people) since 2011.
- It is estimated that the population of Islington will grow by 3% (7,000 people) between 2020 and 2030.
- Islington is the **most densely populated local authority area in England and Wales**, with 16,097 people per square km. This is almost triple the London average and more than 37 times the national average.
- Islington is the third smallest borough in London covering 15 km squared.
- Only 13% of the borough's land is green space, the second lowest proportion of any local authority in the country.
- Islington has the **highest level of child poverty in London (28%) and ranks 4<sup>th</sup> highest in London for poverty among older people**
- Even before the pandemic, Islington ranked the 5<sup>th</sup> highest in London for loneliness and **1 in 6 adults were living with a diagnosed mental health condition**

# Our Priorities

Our purpose is to achieve change for our residents who are at the heart of everything we do. Listening to our communities, understanding their experiences and aligning our priorities with theirs is the only way to ensure that the changes we make, and the partnerships we form, are all contributing to improving the lives of our residents. Our priorities reflect what we know the people of Islington want for themselves and their neighbours and will sit at the heart of our plan to build a fairer future for everyone.

## **All of our children and young people in Islington get the best start in life**

Young people in Islington as a group are more likely to live in deprivation than the rest of the population. We know that early life experiences have a significant effect on future life chances and we also know from studies that interventions have the greatest effect in the early years. We will work with schools and other partners to ensure that every young person in Islington has access to the opportunities they need to thrive in life including an excellent education. We will be relentless in our goal to become an exclusion-free borough and eliminate disparities in educational achievement.

## **Everyone has what they need to live a healthy, happy life**

The pandemic has highlighted cracks in our health and social care systems, and the severe health inequalities in our communities. Even before the pandemic social isolation and the mental wellbeing of our residents were big issues, but the toll that the events of the last year has taken on mental health has been catastrophic for many. We must adopt strengths based approaches to ensure that all of our vulnerable residents are supported at the earliest point, are able to recognise their own strengths and live independent, healthy lives with dignity and purpose.

## **Everyone has a decent and genuinely affordable place to call home**

On average in Islington, rent accounts for about 70% of gross earnings. We are in the midst of a severe housing crisis and the need to secure genuinely affordable homes for our residents has never been greater. We believe that nobody should ever be without a decent roof over their heads and we will also work to eliminate rough sleeping and support people experiencing homelessness with all the mechanisms we have. We want to make sure that we use our power and influence in other areas to also stand up for private renters and all others in our communities to ensure equity in access to decent, safe and affordable homes.

## **Our thriving local economy offers good, well paid work for all**

The rise of the gig economy and in-work poverty has meant that employment is not always a straightforward solution to tackling poverty, and so we must address precarious employment and ensure equal access to well-paid jobs with prospects. This has been exacerbated by the pandemic, with the night time economy and sectors such as leisure and hospitality hit hardest in the borough, which means creating local opportunities is more important than ever.

## **We have strong and safe communities where everyone can get involved**

The experience of the last year has shown us the great power of communities in coming together to look out for each other. With more of us spending time in local areas due to

widespread home working and travel restrictions, there is a real opportunity to build on the connections fostered over the last year to boost community cohesion and resilience for years to come. We know that building relationships can be life changing for the most vulnerable – for the young person at risk of exploitation or for the isolated elderly person – and that the best solutions are found when local people come together to develop them. We want Islington to be a place made up of strong communities, where regardless of background, people feel safe, connected and have the resources they need to make change in their local areas.

**Everyone works together to find local solutions to tackle the climate emergency**

We cannot lose sight of the fact that we as well as the unprecedented social challenges we face, we are also up against an environmental emergency. We have committed to reaching net zero carbon emissions by 2030, but the Council contributes to only 4% of the carbon emissions in the borough and so it is essential that residents, businesses and partners are supported with the resources and infrastructure needed to make significant changes if we are to ensure a healthy and habitable borough for everyone. During the first lockdown in 2020, we were able to witness first-hand how important access to green space and car-free roads are for our health and wellbeing. We must use this experience to reimagine a sustainable future where we all have access to clean air, green space and people-friendly streets.

**[Graphic to be inserted]**

# Our Principles

Our goals are ambitious and to achieve them we will need to draw on our experience as well as the evidence base about what works. We know from talking to our residents that “the how” is just as important as “the what” and so we have identified some fundamental principles to shape our approach.

## **In Islington...**

### **We stand up to and challenge inequality**

We must focus on challenging inequality so that no one is left behind; so that all our residents are able to access opportunity and are empowered to achieve their goals. Structural inequalities continue to hold too many people in society back from reaching their full potential and we cannot realise our vision of a fairer borough if we do not tackle inequality head on, together, throughout all that we do. Everyone in Islington must play their part to challenge the status quo and call out discrimination and injustice, however uncomfortable it may feel.

