



## COUNCIL MEETING - 23 SEPTEMBER 2021

Councillors of the London Borough of Islington are summoned to attend a meeting of the Council to be held in the Council Chamber, Town Hall, Upper Street, N1 2UD on **23 September 2021 at 7.30 pm.**

A handwritten signature in black ink, appearing to read 'David Roper', written in a cursive style.

**Chief Executive**

### AGENDA

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|---|--------|
| 1. Minutes<br>The Minutes of the previous meeting held on 8 July 2021.  | 1 - 22 |
| 2. Declarations of Interest<br>If you have a <b>Disclosable Pecuniary Interest*</b> in an item of business: <ul style="list-style-type: none"><li>▪ if it is not yet on the council's register, you <b>must</b> declare both the existence and details of it at the start of the meeting or when it becomes apparent;</li><li>▪ you may <b>choose</b> to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency.</li></ul> In both the above cases, you <b>must</b> leave the room without participating in discussion of the item.<br><br>If you have a <b>personal</b> interest in an item of business <b>and</b> you intend to speak or vote on the item you <b>must</b> declare both the existence and details of it at the start of the meeting or when it becomes apparent but you <b>may</b> participate in the discussion and vote on the item.<br><br><b>*(a) Employment, etc</b> - Any employment, office, trade, profession or vocation carried on for profit or gain. |        |

- (b) Sponsorship** - Any payment or other financial benefit in respect of your expenses in carrying out duties as a member, or of your election; including from a trade union.
- (c) Contracts** - Any current contract for goods, services or works, between you or your partner (or a body in which one of you 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 you or your 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.

This applies to **all** members present at the meeting.

### 3. Mayoral Announcements

- (i) Apologies
- (ii) Order of business
- (iii) Declaration of discussion items
- (iv) Mayor's announcements
- (v) Length of speeches

### 4. Leader's Announcements

### 5. Petitions

6. Questions from Members of the Public 23 - 26

7. Questions from Members of the Council 27 - 30

### 8. Presentation from Mayoral Charity - James' Place

9. A New Strategic Plan for the Council 31 - 74  
- Islington Together for a More Equal Future

10. Flexible Use of Capital Receipts Strategy 75 - 96

11. Treasury Management Strategy 97 - 122

12. Constitution Report 123 - 162

13. Chief Whip's Report 163 - 164

Where a motion concerns an executive function, nothing passed can be actioned until approved by the Executive or an officer with the relevant delegated power.

- Motion 1: An adaptation plan for climate resilience
- Motion 2: Motion to support the Transport for All Equal Pavements Pledge
- Motion 3: Islington Together let's talk about a greener future
- Motion 4: Opposing Central Government plans for voter ID
- Motion 5: Supporting public sector workers
- Motion 6: Equalities in Educational Outcomes

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Despatched : 15 September 2021

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## LONDON BOROUGH OF ISLINGTON

### COUNCIL MEETING - 8 JULY 2021

#### MINUTES OF PROCEEDINGS

At the meeting of the Council held at Council Chamber, Town Hall, Upper Street, N1 2UD on 8 July 2021 at 7.30 pm.

#### Present:

Bell-Bradford	Heather	O'Halloran
Bossmann-Quarshie	Hyde	Poole
Clarke	Ismail	Russell
Comer-Schwartz	Jackson	Shaikh
Gallagher	Khurana	Turan
Gilgunn	Klute	Ward
Gill	Lukes	Williamson
Graham	Ngongo	
Hamitouche	North	

#### The Mayor (Councillor Troy Gallagher) in the Chair

#### 137 **MOMENT OF SILENCE**

The Council paid tribute to Carmel Littleton, the Corporate Director – People, who sadly passed away the previous week. Carmel was remembered as a supportive and very hard-working colleague and dedicated public servant, whose commitment to children and families and contribution to children's services in Islington, was second to none. The Council expressed their condolences to Carmel's family and friends and held a moment of silence.

#### 138 **MINUTES**

##### **RESOLVED:**

That the minutes of the Annual Council meeting held on 20 May 2021 be agreed as a correct record and the Mayor be authorised to sign them.

#### 139 **DECLARATIONS OF INTEREST**

None.

**140 MAYORAL ANNOUNCEMENTS**

(i) Apologies

No apologies for absence were received, however, the Mayor explained that not all members could attend because social distancing restrictions had significantly reduced the capacity of the Council Chamber.

(ii) Order of business

The Mayor advised that Item 9, Resolution to extend six month rule, had been removed from the agenda.

(iii) Declaration of discussion items

No items were declared.

(iv) Mayor's Announcements

The Mayor announced that former councillor Kazim Khan had passed away and extended his condolences to his family, friends and loved ones.

The Mayor shared his reflections on his first six weeks as Mayor, in particular noting the work carried out in support of his charities ICAP, James' Place and forum+. The Mayor had held a number of meetings around how the borough can support their important work on mental health, suicide prevention and support for the LGBT community.

The Mayor said that it was fantastic to visit the pop-up Covid-19 vaccination clinic Emirates Stadium and thanked Arsenal FC and all the staff and volunteers for their contribution. Many thousands had received a vaccination during the event and the sense of community spirit was heartening.

The Mayor was delighted to attend the Windrush Day flag raising outside of the Town Hall. It was so important to recognise and remember the contribution of the Windrush generation to Islington, and never forget the challenges faced by the Windrush generation. It was important that the spirit and memories of the Windrush generation are captured.

The Mayor had attended the Armed Forces Day flag raising and thanked the Islington Veterans Association for their work in support of armed forces personnel. The Mayor also thanked Cllr Gary Poole, Armed Forces Champion, for his dedication and contribution.

The Mayor had attended the Cally Festival for the launch of the Freeling Street Pocket Park. It was a great event and the Mayor thanked all those involved and commented on the fantastic community spirit.

The Mayor had visited the Irish Embassy and had joined the Irish Ambassador for lunch as the first Irish Mayor of Islington. It was intended to hold events over the next year to support and recognise the contribution of the Irish community to Islington.

The Mayor noted the recent anniversary of the 2017 Finsbury Park terror attack. The Mayor said that the Council's thoughts were with the family of Makram Ali and we must never allow hate to divide us. There was no place for racism or hatred in the borough.

(v) Length of speeches

The Mayor reminded all councillors to stay within the permitted length for speeches.

**141 LEADER'S ANNOUNCEMENTS**

The Leader spoke of her sadness at the passing of Carmel Littleton, who was loved and respected by so many. The Leader said that Carmel's family were in her prayers. Carmel was warm, kind, funny, smart and a gritty and unwavering commitment to improving the lives of the children and young people she worked with.

The Leader also wished to remember Tony Eastlake and Taylor Cox who had been tragically murdered. Both of these incidents had shaken the community and the Leader passed on her deepest condolences to their families.

The Leader said that her first few weeks in office had been busy and trying, but a real highlight had been attending the Windrush Day celebrations. It was a real honour to pay tribute to the Windrush community who had made a massive contribution to the borough. The Mayor thanked all involved in their event for their efforts.

The Leader thanked the Mayor for attending the mass vaccination events at the Emirates Stadium. The Leader had volunteered at the event and had spoken to many who were delighted to be getting their vaccine. It was fantastic to see council staff, NHS colleagues and others working together to vaccinate over 9,000 people over four days. The Leader commented on the importance of the NHS; it is there when we need it most, and we must be there for the NHS now. The Leader said that the Council supported the work of the NHS, however was concerned that the NHS was under threat from a dangerous government privatisation agenda. The Leader commented on Motion 2 on the agenda and said that the Council would reaffirm its commitment to defending the NHS this evening.

The Leader was delighted to welcome Cllr Gilgunn to the meeting, who had been elected in the Tollington ward by-election the previous week.

Finally, the Leader reflected on the success of the England football team in reaching the final of Euro 2020.

**142 PETITIONS**

No petitions were received.

**143 QUESTIONS FROM MEMBERS OF THE PUBLIC**

Due to COVID-19 safety procedures it was not possible to accommodate members of the public in the Council Chamber. There was no opportunity to ask supplementary questions or questions without notice and Procedure Rule 19.2 was suspended accordingly.

Question (a) from Helena Farstad to Cllr Comer-Schwartz, Leader of the Council:

Does the Councillor believe that we are headed towards a Sixth Mass extinction, putting the future of humanity at significant risk, because of our inaction to halt biodiversity loss and stop the increase in global temperatures?

Response:

As Leader of Islington Council, I am extremely concerned about the Climate Emergency and the impact it is having on our planet, which can be seen right now by the extreme heatwave in the west of the USA.

As you'll be aware, Islington Council declared a climate emergency on 27 June 2019 and we adopted our new Net Zero Carbon strategy in November 2020. Since 2012, we have cut emissions in the borough by 40% and seen the 12th highest decrease in emissions per person for any council area in the country. However, we know there is much more to do.

Tackling the climate crisis is a matter of social justice. Our strategy, 'Vision 2030: Building a Net Zero Carbon Islington by 2030', sets out our plan for a fair and green future for local people, to reach net zero carbon Islington by 2030. It builds on our work so far to reach our net zero target, including energy efficient homes, affordable green electricity, lower energy costs, cleaner air and streets free of harmful emissions. We will be doing this by building more genuinely affordable homes for local people and getting local people into good, well-paid green jobs.

Our Biodiversity Action Plan for 2020-25, also sets out our strategy for protecting and improving the borough's biodiversity, which includes protecting Islington's network of green spaces, creating more areas of planting in parks, housing estates, and our built environment, and converting some areas of amenity grass in parks and housing estates into meadows.

We must continue to work together across our communities to do all we all can to tackle the Climate Emergency and push for real and radical change from Central Government, who frankly, are utterly failing to get to grips with this important issue.