### **We work in partnership with our communities**

If we are to challenge inequality we need to know and understand our residents, their lived experience, their thoughts, views and ideas for change. We need to work with our communities and local VCS as equal partners, building on their knowledge and connections as co-deliverers of sustainable change. This shift towards a “community paradigm” where service users are seen as creative collaborators to solve complex problems rather than as customers or passive citizens is one Islington adopted some time ago and will continue to champion as we move forwards.

### **We are committed to early intervention and prevention**

The evidence is clear that early intervention and prevention is the most effective way to improve outcomes for people at all ages. We must work with people and communities proactively, to **uncover the story of their lives and wrap our services around them** to help them achieve their goals. In doing so we will prioritise relationships and connections over processes and systems. We cannot underestimate the power of making connections, both between residents and their communities, and between services to make sure that the resident experience is seamless.

### **We embrace change and innovation**

As we look to the future beyond the pandemic, we cannot go back to old ways of working, but must embrace the opportunities that increased use of digital and flexible working have brought us. We must go further and develop our ability to collaborate, test new ideas and take risks, both as an organisation and as individuals. The last year has shown us that radical shifts in behaviour at work and in the community are possible and we must exploit this as an opportunity to drive Islington forwards. We will do this by using cutting edge technology and developing our collective appetite for innovation.

### **We are driven by delivering impact for residents**

Above all, our fundamental focus should always be on improving outcomes for our residents and this should shape the way we approach all aspects of our work. We need to make better use of data coupled with effective engagement and participation to understand the problems we are trying to solve and should also be able to demonstrate the impact our services have had on improving the lives of our residents. We will adopt agile principles to shift mind sets towards action, observing impact and results, over lengthy business cases.

**[Graphic to be inserted]**

# Strategic Programmes

To achieve our priorities and put our principles into practice, we have designed a series of strategic and transformative programmes. This does not cover our whole portfolio of programmes or all of the different services we deliver. Rather, these programmes describe the key areas where we are investing resources to supercharge the change we want to see. As we look to rebuild our borough following the pandemic, these programmes provide the opportunity to reimagine the borough we wish to live in and work together to pave the way for a fairer future for everyone who lives here. Successful delivery will require fundamental changes to the way we work internally as well as the way we work together with communities, partners and residents. We all need to play our part.

There is a lot to do, but by focusing our energy and resources on our key priorities and using our principles to guide our work we are confident we will deliver on them. Over the coming years we will measure our impact in each of these strategic programmes and in doing so, we will flex our resources and adapt our priorities accordingly, revisiting this plan to refresh our approach at regular intervals.

## Challenging Inequality

### **The ambition**

Spring 2020 brought about unprecedented change across the globe, and like many others, we moved rapidly into crisis mode to support our most vulnerable residents. As we responded to immediate need by distributing food parcels and laptops and supporting hospital discharges to free up bed spaces for the rapidly increasing need, we were not only confronted with overwhelming levels of financial and emotional hardship, but with the ugly realities of structural racism and injustice which exacerbated impacts for people from Black, Asian and minority ethnic communities. The spotlight on these structural inequalities was brought into sharp focus when later in the year, the murders of George Floyd and Breonna Taylor sparked waves of Black Lives Matter protests which firmly placed dismantling structural inequalities on the international agenda.

The Challenging Inequality Programme has been designed to address these issues, breaking down barriers and redesigning systems and structures so that everyone, regardless of background, has the opportunity to fulfil their potential and lead a good quality of life in Islington. We recognise that there are many dimensions to inequality; that alongside poverty, our structures and systems perpetuate racial and other injustices which often intersect with each other to hold people back and prevent them from realising their potential. We will take an intersectional approach, broadening the scope of the programme to consider these other dimensions, and how we can address the multiple barriers people face to create a more equal Islington for all.

## The key components

Designed in collaboration with our staff and community and developed from extensive internal and external research, the programme sets out our approach to tackling inequality through the different levers we have as a local authority across three workstreams:

1. **Islington as a Service Provider and Commissioner** – our biggest priority is to challenge inequality to improve the lives of our residents. Across housing, social care, employment and numerous other services, we will work with communities to understand lived experiences and intervene to remove the barriers that too many residents face which are causing unacceptable and stark inequalities in living and working conditions. Through our capacity as a service provider and commissioner of services we are working with communities to take decisive action to tackle some of the wicked issues – poverty, inequalities in educational attainment and violent crime – and redesign the public realm to promote equalities in ways such as accessible, people friendly streets and play spaces that are inclusive of young girls.
2. **Islington as an Employer** – as a large employer and decision maker in the borough with approx. 6,000 staff as part of Team Islington, we have a responsibility to root out racism and inequality internally. By removing barriers, developing cultural competency as an organisation and supporting the development of staff from underrepresented ethnic and other backgrounds, we know we will have a far more vibrant and richer workplace where everyone can thrive, and as a result we will better serve the needs of our residents.
3. **Islington as a Strategic Leader** – our role as a leader in the local area requires us to use our influence and position to set an example and work with the community and partners to drive change together. It is only by working together can we achieve the scale of change needed to break down the systems and barriers that hold people back. We are radically shifting the language we use, the data we collect and the ways we pool our collective resources to improve inclusivity and equity of access to services and opportunities in Islington. This is not easy work and we are prepared to have the difficult conversations with our partners that are necessary to create meaningful solutions together.

## Fairer Together

### The ambition

We want Islington to be a place where everyone – whatever their background – has a decent chance for a long and healthy life, lived on their own terms. However, a decade of austerity, rising living and housing costs and demographic changes means that not only do too many

residents live in poverty or require social care support, but our capacity to provide services is drastically different to what it once was.

Fairer Together is a way of working. It's about working together to tackle inequality and change lives through a high quality, integrated all age early intervention and prevention offer. It's an approach that starts with the individual, uncovers the story of their lives in all its dimensions, supports people to define their own meaningful, personal goals and aspirations and wraps our services around them, building strong communities so that everyone can benefit from the full power of all that Islington offers.

## **The key components**

We have established the Fairer Together Partnership to drive forward this change, pooling our collective resources across different organisations and partners in Islington – health services, education, criminal justice and emergency services, voluntary and community sector organisations – so that that together we become more than the sum of our parts.

- 1. Strengthening Partnership** – our partnership is built around a shared commitment to ensure **everyone in Islington able to Start, Live and Age Well**. We aim to bring partners together to frame new strategic investment plans with shared outcomes and priorities so that we can use our collective resources to change systems, change services and change lives.
- 2. All Age Early Intervention** – we have a really good track record with our Bright Start offer which supports early intervention in the early years; however, through Fairer Together we want to deliver an all-age early intervention and prevention service that supports people when they are vulnerable from cradle to grave. We are committing to taking a strengths based approach, which means that we will always support individuals to identify what they *can* do – not what they *can't* do – and work alongside them to expand on their strengths to build their independence and resilience.
- 3. Resident Experience** – everyone who interacts with the Council in some way deserves to have a seamless and meaningful experience, right from paying a council tax bill to accessing adult social care. Ensuring that residents can access what they need in a way that works for them is good for them and good for us. We cannot ignore that resources are tight and so in order to preserve our resources to be able to deliver the tailored offer for those who need it the most, we must embrace innovation and enhance our digital offer so that the people who prefer to and are able to, can self-serve while still having a meaningful experience.
- 4. Challenging Inequality** – running as a constant thread through all of the work we do in Fairer Together we will drive the commitment to challenge inequality across the partnership, looking at ways in which we can work together to effect change. For example, by supporting people who typically do not engage with mental health services to access the help they need by remodelling services, and by working towards becoming an exclusion free borough where there is equality of educational attainment for all young people.

# Community Wealth Building

## The ambition

Islington is a place of opportunity. It's a destination of choice for new start-ups and creatives and we are known for our bustling high streets, many business headquarters and cultural gems. However, the longer term impact of austerity and Brexit combined with the effects of multiple lockdowns during the pandemic have hit many sectors of our local economy hard, reducing access to opportunity, and increasing deprivation and inequalities.

Essential to our vision of a fairer future for everyone in Islington is an inclusive local economy, where everyone has access to well-paid, secure jobs, as well as the skills and connections they need to continue to thrive throughout their lives. We will work with local businesses, developers, and our suppliers to invest in the local area and make sure that local people are first in line for jobs and opportunities.

## The key components

Working collaboratively with our partners and businesses, we will focus on maximising opportunities for residents and businesses by:

- 1. Supporting people into sustainable work** – far too many of our residents are in long term poverty or have been plunged into poverty over the last year. We will work with partners, communities and employers to help residents facing barriers to employment to gain the access, skills and confidence they need to secure good quality, sustainable jobs and create routes out of poverty. We know that for many people, finding a job is not always a quite fix to the challenges they face and so to complement this, we will help residents to maximise income, entitlements and manage debt.
- 2. Building an inclusive, local economy** – responding to the devastating impacts on our local businesses during the pandemic, we are focusing on strengthening our high streets and town centres, creating affordable workspaces to support entrepreneurs, and encouraging residents to spend locally to rebuild and facilitate a thriving, green and inclusive economy. We know that the smaller businesses that have suffered the most are disproportionately owned by women and people from Black, Asian and Minority Ethnic backgrounds and so we will target support and make sure anyone who wants to can set up, grow and thrive.
- 3. Using our spending power** – every year we procure numerous services and we know we could be doing more to deliver maximum benefits for Islington residents and local

businesses through these processes. We will have a relentless focus on delivering social value such as by creating new apprenticeships and jobs, putting local suppliers first through our purchasing activity, and requiring all suppliers to pay their staff at least the London Living Wage, as well as offsetting carbon emissions and promoting environmental sustainability.