Question (b) from Lucy Facer to Cllr Champion, Executive Member for Environment & Transport:

Toxic air is killing 25 people prematurely every day in London alone. Recent reports show air pollution is damaging male and female fertility and pollution particulates have even been found in fetuses. The largest single source of inner city toxic air (NO<sub>2</sub> and PM) is caused by vehicle movements. Does the councillor think it's time to for Islington to demonstrate it's commitment to its pedestrian priority policy by being the first borough to commit to being an anti-car borough, and leading the way in tackling air pollution issues?

As Councillor Champion was not present, the question was answered by Cllr Comer-Schwartz:

Thank you for your question. As you'll know, Islington Council is very concerned about the impact of toxic air pollution in our borough and we are taking action to tackle this. The most visible action we have taken so far is our people-friendly streets programme. Islington Council has introduced seven people-friendly street neighbourhood trials, creating cleaner, safer and healthier streets for local people.

The monitoring reports for the St Peter's, Canonbury East and Clerkenwell Green schemes have now been published and we have been extremely encouraged by the results. The number of vehicles speeding fell by an average of 88% within Canonbury East and traffic fell on local streets in St Peter's by 57%. On top of this, we also now have School Streets Scheme covering 36 primary schools, making the school gates safer and healthier.

In November 2020, the council adopted the Islington's Transport Strategy 2020 – 2041, with a vision of delivering a fairer, healthier, safer and greener transport environment. The strategy includes the target that 90% of trips made by Islington residents will be by walking, cycling and public transport.

We need to be honest, language like 'anti-car' simply doesn't help. We all must work together to engage with local people about the many benefits of choosing a different mode of transport rather than a private car, if they can. We as a council will continue to prioritise making it easier and safer for everyone to walk, cycle or wheel around our neighbourhoods.

Question (c) from Ernestas Jegorovas to Cllr Ngongo, Executive Member for Children, Young People and Families:

The percentage of 16 & 17 Year old residents who are NEET or 'Not Known' has gone up, what is the council doing to urgently address this?

Response:

Thank you for your question. Young people are one of our top priorities. We know that lockdown didn't help this situation, but we as Islington Council never sit down

because our young people are our future, and we are focused on the future of our young people.

There has been increase of 0.1% in the number of young people NEET and a 0.6% increase in the number of 'unknown' young people; we couldn't reach them. Because of the national lockdown, our outreach workers were not able to visit them at home.

But we have a system to make sure we reach them, we have started to visit them at home, to know what is going on and to help them receive support.

Employment, education and training is the top of our agenda and we are working with schools in full collaboration to prevent any young person becoming NEET. We are also working with colleges to ensure they are working with young people on application forms and enrolment. If there is any young person at risk of becoming NEET we step in as soon as possible to give them all of the support they need.

We have a good system in place for this summer, we will be working in collaboration, giving one-to-one support to our young people. We will be working with young people through our local communities, youth hubs, and also 222 Upper Street will be open to them.

Islington Council cannot accept young people becoming NEET; we are determined to do everything we can to help them and to resolve this matter. I hope this reassures you that this is top of our agenda.

Question (d) from Benali Hamdache to Cllr Champion, Executive Member for Environment & Transport:

Mountgrove Road is in poor repair, with incredibly uneven surfacing that makes cycling and driving difficult. What plans does the council have to repair the road?

As Councillor Champion was not present, the question was answered by Cllr Comer-Schwartz:

This road is a boundary road maintained by Hackney Council. It merges into Riversdale Road at the Green lanes junction which is maintained by Islington. We will raise the issues with the carriageway surfacing with Hackney Council.

Question (e) from Saiqa Pandor to Cllr Shaikh, Executive Member for Inclusive Economy & Jobs:

What is the council doing to get local people back into work now that the lockdown is beginning to lift?

Response:

Thank you for your question. We are anticipating an increase in demand for our employment services when furlough ends in September.

We know that the pandemic has led to a rise in unemployment in Islington over this past year and Islington's in-house employment support service iWork has been working very hard with its partners to ensure that residents get the support they need. We've been doing a wide range of interventions I'd like to share a few of those with you; as I mentioned already we have an in-house employment support service iWork which continues to offer a one-to-one tailored coaching and mentoring support service to Islington residents looking for work. We've adapted the service during the pandemic so it's a blended service that is online as well. We haven't stopped the service during the pandemic.

During the lockdown restrictions iWork has been working with Islington Working which is our network of over 50 local employment support services. We have managed to support 988 unemployed residents back into work, surpassing our target.

We have also launched the Islington Working jobs portal in March this year; this is an online portal that connects local residents to local vacancies, we have 1,300 residents registered on the portal and 77 local employers. Recent analysis of that has shown that we have over 60% of users from black and minority ethnic community backgrounds and 65% are women. We are working with key priority sectors that have remained buoyant during the pandemic such as the health and social care sector. This month all three of the local NHS hospital trusts approached the team to help co-promote key roles, that includes 50 technician trainees at Moorfields Eye Hospital, 10 healthcare assistants at Whittington Hospital, and 20 roles at Great Ormond Street Hospital.

We are also helping residents into the tech and digital sector through our LIFT programme which is our own abbreviation for Leading Inclusive Futures Through Technology. It's a £7.4m programme in collaboration with Camden, Hackney and Tower Hamlets that seeks to target getting women and black and minority ethnic residents into the tech and digital sector.

To conclude, we anticipate that there will be an increased demand for employment services as the furlough scheme finishes at the end of September, we are working to ensure that we have recovery plans in place, and we are reviewing the services that we have at the moment to ensure they remain relevant. Partnership working continues to play a pivotal role in employment support services.

Question (f) from Ann Bradford to Cllr Lukes, Executive Member for Community Safety:

Having lived in the borough for many years, recently it appears that there have been quite a few episodes of violence locally. Women need to know they can feel safe

when out and about. What is the Council doing to ensure that women are not only safe in our borough, but feel safe too?

Response:

Thank you for thoughtful question. There are two parts to this; there is an issue about women's safety, and there's also the fear that women often feel when they're going out, and that in itself then limits our lives.

In Islington we take women's safety, in the home and out of it, very seriously. We are in the process of working with partner organisations to write a new strategy for tackling violence against women and girls which will build on some excellent work that we are already doing. We passed a motion at Full Council last year which called for making misogyny a hate crime, seeking to tackle toxic attitudes towards women and girls in the borough.

In 2020, in spite of the tight financial situation, Islington Council invested £2million in programmes focused on reducing violence towards women and girls. This included direct work with men who use violence, safety planning for children experiencing domestic abuse, and supporting victims affected by domestic violence. We also run programmes in schools to tackle violence against women and girls and sexual bullying because for women to feel safe men have to address their behaviour and step up, and that has to start from an early age.

We're also doing some practical things as well; Islington council this year as supporting Islington for Women to run a series of walks across the borough with different organisations. The next one is on 21 July from Hornsey Road Children's Centre and Platform. It's a chance for women to work together enjoy their neighbourhood but also think and talk about where they feel safe and where they don't, and why. Our Community Safety Officers and Police Officers walk with them and use these sessions as environmental audits to identify changes need to make us all feel safer.

In July we're launching the 'X marks the spot' campaign to ask every household in the borough where and when and why they don't feel safe in any area across Islington. Council officers will also work with key partners to develop area improvement plans particularly focusing on those changes identified by women as needed. We want women to enjoy being in Islington, to have fun and feel safe. We encourage and support licenced premises to sign up for the Mayor's Nightsafe Charter and train bar staff to better identify and support women who appear vulnerable or feel unsafe. One third of the premises in London signed up to this initiative are in Islington.

Working with partner organisations and businesses we have also set up over 100 safe havens on in the borough. They provide a place of safety on the local streets for anyone, including women; look out for the signs in local businesses, community centres and so on if you're in danger of if you feel threatened or harassed on the street.

Question (g) from Roderik Gonggrijp to Cllr Champion, Executive Member for Environment & Transport:

School Streets are of immense benefit to local communities as they protect children's lives as they make their way to and from school, encourage active travel rather than school runs by car and crucially improve air quality especially at the times most important during the day. Currently 36 of the 47 primary schools have a School Street schemes in place. However only 15 of these were consulted on prior, the remaining 21, like my local one at Tufnell Park Primary and The Bridge School were put in place as part the council's People Friendly Streets Programme with an 18-month Experimental Traffic Order. The School Streets are hugely popular with schools, parents and children.

Can the councillor assure parents that these schemes are not at risk when the 18-month period expires?

Response:

Thank you for your question. School Streets are an important part of the Council's drive to create cleaner, safer and healthier streets in Islington, including around the school gate. The acceleration of the delivery under our people-friendly streets scheme has delivered school streets as trials for 18 months initially. School Streets are a key commitment in both the Transport Strategy and the net zero carbon strategy and therefore the council fully intends to make the school streets a permanent fixture subject to monitoring and consultation.

The council has been monitoring the new School Streets and will be publishing monitoring results for each School Street in advance of the public consultation. The monitoring reports will reflect a before and after assessment of the trials using the following data: motorised traffic counts, speeds, cycling counts, and air quality data.

Question (h) from Jimmy Bell to Cllr Lukes, Executive Member for Community Safety:

As we are still responding to the pandemic and the infection numbers are rapidly rising nationally I would like to ask, what is Islington Council doing to help engage all parts of our community, both when responding to Covid and also to rolling out the vaccine locally? It is important every part of our community is contacted and encouraged to participate in order to make sure the response is the best it can be.

Response:

Thank you for your question. Councillor Ibrahim has also asked a question which will go into quite a lot of detail about vaccinations, so please look at that in conjunction with what I'm about to say.

We've already talked today about the amazing mass vaccination event that we organised in partnership with the NHS and Arsenal at the Emirates Stadium. Community engagement made that possible; thank you to the hundreds of volunteers over four days who helped guide, steward, support and help everyone who came to what was a really joyful expression of how we are all Islington and all working together to respond the pandemic.

We have been running vaccination pop up clinics in areas of low take-up in the Borough the, and this week, with the help of St Clement's Church in Bunhill, we've been running one and I'm glad to say that we're now extending that by two more days. We're also planning more in schools and other venues; so people will go to a place that's familiar to them, that is nearby and easy to access.

All these rely on real community engagement; we have to find the sites, we have to negotiate with them, we have to get cooperation from people running them, we have to publicise the site, recruit volunteers, run information desks and support the clinical staff. We can have another pop-up running very soon at the House on the Rock in partnership with a local pharmacy and the church.

It's not just about the vaccination effort, it's also about keeping everyone safe and supporting those who need it. Since the start of the pandemic we've been working with all our communities; it's my view that the willingness of so many of our staff to go above and beyond to find creative solutions to the unprecedented problems we faced, such as the We Are Islington helpline used by thousands of residents, has also allowed us to build and cement relationships with voluntary, community and faith organisations, and the mutual Aid groups that sprang up. By working together, creating honest and respectful relationships, we've been able to look after each other.

It's been a very worrying and sometimes frightening time for us all, and this has been compounded by the many ways in which this government has shown its contempt for the country, for the science, and for the truth, so it's even more important that we as a local council step up to the plate and look after our communities and work with them.

The community conversations that Cllr O'Halloran and I run are open to local organisations and offer clear and accurate information from our excellent Public Health team. These sessions ensure that there are real opportunities to be heard and to explore how we can all work together; they've been a model for other local authorities and I'm exploring how else we could use them here.

Question (i) from Vanessa Carson to Cllr Turan, Executive Member for Health and Social Care:

What support are you giving to Young Minds in their campaign to fund mental health hubs in Islington?

Response:

Thank you for your question. While The Young Minds campaign is calling for a network of early support hubs across the country, I believe the Council's existing mental health offer for young people offers much of what is being asked, and even more.

In Islington we have a well-developed mental health offer for young people which was launched in September 2019 after consultation with local children, young people, families and professionals in Islington.

The local Children and Adolescent Mental Health Services (CAMHS) Transformation Plan had a strong focus on increasing access, equity and capacity, with an aim to ensure all children and young people reach the right service at the right time. This approach means we are able to meet the need of every child and young person with a strong focus on preventing mental health issues from escalating. We have worked with our local NHS and partners to increase capacity in our community services and launch a Central Point of Access approach for children and young people to access to access all social, emotional and mental health services in the same way.

Changes were also made to the core Whittington Health CAMHS service including new assessment and intervention pathways and a staff restructure. These changes have provided more consistency in clinical allocation, reducing the need for clients to have to tell their story more than once. Whereas previously most CAMHS appointments were held at one local health centre, more children and young people can now be seen in a range of community settings, including youth hubs and leisure centres, offering more choice and flexibility. This transformation of services for children and young people was awarded the Health Service Journal 'Highly Commended' Award for 'Integrated Care Partnership of the Year' and was a finalist for the Health and Local Government Partnership Award'.

We know that young people's mental health will have suffered further during the pandemic and these changes have meant our services can respond flexibly as issues arise.

Question (j) from John Ackers to Cllr Champion, Executive Member for Environment & Transport:

Policy 3C of Appendix One of the Islington Transport Strategy (draft) says the phasing out of resident and business parking permits for diesel and petrol vehicles by 2030 is being investigated. I very much welcome this because it would make the Council's zero carbon ambitions and intentions very clear.

Could the Council investigate phasing out new permits for the most polluting vehicles in Band M starting in 2023 and move up to Band A, the smallest vehicles, by 2030? Requests for replacement permits would also be declined but starting two years later (e.g. in 2025 for B and M). This avoids a single dramatic deadline. Exemptions could be considered for blue badge holders, key workers, and/or very low annual mileage

vehicles (as declared on MOT entries). Charges for residents parking permits for EVs should be ramped up over the same time frame.

As Councillor Champion was not present, the question was answered by Cllr Comer-Schwartz:

Thank you for your question John. Islington Council is determined to tackle toxic air pollution in our borough and one way of doing that is by reducing the amount of journeys made by the most polluting vehicles.

In November 2020, the council adopted the Islington Transport Strategy 2020 – 2041. The adopted strategy includes a commitment to reduce carbon emissions by supporting residents to switch to electric vehicles and to investigate the phasing out of resident and business parking permits for diesel and petrol vehicles by 2030.

The Council will consider all options when seeking to achieve these objectives, including working with and consulting local people to hear their views on the best way forward.

The Council is seeking to build on the pioneering emissions-based charging policy which has seen us as amongst the first councils to set parking permit charges based on vehicles' CO2 emissions, reducing the borough's impact on climate change. We are the first local authority to implement a parking permit surcharge for diesel vehicles and the first local authority to implement diesel surcharges throughout the borough's short stay parking spaces.

We are aware that it may be difficult for some people on low incomes to switch to alternative vehicles if they need to use their car and the Council will make a case for a fair system of subsidies and incentives for low-income groups which are genuinely reliant on cars to meet their mobility needs.

Despite their relative environmental benefits, electric vehicles are still motorised vehicles which contribute to road congestion, road safety issues and particulate pollution. Therefore, encouraging public and active transport, walking and cycling, remain the Council's top priority in terms of transport.

#### **144 QUESTIONS FROM MEMBERS OF THE COUNCIL**

Due to COVID-19 safety procedures it was not possible to accommodate all members of the Council in the Council Chamber. There was no opportunity to ask supplementary questions and Procedure Rule 19.2 was suspended accordingly.

Question (a) from Cllr Heather to Cllr Shaikh, Executive Member for Inclusive Economy and Jobs:

I have been raising for some time now the problems being caused in the borough by the platform business model when it is used, in the main, to deliver fast food to customers' premises.

In my ward the activities of the moped delivery drivers who are used to provide this service late into the evening and early morning are causing anti-social behaviour and safety hazards for local residents and the public, including: noise, road traffic offences, unsafe driving, illegal parking, riding on the pavement, pollution, urination and defecation in public spaces, and fighting and threatening behaviour. This is proving a particular problem at the Nags Head Town Centre in relation to deliveries from the 24 hour McDonalds store in Seven Sisters Road, where the council is conducting a licence review due to the high level of complaints made by local residents and the Finsbury Park ward councillors.

The underlying cause of the problem here is the platform business delivery model being operated from business locations that do not have the infrastructure to provide the service without causing vast negative impacts on the people who live and shop in the surrounding area. There is also an issue in that the delivery drivers are not employed by the fast food stores themselves, making it very difficult for them to manage and control the drivers. It is very clear that currently the council do not have sufficient powers to regulate this type of business activity to protect the amenity and safety of residents and the public. And this business model operated in inappropriate locations also presents problems for the delivery drivers too.

What steps are the council taking to address these issues?

Response:

Thank you Cllr Heather for your question on this important issue, and thank you for your work in trying to resolve these issues for local residents.

The council is attempting to use the powers it has to encourage McDonald's on Seven Sisters Road to take responsibility for the management of the delivery of its food; as you'll be aware this is a problem caused by the gig economy and the business models developed by digital delivery platforms. The issues are complex as the sector is largely unregulated, so what's happening around McDonald's is a classic example of the difficulties we face. You've got a restaurant that wants to maintain profits, and an increased demand for takeaway food through lockdown, so they use delivery rider platforms. These platforms promise speedy delivery, contract riders on zero hour contracts using a pricing system which forces riders to be as quick as possible and encourage them to behave in ways that causes disruption in our local areas. In this scenario McDonald's make money, the platforms make money, but the riders are largely exploited. The people that are suffering here are largely local residents and delivery riders.

The council are trying to get the large restaurants to take responsibility and put in place proper management and communication systems. I know that Councillor Heather has been closely involved in these new measures in relation to McDonald's on Seven Sisters Road. The late night licence review which is supported by the local councillors and officers is one way which we are attempting to influence McDonald's to take more responsibility. Our community safety and licensing officers have put in place a number of measures that we expect McDonald's to meet. I've also met with

Uber in order to urge them to take responsibility for managing how their business model impacts on local areas, and also to push them to improve the employment rights, safety and conditions of riders.

Earlier this year, with Councillors Lukes and O'Halloran, I wrote a letter to the Deputy Mayor Jules Pipe on these matters to initiate a discussion to protect some of the most vulnerable workers in our cities, as well as to investigate the potential for a London-wide strategy on the licensing of delivery companies. This would allow Islington and other boroughs to develop codes of practice which would have a significant impact in highly residential London boroughs. I'm going to follow this up with the Deputy Mayor.

We're also trying to support the delivery riders. Many of you will be aware of the tragic murder of Takieddine Boudhane in Finsbury Park 18 months ago. With Jeremy Corbyn and John Hendy QC, we met with the delivery riders, and we were able to facilitate a meeting with International Workers GB Union. I'm pleased to say that we've helped them set up the Finsbury Park branch of the IWGB Union.

Finally, Islington Council is supporting Wings. This is a new ethical delivery company; it's a commitment for us to deliver a local economy that works for all. It's a co-operative, owned and run by delivery riders, and it guarantees all riders will be employed with the London Living Wage, it ensures job security, sick pay and benefits, and is the only delivery platform committed to using only zero emission vehicles. Its founders describe the company as good for riders, good for the environment, and good for society, and as a Council we are delighted that we can take this innovative step to support an alternative delivery platform that hopefully will work for all in Islington.

Question (b) from Cllr Russell to Cllr Ward, Executive Member for Housing and Development:

Between 2014 and 2018 Islington Council bought and installed 2,700 Glass Reinforced Plastic (GRP) front doors from the now-dissolved Masterdor company, spending £3,400,000. The roll-out was halted in 2018 after safety concerns emerged in the wake of the Grenfell Tower disaster. Tests were carried out and results released by the government in February last year showed the fire resistance of the doors was only 15 minutes, as opposed to the 30 minutes advertised by the company. In February 2021 you told me that the front door replacement programme was delayed by the pandemic but that you had managed to replace 600 doors since the start of the pandemic and were working to catch-up.