**4. Making best use of our spaces** – as a local authority we have a number of properties and assets that we could be using in ways that offer greater benefit for the communities that surround them. We want to make sure that all our major capital projects and existing community centres and spaces contribute towards our ambition of an inclusive economy where everyone has access to opportunities and the resources they need to make a decent living and thrive. This could be by offering up flexible working spaces, incubation space for start-ups or co-locating services that support the financial wellbeing of our residents alongside existing support services.

**5. Working with key local partners** – we do not exist in a vacuum and, in order to support the development of a thriving and truly inclusive local economy, we will need to work collaboratively. Community Wealth Building is about harnessing the Council's significant influence as a large employer, purchaser and owner of assets; but we can go even further if we work in partnership with other key local organisations in areas such as education, health and housing as well as larger local business, with similar influence. These 'anchor institutions' are locally rooted organisations that are here to stay. They employ people, wield purchasing power, and own or manage buildings and land. If we work together to use our collective power, we can make a significant, positive difference to local communities.

## Homes and Neighbourhoods

### The ambition

With a growing population and the price of housing continuing to far outweigh wages in London, ensuring access to good quality housing that is safe and genuinely affordable for everyone in Islington is an essential priority for us in creating a fairer future for our borough. The shortage of affordable housing continues to be a real concern for Islington residents and we know that this means far too many residents fall victim to rogue landlords and far too many young people being brought up in the borough are facing the reality of being unable to afford to continue to live in the communities into which they were born.

We have already delivered over 800 new genuinely affordable homes for local people in the last few years and have built the largest number of council homes in Islington for 30 years, but we know that a radical shift is needed to really effect change and create strong communities where

people feel safe and a sense of belonging. We also know that accessing housing is not the end point, but that we must also ensure that once housed, people are supported to stay well in good quality housing, in neighbourhoods where people look out for each other and can all participate to make decisions about things that affect them.

## **What are the core components?**

To deliver on these ambitions, we will:

- 1. Increase the supply of genuinely affordable homes** – we will turbocharge the building of new genuinely affordable homes in the borough, including 550 new council homes for social rent, and will make sure that local people are always first in line for new homes.
- 2. Provide safe, comfortable homes and estates** – we are a landlord and freeholder to over 34,000 homes. We will invest in our estates and buildings to ensure we are providing the highest standards of safety and comfort for our current and future residents, as well as supporting consistently good quality conditions by providing an in-house responsive repairs and estate cleaning service to our tenants and good value home ownership services to our leaseholders.
- 3. Support residents to live well and have a say** – our ambition is to build strong, meaningful and person-centred relationships with our residents, where staff are empowered to intervene early by working with the individual to build on their strengths and live independently. We will work in partnership with communities and our VCS partners to work towards creating inclusive and resilient communities where people have a sense of belonging, participate in the local community and work with us to develop solutions to community issues.
- 4. Prevent homelessness and support rough sleepers** – Islington has seen a consistent reduction in homelessness acceptances over the last five years; however, we believe that in 2021, one person without a permanent home is one too many. We will continue to take a preventative and collaborative approach to dealing with homelessness and work towards eliminating rough sleeping entirely from Islington's streets, building on the learning and strides made during the pandemic. We will work with people who have complex needs to ensure we break the cycle of rough sleeping and tackle the root cause in a way that works for the individual.
- 5. Stand up for private renters** – we want to see a private sector that ensures safe and dignified living conditions for all by operating good standards of management and providing good quality, affordable accommodation. We will monitor standards and take action against rogue landlords and letting agents and any poorly performing housing associations and where appropriate, will work with the police to address criminal behaviour by landlords to stamp out exploitative behaviour, inequalities and protect the rights of our residents.

# Cleaner, greener Islington

## The ambition

We owe it to ourselves and future generations to look after and protect our planet and we are rapidly running out of time to get this right. In June 2019, the Council declared a climate emergency and we committed to working towards a target of net zero carbon by 2030. It is an ambitious goal, but there is tremendous energy and passion in communities and so if we work side by side, we know we will succeed.

It is true that a lot of the change needs to come at the national level, and so we will continue to lead the way in lobbying for legislative and regulatory changes to give local areas more powers to tackle climate related issues and encourage government investment in green initiatives. Nevertheless, there is significant work to do on the local level and we are committed to rolling our sleeves up and working with communities to radically reshape systems and infrastructure and critically, behaviour, so that we can all start to make greener choices in the way we travel, live and work. We believe that in doing so, not only will be able to contribute to global climate targets, but by adapting the way we use public spaces and by embracing sustainable travel, we will improve the health, wellbeing, and opportunities for our communities.

## The key components

There are four dimensions to this programme of work:

- 1. Transport** – air pollution in our borough has reached dangerous levels and there are stark inequalities in the impact on the health of our residents. We have to take decisive action on reducing emissions in the borough from transport by transforming our streets to be more people-friendly as well as securing cleaner and more accessible public transport services for Islington.
- 2. The green economy** – we will exploit this opportunity of investment in delivering on our net zero carbon target to grow the local economy in ways that supports sustainable goals. We will work closely with the almost 19,000 businesses in the borough which already support the reduction of carbon emissions and a more sustainable future and will work with our supply chain and partners to upskill people and capitalise on the opportunity to create jobs for our residents as a result of a greener economy.
- 3. Buildings and infrastructure** – our housing and commercial buildings stock is a significant contributor to carbon emissions and so we will retrofit existing buildings, ensure new developments meet the highest standards possible and scrutinise planning and development policies. Similarly, we will replace our waste collection vehicle fleet with fully electric vehicles. There are financial benefits to these actions for our residents, as a

significant proportion of our older residents live in fuel poverty and so we will target our efforts to ensure maximum impacts for local people.

- 4. The natural environment and waste** – we will support residents and businesses to make better use of resources, reduce waste and improve recycling rates. While in Islington we do not have as much access to green space as some other London boroughs enjoy, we will create opportunities to innovatively repurpose space and increase greening, as well as stay protective of what we have, managing it well for the enjoyment and wellbeing of residents, as well as doing our bit in protecting vital biodiversity.

## Team Islington

### The ambition

Underpinning all of these ambitious, strategic programmes must be a fundamental reimagining of the way we think and work as an organisation. To succeed in all of our priority areas and achieve our ambition of a fairer future for everyone in the face of such massive challenges, we must pull together and work as a solid team across every service area and at every level in the Council. The world of work is changing and in Islington we will embrace the change and work collaboratively with our staff to shape the future of working at Islington.

Our intention is not merely to stay ahead of a trend, but because if we do not adapt to be more collaborative, creative and evidence led in our decision making, we will not be able to grapple with the complexities of the challenges we face and do right by our residents. Transformational change can only be driven by an organisation that embraces innovation at every level, is equipped with robust data to measure impact, nurtures talent and responds to the needs of its workforce, empowers individuals to take ownership of work and has effective decision making mechanisms.

### The key components

There are a number of workstreams within this programme which will strengthen Team Islington as a modern and progressive council:

- 1. Nurture our people** – we believe our people are our greatest assets and we must harness the creativity and spot untapped potential in our staff and residents so that people can fulfil their potential, which ultimately improves what we are able to deliver for residents. We will do this by creating a culture of learning and supporting all staff to develop well rounded skill sets and progress in careers in ways which are meaningful to the individual, paying particular attention to underrepresented groups at senior levels and stamping out structural racism and injustice.

2. **Redesign the way we work** – thousands of staff rapidly pivoted to full time working from home almost overnight in March 2020. There is a real opportunity now to build on this and integrate new structures, systems and technologies that support everyone to deliver their best work in ways that work for the individual. Key to this will be ensuring accessibility and inclusivity in the way we work and resources people have access to, recognising that there is no “one-size-fits-all” approach, but that with good leadership and making best use of technology, we can be flexible to the needs of the individual to get work done.
3. **Review our functions and structure** – we are examining our critical back office functions such as business support, policy, finance and human resources which are the backbone of any organisation to be able to deliver on their mission. By critically reviewing our internal mechanisms we will be able to build a more resilient and responsive organisation that is equipped to deal with any challenge.
4. **Enhance our data and systems** – to support our people to thrive and deliver, we need to equip them with the right tools. Through this workstream we will radically transform the way we collect, store and use data, as well as grabbing opportunities to introduce new, cutting edge technology and digital tools. We will also reshape the way our staff can access information, policies and other resources that are necessary in the day to day which we recognise is an important part of working life.

## Changing behaviours

To deliver on these ambitions requires an individual and collective commitment from all our staff, partners and residents. We have set out our priorities, principles and strategic programmes but the last vital component is the behaviours that we must all adopt in order to drive change. We have launched with our staff a set of core behaviours that will inform how we approach all of our work, which we have called the CARE values and represent what it means to “Be Islington”. These values apply to us all; whether as a director, a manager, a frontline employee or a member of staff in an essential enabling service. These behaviours reflect what we think public service is all about: being collaborative in our approach and working together; empowering the people we work with as well as the residents we serve; being resourceful and creative to make things happen; and being ambitious to really raise the bar in terms of what we can achieve.

**[Graphic to be inserted]**

# Looking ahead

We are determined to make Islington the best place in the country, where everyone, regardless of background is able to have a good quality of life. We know that our relentless focus on creating a more equal borough and our tenacity to tackle the most complex challenges in partnership with our communities will mean we will make this a reality.