What is the current total of doors replaced and what is the current expected completion date for replacing the non-compliant front doors?

Response:

Thank you for your question Cllr Russell and for your consistent focus on this issue in recent times. Resident safety is, and always has been, a priority for this council. We are working hard to replace the fire doors for local people as quickly as possible.

Sadly the pandemic has affected our fire door programme. A combination of residents' hesitancy to allow tradespersons to do work and also contractors furloughing staff has meant that there was a period last year when the work programme had to be paused. There are still some challenges in persuading some residents to allow this work to take place and we may have to consider legal action to gain access in some cases.

But, we have still managed to replace over 1,000 doors during the pandemic and will aim to catch up as far as possible. It is, however, likely that the overall programme will not now be completed until late 2022. It is also worth noting that around 800 doors that were not previously fitted with Masterdor products have also been replaced.

Question (c) from Cllr Russell to Cllr Comer-Schwartz, Leader of the Council:

Congratulations on your appointment as Leader of the Council. When you first became Leader you said: "I love Islington and will continue working hard to make our borough a fairer place by aspiring, improving and empowering Islington."

How will you do this and is there anything that you hope Islington residents will notice about the way you lead the council?"

Response:

Thank you for your congratulations Cllr Russell, it is much appreciated. It has been a hectic but rewarding first seven weeks as Leader.

I am determined to continue the work of my predecessors in making Islington a fairer and more equal place for all. We have made radical changes over the past year, including our People-Friendly Streets programme which is making the borough a cleaner, safer, healthier place for local people and has seen us recognised as having the healthiest streets in London, only this week.

So, I am keen to build on those radical changes but also ensure we are listening to, engaging, and working with local people. I want to bring people with us and make changes with them, rather than to them. I want to ensure that local people feel like we are a Council that listens to them and acts on their concerns.

Question (d) from Cllr Nathan to Cllr Shaikh, Executive Member for Inclusive Economy & Jobs:

As the Council's Small Business, Co-ops and Social Enterprise Champion, I'm all too aware of the role Islington's night time and cultural venues play in the social and

economic well-being of our borough. However, they are the institutions which have suffered most from the Government's delay to the easing of Covid restrictions and the subsequent failure to offer financial support to affected businesses.

Can you let me know what the Council is doing to support these venues to survive during the current restrictions and then fully reopen when possible?

Response:

Thank you Councillor Nathan, it's a really important topic at the moment as the COVID restrictions are lifting and where all assessing the impact on the economy.

As you highlight, the evening economy is a unique feature of the Islington economy, and it accounts for approximately 25,000 jobs in Islington. In 2017 Islington was one of the top five boroughs with the highest concentration of cultural and leisure activities work places, so the sector is really important to us and we're taking its support really seriously as well.

We know the sector has been impacted by the pandemic restrictions, and we know from recent government research that the events industry as a whole is managing between just 50 to 60 per cent of its 2019 turnover under the current restrictions. For this reason Islington Council has prioritised independent music and cultural venues including community pubs in a recent round of discretionary funding provided as part of the package of grant support for businesses. At the end of June we were able to award £1.8million in extra funding to almost 100 pubs and music, comedy, theatre and dance venues hit by ongoing COVID-19 restrictions.

The borough's independent pubs and live venues are famous across London and beyond and they play a vital role in supporting many local jobs and businesses. While many businesses have been able to reopen, COVID-19 restrictions have can you continue to have a major impact on the hospitality sector and regardless of the recent government announcement to lift restrictions, we know that certain sectors will be impacted by levels of customer confidence. In light of this, and in recognition of the key role they play locally, we want to ensure continued support for the sector by offering one off grants of £15,000 to £30,000.

We want local people to enjoy these places safely and so our public protection and local economies teams are providing practical support to businesses and guidance on how to operate safely, as well as putting plans in place to support our local high streets.

The Council has been administering the additional restrictions grant which is a direct aid grant to businesses since December 2020. So far, the council has supported over a thousand businesses, to help them access over 1500, grants totalling more than £7million. We continue to lobby government to ask for more financial support for this sector and also our hospitality sector.

Finally, we're going to have to watch carefully how a lifting of restrictions works for the hospitality sector, but I can reassure you that we will continue to work closely with all of our partners in the sector to look to better understand their concerns and help them through this very difficult time.

Question (e) from Cllr Ibrahim to Cllr Lukes, Executive Member for Community Safety:

As a local Covid-19 Health Champion, I am very aware of the impact the pandemic has had on our borough. The NHS vaccine roll-out has shown the merits of genuine public services run for the benefit of local people.

However, we know that some communities in Islington have been slower to take-up the vaccine than others. Can you let me know what the Council is doing to increase uptake among these communities, as well as making vaccines as easily available as possible to keep Islington safe?

Response:

Thank you for your question, this is a vital issue for our communities. We know in the pandemic that no one is safe until we are all safe. We are also proud of the vaccine roll-out; it's not just an example of the NHS at its best, but it's also been a real partnership of the borough's local institutions, the voluntary sector and community groups, and the hundreds of residents and volunteers; all united in our determination to get everyone protected.

The mass event at the Emirates Stadium, in your ward, was an example of that. A team effort between Arsenal, the borough and the NHS. I want to thank you and all the councillors, many of them here, who volunteered for that. It was a huge success and showed how councillors can be community champions, working with hundreds more volunteers to keep Islington safe. We did it not just to get to 9,000 people vaccinated, but because we also thought that it would increase trust and awareness of the vaccination process for many other people. We know that this pandemic has exposed and multiplied the appalling inequalities in our borough and we are committed to tackling them. We regularly and frequently review all the data we have on vaccinations to identify where take up is lower, in which areas, in which communities, for which people. We then find people from those groups and we ask them and listen to them. I would like to thank them for their insights and commitment. We ask about the barriers they face, or their fears, and we find ways to address them.

For example, we have visited some Black owned and run businesses in the north of the borough to learn from them and ask for their help in promoting the health of their customers and communities. We listened to community and faith leaders and work with them; many of them have recorded short videos and other messages to use on social media to encourage everyone to get the protection they need.

The council is running pop-up vaccination clinics at key locations such as Finsbury Park Mosque and the House on the Rock, and also at easy to reach local venues to encourage take up, especially from people who might find it difficult to travel to larger busier centres. We engage with local people in Islington streets we distribute leaflets we run information desks.

Our community champions programme trains and supports people to talk to the people they know: friends, neighbours and family. We know some people find the booking system difficult, so we worked with the NHS to increase the number of drop-in appointments available, and also we've set up our We Are Islington helpline so that it can help people for anyone who needs help with booking on transport. This is not a discrete piece of work, it's a process, and we're committed to seeing it through to keep everyone safe.

Question (f) from Cllr Ismail to Cllr Gill, Executive Member for Finance and Performance, was withdrawn.

Question (g) from Cllr Ismail to Cllr O'Halloran, Executive Member for Community Development, was withdrawn.

**145 ANNUAL UPDATE ON THE ARMED FORCES COMMUNITY COVENANT**

Councillor Poole moved the recommendations in the report. Councillor Comer-Schwartz seconded. Councillor Russell contributed to the debate.

The recommendations were put to the vote and CARRIED.

**RESOLVED:**

That the activity over the past year to celebrate and support Armed Forces personnel, veterans, and their families be noted.

**146 RESOLUTION TO EXTEND SIX MONTH RULE**

The Mayor advised that this item had been removed from the agenda.

**147 CHIEF WHIP'S REPORT**

Councillor Hyde moved the recommendations in the report.

The recommendations were put to the vote and CARRIED.

**RESOLVED:**

- (i) That Councillor Gilgunn be appointed to the Licensing Committee for the remainder of the municipal year or until a successor is appointed.
- (ii) That Councillor Gilgunn be appointed as a substitute member of the Planning Committee for the remainder of the municipal year or until a successor is appointed.

- (iii) That Councillor Gilgunn be appointed as a substitute member of the Housing Scrutiny Committee for the remainder of the municipal year or until a successor is appointed.
- (iv) That Councillor Bossman-Quarshie be appointed to St Lukes Trustee Ltd until 29 June 2022 or until a successor is appointed.
- (v) That Councillor O'Halloran be appointed to Islington Community Chest Panel for the remainder of the municipal year or until a successor is appointed.

## 148 **NOTICES OF MOTION**

### Motion 1: Making Islington a Borough of Sanctuary

Councillor Bell-Bradford moved the motion. Councillor Bossman-Quarshie seconded. Councillors Ismail and Russell contributed to the debate. Councillor Bell-Bradford exercised his right of reply.

The motion was put to the vote and CARRIED.

#### **RESOLVED:**

- (i) To join a network of cities and towns which promote the inclusion and welfare of people who are fleeing violence and persecution in their own countries and become a recognised "Borough of Sanctuary"
- (ii) To work with community groups to harness public support to help and support refugees, migrants and asylum seekers in Islington.
- (iii) To continue to celebrate the contribution of refugee and migrant communities to Islington.
- (iv) To continue to work with organisations in the borough who support refugees, asylum seekers and migrants in the borough.
- (v) To challenge anti-refugee and anti-migrant attitudes wherever they are found.
- (vi) To continue to lobby the government to reform the No Recourse to Public Funds condition so that people are no longer blocked from fully participating in society for years while they wait for their status to be resolved. We will continue to put pressure on Central Government to put in place a fully-functional Windrush Compensation Scheme.
- (vii) To work with local businesses and community partners to further tackle the digital divide, provide affordable access to online services and look at ways to donate IT devices locally to those in need, rather than scrapping them.

### Motion 2: Keeping the NHS in public hands

Councillor Turan moved the motion. Councillor Khurana seconded. Councillors Ismail and Russell contributed to the debate. Councillor Turan exercised his right of reply.

The motion was put to the vote and CARRIED.