We also want our communities to feel a connection to our priorities and key programmes and feel that they resonate with their vision for Islington too. This plan is just a starting point, and over the next year we will be speaking to and working with residents to uncover how the issues outlined here such as low pay, insecure work, social isolation and crowded housing really impact daily life in Islington. With this document as our guide, we will add in the lived experiences of our residents to flesh out our approaches in our key strategic programmes and design new interventions.

The priorities will guide us in all our work over the next decade, but we will review this document at regular intervals as we learn more about the challenges that our residents face and to assess progress as the landscape evolves in the borough and we inevitably come up against new challenges. We will use this plan to:

- Anchor our efforts and shape the development of more detailed plans which we will continue to refresh with our partners and communities based on learning, experience and feedback.
- Inform clear communications and engagement opportunities with local people and communities to bring people on board with our vision and approach so we can work together to achieve common goals.
- Communicate with colleagues and partners to establish collective ambitions and actions to underpin delivery of key strategic programmes.
- Shape the way we measure our impact as an organisation, ensuring we are using data and insight effectively to track our progress across strategic programmes, not only so we know we are making a difference, but so that we can communicate our achievements and learning to those around us.

Our goals are ambitious but we will know we are going in the right direction when we start to see a reduction in poverty, improvements in the mental wellbeing of our communities, a narrowing of the gap in terms of educational attainment and access to opportunities for our

young people and above all, positive feedback from our residents that they experience an outstanding service with us and are seeing positive impacts on their lives.

**We are Islington, and together, we will build a fairer, more equal future for everyone who lives here.**

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## Report of: Executive Member for Finance and Performance

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Executive	2 September 2021	N/A

<b>Delete as appropriate</b>		Non-exempt
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## **SUBJECT: Procurement Strategy for the Supply of Temporary Agency Workers to the London Borough of Islington**

### **1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the supply of temporary agency workers to the London Borough of Islington in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 The Council requires a contract for the supply of temporary agency workers to cover short-term vacancies, to provide additional capability where there are skills shortages in order to deliver responsive, effective services for residents.

### **2. Recommendations**

- 2.1 To approve the procurement strategy to supply temporary agency workers via Lot 1 of the Managing Temporary and Permanent Recruitment Framework (Ref 942) provided by Yorkshire Purchasing Organisation (YPO), for a period of four years.
- 2.2 To delegate authority to award the contract to the Corporate Director of Resources in consultation with the Executive Member for Finance and Performance.

### **3. Background**

- 3.1 This report recommends a strategy for the procurement of all categories of temporary agency workers across the Council. Temporary agency workers are used by Islington to provide short-

term resources to fill absences, vacancies and add capacity to deal with peaks in workflow. The contract will allow for interim staff (highly skilled professionals) who can enable the authority to fill skills gaps, work on fixed term projects and add an external perspective to the management of the organisation.

To ensure a high calibre of candidates and an effective process for sourcing, placing and managing these individuals, it is important for Islington to secure a service solution that can adapt to the changing needs of the business. The use of temporary resources is under ongoing scrutiny by the Policy and Performance Scrutiny Committee, examining annual spend, the reasons for using temporary resources and the measures taken to reduce spend and usage.

The current contract was for a maximum period of 48 months (36 months with the option to extend for 12 months). The current contract is due to expire in January 2022 and there is no provision for a further extension.

### 3.2 Estimated Value

For the current contract, the spend for the last two years was £23.8m for 2019/20 and £25.7m for 2020/21, however the costs for 2020/21 have been affected by increased agency usage to address COVID (e.g. £460K for agency staff to undertake lateral flow testing). Anticipated spend for the new agreement based on current spend is £25m per year (£100m over a four year period).

The procurement of a new contract will seek to generate savings for Islington. The aim will be to achieve this by finding more flexible ways of delivering the service and securing a service which is capable of delivering quality and consistency. Costs and fees for the provision of the service will be managed and controlled by Human Resources. The council will specify no temporary to permanent fees after 13 weeks and minimise temporary agency worker overtime to control costs.

The service needs to meet different types of supply dependent on hiring managers’ needs, the nature of supply, the nature of the work and the required timeframe. It will take into account the technology and the optimum balance between costs and outcomes (i.e. quality of candidates) in order to provide a cost-effective service.

### 3.3 Timetable

The current contract is due to expire in January 2022. It is proposed that the future contract expiration date is the end of March, to align to the council’s financial accounting period. The timetable below sets out the key milestones.

Executive approves the strategy	September 2021
Development of specification	July to August 2021
ITT issued	September 2021
Contract award	November 2021
Contract implementation/transition	November 2021 to January 2022

To achieve the best outcome, HR will consult with managers to identify specific business needs. Representatives from user departments across the Council will be

consulted on developing the specification, tender assessments and selection of the solution that best meet the needs of the organisation.

The YPO framework agreement also includes a lot that can be accessed by schools. Consultation with schools will take place to determine whether they wish to take advantage of this provision.

### 3.4 Options appraisal

It is proposed that a single provider is sought to meet the Council's requirements. The intention is to commission a flexible contract that combines the benefits of a single managed vendor with access to a wide range of workers sourced through the supply chains of generic, specialist and local agencies. The Council wants to ensure that the contract reflects commitments to equality and inclusion and our wider social value agenda.

The Council requires a tailored solution where providers propose a delivery model against our specification.

Options appraisal:

- Having no service is not a viable option as this would mean services would be unable to function in the absence of required resources.
- An internally managed service is ruled out. For the Council to set up its own service (including purchase of a relevant IT system, establishment of specialist supply chains, additional resource within Finance, a compliance team and a resource for direct sourcing) would be too expensive. The cost for this model is estimated at in excess of £300,000 staffing costs per annum, plus approximately £70,000 per annum for an appropriate IT system to run the process, which exceeds the cost of the service currently provided by Reed.
- Contract with each agency individually as opposed to having a managed vendor. This would be cost-prohibitive and inefficient in terms of contract management.
- There is no existing 'one size fits all' solution, with different models being more appropriate for different types of temporary workers. The Council has a different operating model to other boroughs due to more in-house services and our needs may not be met by a solution used by other councils.
- Across London boroughs different solutions are utilised. It is how the service is tailored and the contract managed that determines success.

The recommended option is to procure the service via Lot 1 of the Managing Temporary and Permanent Recruitment Framework Agreement (Ref 942) provided by Yorkshire Purchasing Organisation (YPO). Lot 1 – Managing Temporary Recruitment for Local Authorities.

This framework agreement will offer the best value for the following reasons:

- YPO offers a framework agreement of pre-assessed providers against a broad set of requirements, with a choice to carry out a further mini competition;
- Quick, simple, compliant route to market;

- The council is an associate member of the YPO. If the YPO is used as the procurement vehicle the council will receive a share of the profits, based on spend, from the YPO each year.

### 3.5 Key Considerations – References to social value and impact on staff

It is important that if a new provider is selected, the transfer must take place without any disruption to services. Careful planning for implementation, promoting continuity of service (including the transfer of workers to a new supplier should this be necessary) is required before a contract is awarded.

Transfer of Undertakings (protection of Employment) regulations 2006 (“TUPE”) (as amended by The Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014) will apply to two staff of the current provider of this service to the Council.

Pay rates for temporary workers are within the control of the Council. Therefore our policy of paying at least the London Living Wage will apply. The provider will also be required to ensure that their employees are also paid at least the London Living Wage as one of the conditions of the contract.

Social value will be maximised in this contract via the framework agreement. In the award criteria social value will be allocated a weighting of 20%.

The council currently has an in-house job brokerage and employment support service, which recently expanded its reach to include an Islington Jobs Portal – Islington Working. This team has a track record of working with recruiting managers to support local recruitment to temporary roles, with case studies available on demand. Roles have been supported across a range of job profiles, with a focus on PO1 and below.

It is recommended that all bidding companies should be alerted that this service will be a required part of their supply chain, and be asked to consider this when answering the social value questions. This will create a positive impact on the number of residents securing employment through the appointed agency, particularly for the priority groups e.g. women; Black, Asian and minority ethnic; people with disabilities.

All jobs recruited through the agency must be advertised via the Islington Jobs Portal – Islington Working, to promote greater local recruitment.

It is noted that by providing this service, the Council will be acting in a sub-contractor role without the reward of the usual ‘finders’ fee’, normally paid to sub-contractors. Currently, the iWork roles are core-funded.

There is potential that the Council’s iWork service could be the first point of call for specific vacancies e.g. seasonal vacancies. This would allow the Council to coach and prepare a pipeline of applicants.

In addition, the appointed agency should be asked to track and share data (GDPR compliant) on progression of workers, to understand how local residents are progressing

through roles, to see if there are broad trends which the Council can design interventions around to enable residents to gain skills and better paid work.

In terms of additional Social Value, contractors and sub-contractors should be also be required to contribute to the Council's 100 Hours of the World of Work.

### 3.6 Evaluation

The framework agreement allows the option for either direct award or award by further competition. It is proposed that the 'further competition' route be undertaken to allow maximum benefit to the Council to maximise competition. The specification and tender documentation will be produced with departments across the Council including social value considerations as set out above.

A competition will be undertaken with the providers on the framework agreement. The framework agreement includes a broad array of suppliers, each of which may provide a somewhat different solution to meet our requirements. These solutions will then be reviewed to determine the best proposal for the Council's The framework agreement allows for a choice in the price/quality ratio.