**RESOLVED:**

- (i) To continue campaigning to keep the NHS in public hands and to stop the backdoor privatisation of NHS services, because public services are always best run in public hands
- (ii) To work with local MPs and the local CCG to stop any further Conservative Government selling off of local NHS services following Operose's takeover of 49 GP surgeries
- (iii) To continue supporting our local NHS services to roll-out the Covid-19 vaccine to local people and keep Islington safe
- (iv) To work with North Central London CCG to inform local people of the pooling of patient medical records and ensure patients are aware of how they can opt-out
- (v) To continue seeking to bring local services back in-house where possible, such as housing repairs, including Partners for Improvement
- (vi) To write to the Secretary of State for Health again, to set out local people's concerns regarding the Centene takeover of AT Medics and to call for local NHS services to be run for the benefit of the public, not for profit.

Motion 3: Making Islington Homes Safe and Secure

Councillor North moved the motion. Councillor Jackson seconded. Councillors Klute and Russell contributed to the debate. Councillor North exercised his right of reply.

The motion was put to the vote and CARRIED.

**RESOLVED:**

- (i) Continue pressure on Central Government, including working with our local MPs, to provide the necessary funding to make every building in Islington safe from dangerous cladding and other fire safety risks, at no cost to leaseholders
- (ii) Adopt the 10 asks of the End Our Cladding Scandal campaign
  1. Urgent removal of all dangerous cladding
  2. Building Safety Fund must cover all buildings
  3. Government should provide money up front & recover from responsible parties
  4. Social Housing providers must have full & equal access to fund
  5. Building owners must be honest with fire safety defects
  6. Government should cover cost of interim safety measures
  7. Government should act as insurer & underwrite premiums
  8. Replace EWS
  9. Mental health support must be offered to affected residents
  10. Protect residents from historic & future costs

- (iii) Adopt the sensible recommendation of the Housing, Communities and Local Government Select Committee that the EWS1 process could be reformed to unlock the housing market whilst keeping residents safe
- (iv) To continue to support and advocate on behalf of residents who have been failed by this Tory government's failure to address the cladding and fire safety scandal.

Motion 4: Democratic participation and the coronavirus pandemic

Councillor Russell moved the motion. Councillor Gill contributed to the debate. Councillor Russell exercised her right of reply.

The motion was put to the vote and CARRIED.

**RESOLVED:**

- (i) To ensure council meetings are inclusive, to write to Robert Jenrick MP Minister for Housing, Communities and Local Government to request a change in the law to enable councils to resume holding fully hybrid meetings.
- (ii) To continue to broadcast Full Council and Committee meetings.
- (iii) Until the law is updated, to make every effort to enable participation of elected councillors and members of the public in our meetings with a cross party agreement about formal decision making.

Motion 5: Climate and Ecological Emergency Bill

Councillor Russell moved the motion. Councillor Clarke moved the amendment. Councillor Ismail contributed to the debate. Councillor Russell exercised her right of reply on the motion. Councillor Clarke exercised her right of reply on the amendment.

The amendment was put to the vote and CARRIED.

The motion as amended was put to the vote and CARRIED.

**RESOLVED:**

- (i) To support the Climate and Ecological Emergency Bill, by working with our local MPs to support this bill in Parliament, writing to the CEE Bill Alliance and calling on the Secretary of State for Business, Energy and Industrial Strategy to back the Bill;
- (ii) To continue cross party work on climate with the UK100, and pledge to:
  - a. Continue to assess our largest impacts on climate change, prioritise where action needs to be taken and measure and monitor progress towards targets
  - b. Reduce our emissions at source and limit the use of carbon offsets as part of the global effort to avoid the worst impacts of climate change;

- c. Continue cross party work to ensure Carbon Neutrality by 2030, including through joining lobbying calls of the UK100 partnership of local government
- d. Work with residents and our local business, third sector and public sector bodies to cut the 91% of emissions generated by non-Council sources in the borough, promoting and incentivising efforts to reduce their carbon footprint
- e. Campaign in the run-up to COP26 for an ambitious agreement that recognises the gravity of our situation and its disproportionate impact upon the least well-off, both at home and globally.

The meeting closed at 9.45 pm

**MAYOR**



## COUNCIL MEETING – 23 SEPTEMBER 2021

### QUESTIONS FROM MEMBERS OF THE PUBLIC

a **Ernestas Jegorovas to Cllr Ngongo, Executive Member for Children, Young People & Families:**

How many schools (as a percentage) in Islington have CO2 monitors installed, and how is the council supporting schools to increase ventilation in school buildings?

b **Sue Lees to Cllr Champion, Executive Member for Environment & Transport:**

In the absence of sufficient EV charging points, is there any provision for the council to provide a gunnel in the pavement to allow householders in street properties to safely charge an electric car from their home? I've seen people putting out a cable with a plastic protector over it. Wouldn't it be safer for vulnerable pedestrians to replace this with a gunnel, possibly paid for by the householder?

c **Roderik Gonggrijp to Cllr Champion, Executive Member for Environment & Transport:**

It has come to our attention that Islington will soon start to run consultations on its People-Friendly Streets scheme. This consultation is strongly encouraged and the intention is applauded. As you well know there are groups with strong feelings both for and against these improvements in disability access and road safety on Islington's streets; and a robust and inclusive consultation is thus most important.

Can the councillor clarify to the public what form the consultation is taking and how the council is ensuring it hears the views of all people-friendly neighbourhood residents, as well as stakeholder organisations?

d **Natasha Cox to Cllr Champion, Executive Member for Environment & Transport:**

Islington's insect population plays an important part in feeding local bats and birds. Given recent findings on the detrimental affects of LED lighting on insect numbers, does the council have any plans to fit cheap filters on them to screen out blue light, especially in green spaces and areas that have vegetation?

e **Benali Hamdache to Cllr Ngongo, Executive Member for Children, Young People and Families:**

What guidance are Islington schools giving to children about attendance, when someone in the household has Covid?

f **Devon Osborne to Cllr Ward, Executive Member for Housing & Development:**

How many people living in council housing have contacted the council in the past four years about mould or damp in their homes; and what action is the council taking to deal with damp/mouldy homes and ensure no one is exposed to damp and mould?

g **Lucy Facer to Cllr Champion, Executive Member for Environment & Transport:**

Tree canopy cover needs to reach a critical mass of 40% to start to mitigate against climate change. Given the appetite residents have shown in supporting Islington Forest for Change, the project run by Islington Clean Air Parents, and the thousands of empty street tree pits, will Islington Council revise its current tree planting ambitions up to 40% by 2030 as part of its net zero carbon target?

**h Rebekah Kelly to Cllr Champion, Executive Member for Environment & Transport:**

The Council has not yet made announcements regarding the first formal consultation of St. Peter's People Friendly Streets scheme. I sent a Freedom of Information request to find out more about consultation and was told we would be told in due course. There is no public awareness that this is the first chance for people to have their opinions recorded and considered on whether the scheme would be adapted or made permanent, although a local cycling group have full knowledge and sharing with those that support the scheme. It seems the council only want to hear the views of those that favour. Online surveys exclude those that are digitally enabled or require communication in different languages and are more likely to be completed by those that are politically engaged. All views should be heard when making major changes to the borough and ultimately the views of residents should be the ones that count.

How will consultation take place and who can take part? The Council should consider sending a survey to every address in the borough for a more inclusive, representative view on what the residents want and how they are affected. Therefore preventing the consultation from being railroaded by London or national campaign groups.

**i Martyn Perks to Cllr Champion, Executive Member for Environment & Transport:**

How is Islington Council faced with a climate crisis, when the UK nation as a whole contributes 1% of carbon emissions globally?

Climate change, as we know is happening. But how is it a crisis or an emergency for us in this borough, even for Londoners? Especially when it is driving many of your policies, including the reduction of transport-related emissions, and to become carbon net neutral by 2030.

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## COUNCIL MEETING – 23 SEPTEMBER 2021

### QUESTIONS FROM MEMBERS OF THE COUNCIL

a **Cllr Convery to Cllr Ward, Executive Member for Housing & Development:**

Please can you report on progress towards Islington Housing signing Wayleave Agreements with telecommunications infrastructure providers such as G Network and Community Fibre so that households on Islington Council's housing estates can benefit from the new generation of high speed 'fibre-to-the premises' broadband connection?

b **Cllr Poole to Cllr Comer-Schwartz, Leader of the Council:**

Will the Leader of the Council provide an update on efforts to save the Royal Northern War Memorial which is the only war memorial anywhere in this country on the at risk register.

c **Cllr Poyser to Cllr O'Halloran, Executive Member for Community Development:**

Many thanks to Cllr Shaikh and everyone in getting a sculpture stuck in the basement of the Town Hall resurrected to its rightful place in our wonderful Peace Park in Hillrise. It shows our commitment to peace during this awful time with events in Afghanistan (the troop withdrawal was announced on the day of the unveiling) and it shows that socialists also want to raise statues where appropriate. I would particularly like to thank the Heritage Team for finding the sculpture, and also for ensuring that Bruce Kent and Jeremy Corbyn were there at the successful re-unveiling.

There is also a statue in the Elthorne Park proudly of African heritage. Would it possible for a plaque, or similar, to commemorate the name of that artist somewhere appropriate in the park?

**d Cllr Russell to Cllr Ngongo, Executive Member for Children, Young People and Families:**

I'm sure we can agree that the lack of government action to prepare for the return to school with improvements to ventilation in schools to mitigate against Covid infection is extremely worrying. Are you considering calling for mask wearing in schools for all secondary pupils in the absence of other mitigation measures?

**e Cllr Russell to Cllr Ward, Executive Member for Housing & Development:**

I am aware of several estates in my ward that are overdue their cyclical (every seven years) maintenance works. I understand part of the delay was due to not having a procurement framework in place.

How many estates in Islington are now up to date with cyclical repairs and how many are overdue; and can you supply me with a written list of all council run estates in Islington with the date of their most recent cyclical works and the intended dates for future works?