It is proposed that the contract would be awarded to the Most Economically Advantageous Tender (MEAT), based on criteria of 60% quality and 40% cost.

Quality criteria will be :

- Proposed methodology delivery of the service (30%) comprising;
  - Service delivery model (10%)
  - Implementation (10%)
  - Information Technology (10%)
- Social value, equality, diversity and inclusion – 20%
- Contract Management -10%

### 3.7 Business Risks

A risk register will be agreed as part of the procurement. With such a large contract being used by managers across the Council, the implementation of the contract is a key consideration. Within the tender documentation appropriate questions will ensure the successful provider can effectively manage the transition. This will need to include an element of training for hiring managers to ensure they understand the new ways of working and how any new system will work.

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

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

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	Supply of temporary workers across the Council.  See paragraph 3.1
2 Estimated value	The estimated value per annum is estimated at £25M based on current spend. The Council, however is committed to driving down agency spend.  See paragraph 3.2
3 Timetable	The new contract will run from January 2022 to March 2025 with the option of a one year extension. It is proposed that the new contract is aligned to the financial accounting year.  See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities.	A blended, customer-led option.  See paragraph 3.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Islington Council is committed to paying the London Living Wage.  TUPE will apply  See paragraph 3.5
6 Award criteria	Details contained within the report.  See paragraph 3.6
7 Any business risks associated with entering the contract	Details contained within the report. See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	

## **4. Implications**

### **4.1 Financial implications:**

The council's average spend on agency contract for the last two years was around £24.8m approx. which is only expected to increase in the current year due to on-going pandemic. As the existing contract is now coming to an end, the proposal for now is to seek a new long term contract with a single but flexible provider who can supply and fulfil the council's agency staff requirements across departments whilst ensuring adherence to the council's standard policy and practices being followed in terms of pay and equality.

The costs of agency staff will be funded by the hiring departments within the council however having a single provider of agency staff that can also be used by schools, means it will give the council more power to negotiate in terms of service provisions and delivery, which in turn will

help to cut down the costs overall within the organisation for example reduction in the mark-up of agency charges or through removal of fees from agency to permanent recruitments after a period of 13 weeks, will enable departments to make savings.

Since the council is an associate member of the proposed vendor, YPO, the council is also expected to gain from the share of the profits generated by the agency service provider. Thus it is anticipated the new contract will bring in efficiency and service delivery which will result in overall indirect savings across the council.

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

The council has the power under section 111 of the Local Government Act 1972 and section 1 of the Local Government (Contracts) Act 1997 to procure and award the recommended contract for four (4) years at an annual value of c£25m, a total contract value of c£100m.

The proposed contract is a contract for services. The threshold for application of the Public Contracts Regulations 2015/2020 (the Regulations) is currently £189,330.00 for service contracts. The council's Procurement Rules also require contracts over the value of £189,330.00 to be subject to competitive tender.

The proposed procurement strategy is to use the Managing Temporary and Permanent Recruitment Framework (Ref 942) established by the Yorkshire Procurement Organisation (YPO) on behalf of various organisations, including all local authorities. The YPO framework agreement was procured in compliance with the Regulations and OJEU advertisement. The duration of the framework agreement is from 6 January 2020 to 5 January 2023 with an option for YPO to extend the framework agreement for a further year. It is therefore available for use by the council as proposed in this report. A contract may be awarded in accordance with the provisions set out in the framework agreement after the proposed further competition amongst the framework suppliers for Lot 1.

In deciding whether to award the contract to the selected service provider the Corporate Director of Resources should be satisfied as to the competence of the supplier to provide the services and that the contract price represents value for money for the Council.

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

The contract to supply temporary agency workers to the council has some environmental impacts related to the office use and servers of the organisation the contract will be awarded to. These include energy, paper and water use and waste generation. Colleagues in the Energy services team will be engaged in the specification development to ensure this can be mitigated where possible.

#### **4.4 Resident Impact Assessment: Please retain this standard paragraph and add relevant text about specific impacts and mitigation below:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard

to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the report seeks pre-tender approval for the procurement strategy. If agreed, the 'further competition' route will be undertaken to allow maximum benefit to the Council to maximise competition. The specification and tender documentation will be produced with departments across the Council and an RIA will be undertaken as part of this and mitigations included in the specification and evaluation stage of the tendering process.

## 5. Reason for recommendations

5.1 The Council needs an agreement for the supply of temporary agency workers to meet the resourcing needs of the Council in a responsive way.

Lot 1 of the Managing Temporary and Permanent Recruitment Framework Agreement (Ref 942) provided by Yorkshire Purchasing Organisation (YPO) have been determined to offer value for money for the Council obtaining the service in a compliant and efficient manner, whilst maximising competition.

**Appendices:** None

**Background papers:** None

Final report clearance:

**Signed by:**



20 August 2021

Executive Member for Finance and  
Performance

Date

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