**f Cllr Khondoker to Cllr Gill, Executive Member for Finance & Performance**

The Tory Government has overseen a crisis in social care for over a decade. On the steps of Downing Street in 2019, the Prime Minister assured us he had a plan to "fix the social care crisis once and for all". Two years later, we have a tax rise on working people which hits the least well-off the hardest and still no plan to fix the social care crisis. This is an issue which is harming some of the most vulnerable people in our society who need a functioning social care system to care for them now.

Does the Executive Member agree that rather than a tax rise on local people who are already struggling to make ends meet, the Tory Government should be finding inefficiencies in its own budget and taxing the most well-off people in our society more on wealth and dividends to fund a National Care Service, free at the point of use?

**g Cllr Hyde to Cllr O'Halloran, Executive Member for Community Development:**

In Islington, we are proud of our diversity and welcome all those who wish to make our borough their home, as shown by our motion passed in July 2021 to become a recognised 'Borough of Sanctuary'.

Those fleeing Afghanistan recently have been through untold trauma and been forced to leave their homes for them and their family's safety. I'm proud that the Council has offered to welcome 15 Afghan families to our borough, supporting those households to settle in, get the support they need and integrate into our community. But at a time when the Council has had to make savings for over a decade, does the Executive Member agree that the Government should be fully funding this support for Afghan refugees?

**h Cllr Ismail to Cllr Comer-Schwartz, Leader of the Council:**

First, congratulations as the leader of Islington Council. It's become custom with Islington labour leaders to follow the same footsteps of the last leader since 2010. With Catherine West, we had the fairness commission, follow by Richard Watts, employment commission.

Will you be following the same with a new commission? As the health and economic impact of Coronavirus is yet to be unfolding, particularly, on families with children, young people and pensioners on low income suffer more, such as mental health, depression, loneliness and isolation is become daily reality for residents, so the Council can serve better, as our resources need to be more targeting the need.

**i Cllr Ismail to Cllr O'Halloran, Executive Member for Community Development:**

This Council have been funding organisations, some do good work, others could do improvements as we roll funding again and again while others are left behind. The Black Caribbean review highlighted conducted between Feb and March 2021 by VSC with the Challenging Inequality team at the council and others have not been also address yet.

How do you see the Voluntary Community Sector to be more inclusively with tangible results and more stainable next around funding?

**j Cllr Clarke to Cllr Ward, Executive Member for Housing & Development:**

The Holloway Prison Site is a once in a generation opportunity to build hundreds of new social homes in St George's and tackle the housing crisis in Islington, as well as increasing green space in the area.

What is the Council doing to ensure there are as many new social homes built on the site as possible?

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**Report of: Leader of the Council**

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Full Council	23 September 2021	All

<b>Delete as appropriate:</b>	<b>Exempt</b>	<b>Non-exempt</b>
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## **SUBJECT: ISLINGTON TOGETHER FOR A MORE EQUAL FUTURE**

### **1. Synopsis**

- 1.1 This report gives an overview of the new strategic plan for the Council: "Islington Together for a More Equal Future". It provides a summary of the plan and the strategy to develop it further over the coming year in collaboration with communities.

### **2. Recommendations**

- 2.1 To approve the new strategic plan.
- 2.2 To note the approach to build on this plan over the coming year by working with thought leaders and engaging with communities to capture lived experiences 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 more equal 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. 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.

- 3.2 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, health inequalities and racism. The insight from this engagement work will be used to co-design a refined strategic plan in Autumn 2022.
- 3.3 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 – residents, partners, staff and members – 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:

Several of the key components of the strategic framework have environmental implications, including building new council homes, refurbishing estates and retrofitting our properties. However, several actions are aimed at reducing the environmental impact of the council, residents and local organisations and delivering the net zero ambition, including reducing emissions from vehicles and buildings, encouraging a green economy and improving recycling. The environmental implications of individual projects to deliver the components will be considered during their development.

### 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 all work. There are no specific equality impact issues to consider as a result of this report. Individual Equality Impact Assessments have been/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, which will enable the Council to effectively respond to the pressing social, economic and environmental challenges we face.

### Appendices

- Strategic Plan: Islington Together for a More Equal Future

### Background papers:

- None

Final report clearance:

### Signed by:



14 September 2021

Cllr Kaya Comer Schwartz

Date

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# Islington Together For a more equal future

Strategic Plan 2021



**ISLINGTON**

 For a more equal future



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# Foreword

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

Islington is a borough of great strengths: thriving businesses; excellent transport links; outstanding services; and most importantly, a rich and wonderful diversity of people, cultures and communities. But despite these strengths, 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. These factors 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 they face need to be tackled head on.

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 financial dependence on abusive partners; that add to the social isolation of the elderly, who are even more cut off now as whole industries move online.

Just 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 discrimination, health inequalities and other injustices which often intersect with poverty to hold people back and prevent them from realising their potential.

Over the next decade we will maintain a relentless focus on tackling inequality and eradicating poverty in our borough.

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. We look forward to working with our community over the next decade to challenge inequality and create a more equal 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.

To illustrate and bring to life the commitment we are making here, this document also includes individual stories which demonstrate the way this is already shaping the way we work to improve outcomes and experiences for people across our borough.

# A more equal Islington

## Priorities

Children and young people have the best start

Local jobs and businesses in a thriving local economy

Everyone has a place to call home

Cleaner, greener, healthier borough

Communities feel safe, connected and inclusive

## Principles

We stand up to and challenge inequality

We work in partnership

We are committed to early intervention

We embrace change

We are driven by delivering impact

## Programmes

Challenging Inequality

Fairer Together

Community Wealth Building

Homes and Neighbourhoods

Cleaner, greener, healthier Islington

Team Islington

## Behaviours

Be...

**Collaborative**

**Ambitious**

**Resourceful**

**Empowering**



Early intervention and action can make a big difference to people's lives and wellbeing, especially for our young people. If we can identify a problem early enough we can provide all of the specific support services that are needed to help give everyone the opportunities to start well.



# Jade and Cassie-Rose's story

“It’s been a long 18 months but we’re in such a better place now. This time last year we were isolating, in lockdown, and we were worried about the lack of development with my daughter’s speech. She wasn’t really developing new words as you’d expect.

When our Health Visitor came for a check-up we discussed Bright Start and some of the support that they offer. We went to a couple of online events and, coming out of lockdown, I really wanted to get Cassie-Rose interacting with other children and explore all the different stuff on offer around here.

Bright Start has been a great experience for us and their timetable is brilliant! We’ve been discovering parks, play groups, music, dancing, singing, messy play, educational toys, so many things!

They also put us in contact with Chatterpillars who have helped us along my daughter’s speech and language journey.

What helps is that the staff are so interested in your child and give great advice. They offer loads of tips and advice on behaviours, how to understand what your child is experiencing, what to do and where to go for help. It’s stuff that I put into supporting and understanding my daughter every day, adapting my parenting skills and it’s been a very positive experience.

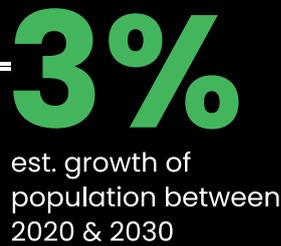
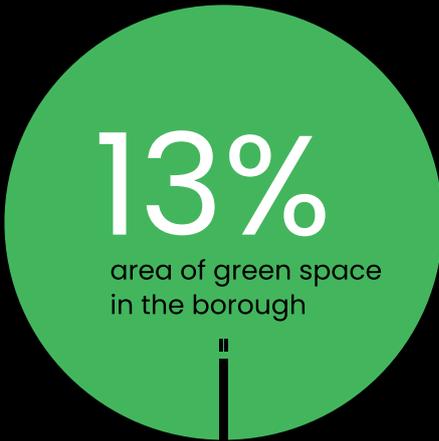
Cassie-Rose has thrived in the groups, she’s more confident and her speech is improving. She’s recognising lots of other things that she wasn’t before.

Since I’ve started going to the Bright Start groups I feel reassured and more confident in my child’s development, it’s great to have such a supportive network and community around us.

I’m so grateful for the help and support Bright Start and Chatterpillars have given us, they’ve really made a difference to our lives. //

242,827

population  
of Islington



28%

the highest level of  
child poverty in London



1 in 6

adults living with a diagnosed  
mental health condition

# About our borough



Islington is a proudly diverse borough, home to people from all faiths, nationalities and backgrounds.

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.
- The council is a landlord and freeholder to over 34,000 homes.
- Islington has the **highest level of child poverty in London (28%) and ranks 4th highest in London for poverty among older people**.
- Even before the pandemic, Islington ranked the 5th highest in London for loneliness and **1 in 6 adults were living with a diagnosed mental health condition**.
- Only 13% of the borough's land is green space: this is the second lowest proportion of any local authority in the country and far lower than outer London boroughs such as Barking and Dagenham where approximately a third of the borough is green space.

# 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 more equal future for everyone.**

# a more eq

## **We invest in local jobs and businesses to ensure a thriving local economy**

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 work together to create a cleaner, greener, healthier borough**

The climate emergency and health inequalities are the two greatest threats to the wellbeing of our population. We believe they are intrinsically linked. The climate emergency threatens to exacerbate even further the extreme health inequalities exposed by Covid 19. But addressing the climate emergency also provides answers to addressing health inequalities - mental and physical health, plus life expectancy. The value of parks, green spaces and the natural environment, change in pace, working routines, the 15 minute city, active travel such as walking and cycling: we are determined to seize these opportunities to create a sustainable future where people can live independent and healthy lives, while enjoying clean air and people-friendly streets.



**We stand with our communities so they are safe, connected and inclusive**

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.

# Equal future

**We nurture our children and young people in Islington so everyone has the very best start**

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.

**We make sure everyone has a place to call home, which is secure, decent and genuinely affordable**

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. 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.



Helping our local businesses get through the pandemic so that they can help to provide good jobs for local people and help shape our future economy has been a priority for the council.

# ARK's story



As well as continuing to oblige developers to provide more affordable workspaces in new developments we have also focused thousands of pounds of grant money where it was most needed.

Earlier this year, Islington Council introduced the Workspace Operator Recovery Grant Scheme (WORGS), which gave grants of up to £25,000 to 12 affordable workspace operators across the borough.

Social enterprise ARK has received one of the grants. Based in Kings Cross, ARK run an affordable workspace for creatives and start-ups who think community is just as important as productivity. Gavin Turnbull and Nick Johnson from ARK explain how they got involved with the ARK scheme and how it has helped them.

“We have had a longstanding relationship with Islington Council, particularly the Affordable Workspace team who have offered us support, resources and advice...

... We are currently in a fundraising drive to enable us to deliver a new workspace in Finsbury Park.

We've started renovating a dilapidated 200sqm hall, that will become home and a new affordable workspace for local artists, makers and freelance/remote workers. The grant has allowed us to make the building structurally sound and safe, to begin internal restoration works. As the space develops there will also be café, gardens and exhibition space for the local community to enjoy too. //

# 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.

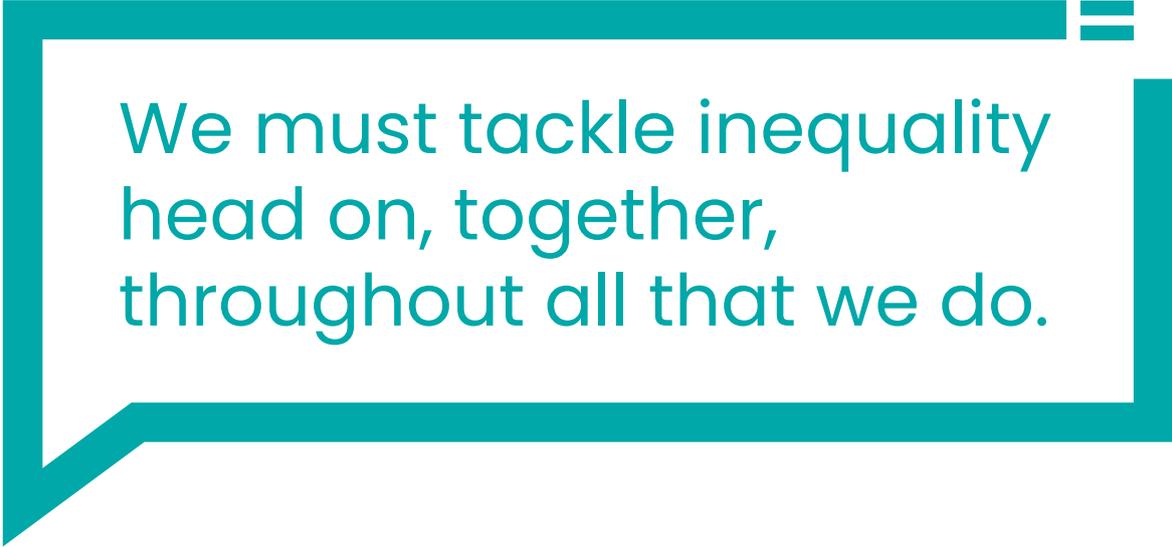
## In Islington...

### **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 we will continue to champion into the future.



We must tackle inequality head on, together, throughout all that we do.

### **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.



# Strategic programmes

To achieve our priorities and put our principles into practice, we have designed a series of strategic and transformative programmes.

These programmes do not cover all of the different services we deliver. They are focused on those areas of our business where we need to see change in order to deliver the priorities we have set for ourselves. 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. 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 accordingly.

# 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.

We will work with our community to understand lived experiences and intervene to remove the barriers that too many residents face.

## 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 – inequalities in educational attainment and violent crime – and redesign the public realm to promote equality through accessible, people friendly streets.

**2 Islington as an Employer** – as a large employer and decision maker in the borough with approx. 6,000 staff, 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 but we are prepared to have the difficult conversations that are necessary to create meaningful solutions together.



**We are committed to challenging inequality in all its forms. We recognise that to effect change, we will need to work together with partners and communities to break down barriers and reshape the unfair systems that hold people back.**

# Husen's story



Husen, Young Mayor of Islington, was involved in trying to create new opportunities for the Somali community by bringing young people together with the Police and having honest conversations about key issues affecting the community.

**“When I was elected Youth Mayor last year, I really wanted to do something about knife crime and the impact that violence has on young peoples’ lives.**

When we lost two young Somali people last year I wanted to do something with the local community to try to build some trust after the stabbings. The whole situation was sad and frustrating but you have to keep talking.

So first we organised a Somali Community event bringing together Somali young people with Islington Council and the Police. It was a chance for everyone to be heard and to try to work out ways to improve things.

Young people were saying they needed more opportunities so we organised a Somali Youth Employment and Opportunities event. People wanted to know how to get jobs, write CVs and that’s what we found out about there.

We also now have the Young Islington Youth Forum every month where young people can come together and talk to council leaders. We talk about different things, like education and employment, emotional health, safety and other important issues to young people. At the next meeting we will be meeting one of the Superintendents of our local police force to give us a chance to ask questions.

I regularly go to youth clubs, letting young people know about all the help that is available out there and post on Instagram. I can reach young people in a different way to the council but we all want them to get the help they need when they need it.

The youth offer, like Summersiversity, gives them something different to do rather than hang around on the street, and the youth workers can be really helpful. //”

# 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.

Fairer Together is about working together to tackle inequality and change lives through a high quality, integrated all-age early intervention and prevention offer.

## 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 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 deserves to have a seamless and meaningful experience, 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. In order to preserve 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 those who prefer to and are able to, can self-serve.
- 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 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 careers. 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:

-  **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 quick fix to the challenges they face and so to complement this, we will help residents to maximise income, entitlements and manage debt.
-  **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.
-  **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.
-  **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.
-  **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. 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. However, 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.

We will turbo charge the building of new genuinely affordable homes.

## 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.



The reality of the situation is that if you haven't got a decent home it can be difficult to sort your life out, and many homeless people have additional problems to deal with too. During the pandemic we had a chance to move some of most vulnerable residents off streets – wrapping support around the person until they had a new home.

# Zoriick's story

“Unless you’ve been through homelessness you don’t really realise how hard it is. These were tough times, everything was hard.

I’ve lived in various places but in 2019 found myself homeless, living rough in a little shed with mould on the walls in Islington.

I was visited by an Islington Outreach worker who saw the terrible conditions I was living in and got me a place in Holloway winter shelter, with my partner Stella. From there we were moved into temporary emergency housing in Caledonian Road.

Throughout the last couple of years Islington Outreach Team have been brilliant. They spoke to Housing for us, explaining our personal histories, illnesses, mental health issues and our housing history and this helped us get offered a council flat.

Everything we’ve needed, they’ve been there for us, from helping sort our Housing Benefit to getting Direct Debits set-up. They put us in touch with Bright Sparks for furniture, a fridge and oven. Without them we’d be completely stuck.

When we were offered this place we loved it, we’re so happy, we moved in a couple of months ago.

I’d really like to thanks the council for this lovely place, after being homeless for so long, rough sleeping, it’s really changed my life, so thank you very much. //

# Cleaner, Greener, Healthier 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.

By tackling climate change, we will improve the health, wellbeing and opportunities for our community.

## 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 so our residents can live healthy, independent lives.
- 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 a more sustainable future while also working with our supply chain and partners to upskill people and capitalise on the opportunity to create jobs for our residents in 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 and health 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: in Islington we will embrace this change, working collaboratively with our staff to shape the future of work in our borough.

It is clear that 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.

People are our greatest assets:  
we must harness creativity and  
spot untapped potential.

## 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.



**be Collaborative**



**be Ambitious**



**be Resourceful**



**be Empowering**

# Looking ahead



**We will stand with our communities in Islington, determined to ensure that 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.**

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 be informed by the lived experiences of our residents and their hopes and dreams to flesh out our approaches in our key strategic programmes and design new interventions where necessary.

The priorities we have set out here 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. We will assess progress regularly 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.

It is essential that community voice and expertise is reflected in our plans for the future. If you have any ideas or would like to get involved in any way, please contact [equalities@islington.gov.uk](mailto:equalities@islington.gov.uk).

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
- improvement in the access to opportunities for our young people.

Above all, we will know we are succeeding when residents tell us that they experience outstanding service and see positive impacts on their lives.

**This is Islington, and together, we will build a more equal future for everyone who lives here.**



## **Islington Together**

For a more equal future

For more information  
please contact  
[equalities@islington.gov.uk](mailto:equalities@islington.gov.uk)



**ISLINGTON**

 For a more equal future



**Resources Directorate  
7 Newington Barrow Way, London, N7 7EP**

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

<b>Meeting of</b>	<b>Date</b>	<b>Ward(s)</b>
Council	23 September 2021	All
Delete as appropriate	Exempt	Non-exempt

## **SUBJECT: FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**

### **1. Synopsis**

- 1.1 This is a report to seek the adoption of a Flexible Capital Receipts Strategy as outlined in the 'Proposed Usage' section of this report. This strategy would be required if the council was to go ahead with the proposed additional payments to the Pension Fund to reduce its deficit and make savings over the longer term.
- 1.2 In December 2017, the Secretary of State announced the continuation of the capital receipts flexibility programme, which provides Local Authorities the freedom to use capital receipts generated from the sale of assets (with the exception of Right to Buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings.
- 1.3 Ordinarily only expenditure qualifying as capital may be funded from these capital resources. The additional flexibility therefore provides the council with a potentially valuable resource to invest in schemes which deliver savings or improvements.

- 1.4 The council currently holds a deficit on its Pension Fund which will ultimately lead to a revenue cost to the council. The early repayment of this deficit will save the council money over a 19 year deficit repayment period. Executive considered a report on the 2<sup>nd</sup> September 2021 which recommended an approach to Council of utilising Flexible Capital Receipts to repay the deficit. This is attached to this report as Appendix A.
- 1.5 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.

## **2. Recommendations**

- 2.1 To note the 'Impact on Prudential Indicators' section of this report.
- 2.2 To agree to the adoption of a Flexible Capital Receipts Strategy as outlined in the 'Proposed Usage' section of this report.

## **3. Background**

- 3.1 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.
- 3.2 Under the Flexible Capital Receipts guidance, the Secretary of State sets out that individual authorities are best placed to decide which expenditure projects are best to be funded by this method in local areas. The key criteria for expenditure to qualify is that the schemes must be 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.

## **4. Proposed Usage**

- 4.1 The proposed usage of the capital receipts is to make additional payments to the council's Pension Fund and therefore minimising deficit recovery payments over the remainder of the 19 year recovery period.
- 4.2 The Council (General Fund) is expecting £30m of capital receipts in 2021/22, which is proposed to 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.

- 4.3 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>

## 5. Impact on Prudential Indicators

- 5.1 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.
- 5.2 The Authorised Borrowing and Operational Borrowing Limit prudential indicators will not be exceeded in 2021/22 as the council now does not expect to externally borrow the amount it had originally budgeted for. The update to future years Prudential Indicators will be factored into the council's budget setting process.
- 5.3 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because updated revenue costs of the planned borrowing can be fully met within the 2021/22 revenue budget and MTFS.

## 6. Implications

### Financial Implications

- 6.1 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.
- 6.2 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.
- 6.3 The following table sets out the presently agreed contributions together with the actuary's 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 Sum £m	Lump Agreed	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

- 6.4 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.
- 6.5 The LGPS is:- (1) A defined benefit scheme; and (2) A funded scheme, and the Council has duties to:
- 6.5.1 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), to secure the solvency of the Fund and its long-term cost efficiency; and

- 6.5.2 Make contributions to the Fund each year under Regulations 16 and 67-71 inclusive.
- 6.6 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 consider 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.
- 6.7 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).
- 6.8 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.
- 6.9 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 ...”.
- 6.10 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.
- 6.11 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’.

- 6.12 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.
- 6.13 Full Council approval is required for the use of the capital receipts.

### **Environmental Implications**

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

### **Resident Impact Assessment**

- 6.15 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.
- 6.16 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**

- 6.17 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:** Appendix A: Pension Fund Deficit Payments  
(Report to Executive 2<sup>nd</sup> September 2021)

**Background papers:** None

Final report clearance:

**Signed by:**



15 September 2021

**Executive Member for Finance  
and Performance**

Date

**Responsible Officer:** Dave Hodgkinson, Corporate Director of Resources  
(Section 151 Officer)

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

**Legal Implications:** Peter Fehler, Director of Law and Governance  
(Monitoring Officer)

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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

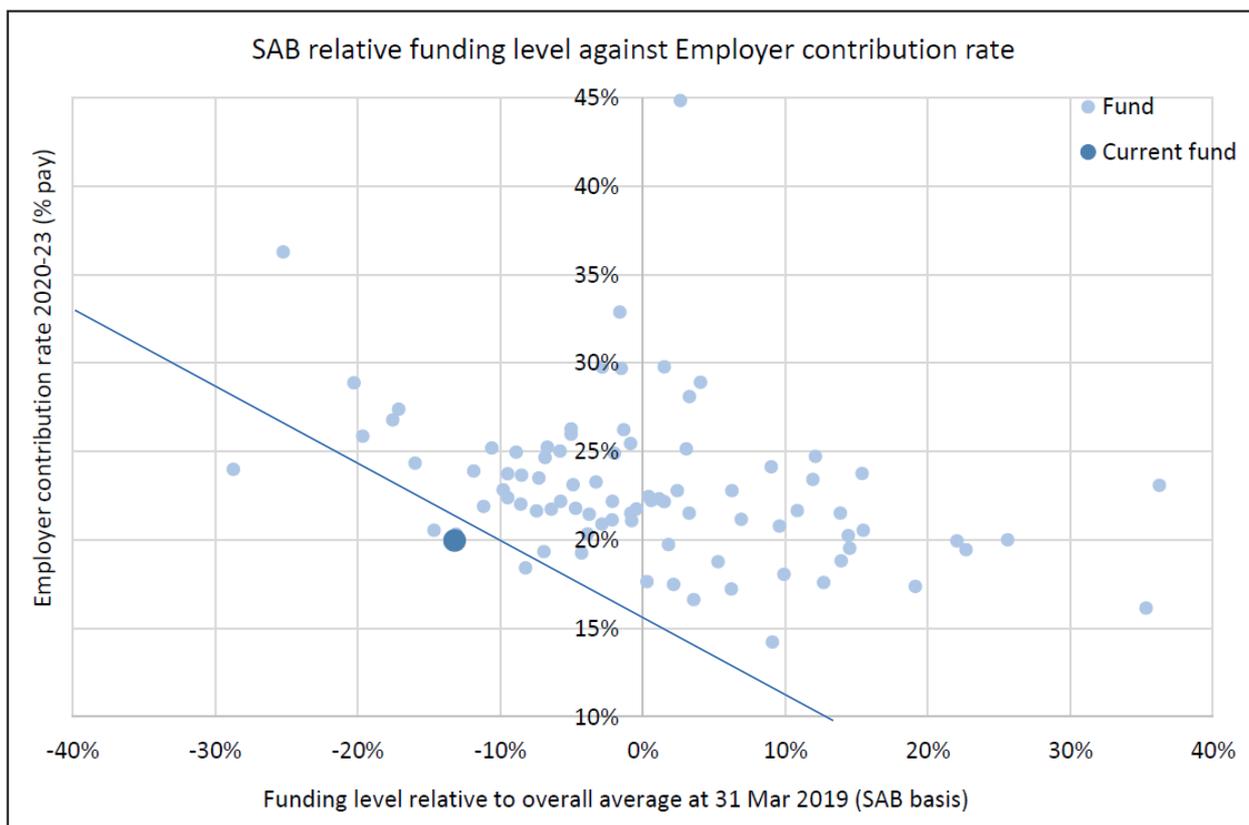
## **SUBJECT: London Borough of Islington Pension Fund Deficit**

### **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



**Resources Department  
7 Newington Barrow Way  
London N7 7EP**

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

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Council	23 <sup>rd</sup> September 2021	All

<b>Delete as appropriate</b>	Exempt	Non-exempt
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## **SUBJECT: AMENDMENT TO THE 2021/22 ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY**

### **1. Synopsis**

- 1.1 The 2021/22 annual Treasury Management and Investment Strategies were agreed by Council in February 2021.
- 1.2 This report discusses an amendment to the current approved sources of borrowing for short term and long term borrowing. This addition is required specifically to allow a decision to be made on the introduction of a Community Municipal Investment in relation to the Net Zero Carbon programme.

### **2. Recommendations**

- 2.1 To consider and agree to adapt the following in to our current approved borrowing counterparties:
  - i) Individuals lending via a peer-to-peer platform where appropriate counterparty checks are conducted by the platform
  - ii) Investors in capital market bonds and retail bonds issued by the council
- 2.2 To approve the updated Treasury Management Strategy Statement, attached at Appendix A.

### **3. Background**

- 3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) has defined treasury management as “the management of the organisations’ investments and cashflow, its banking, money market and capital market transactions; the effective control of the risks associated with these activities and the pursuit of optimum performance consistent with those risks.”
- 3.2 Treasury management activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council’s legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. This council adopted the Code of Practice on Treasury Management on the 26<sup>th</sup> February 2002.
- 3.3 The 2021/22 Annual Treasury Management Strategy (TMS) approved by Council on 27 February 2021 covered our planned treasury activities for the next three years. The strategy to implement these activities includes:
- The balance sheet and treasury position
  - Prospects for interest rates
  - Borrowing requirement and strategy
  - Debt rescheduling
  - Investment strategy and policy
  - HRA Self Financing

#### **Borrowing Strategy**

- 3.4 The council’s objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should its long-term plans change is a secondary objective.
- 3.5 Approved sources of long term and short term borrowing currently are as follows:
- HM Treasury’s PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Islington Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority Bond issues

#### **3.6 Additional sources of borrowing**

At present the council can currently engage with special purpose vehicles and brokers to issue bonds. The current Treasury Management Strategy does not cover the issuance of a bond/ISA via a peer to peer platform that will attract retail investors or local residents. This report seeks authority to expand to specifically allow that activity. This borrowing will allow for schemes such

as a Community Municipal Investment to be launched which supports wider benefits such as resident engagement with key capital projects. Given that the change allows borrowing from non-institutional investors, the platform hosts will perform all the appropriate checks including required monitoring and money laundering checks of prospective investors. The Treasury Management Strategy Statement approved by Council in February 2021 has been updated with tracked changes and forms Appendix A to this report.

## **4. Implications**

### **4.1 Financial Implications**

The activities of the treasury management function has resource implications on the council's revenue budget. The paramount objective of the treasury management function is capital security and the pursuit of optimum performance must be consistent with the risk undertaken. The borrowing undertaken within the strategy is budgeted for and already approved as part of the council's capital programme. The recommendations relate to the method of that borrowing and will not result in a variance to the revenue budget.

### **4.2 Legal Implications:**

In accordance with the Local Government Act 2003, and the Capital and Finance Regulations thereunder, and proper practices, the council is required to have both an Annual Treasury Management Strategy and, as an aspect of that, under Section 12 of the 2003 Act, an Investment Strategy in relation to the investment of funds. Regard must be had under Section 15 of LGA 2003 to Guidance, both from Central Government and from CIPFA.

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

'Vision 2030: Creating a Net Zero Carbon Islington by 2030' includes a commitment to 'explore alternative funding opportunities such as community municipal bonds and crowdfunding'. A community municipal investment itself has no direct environmental implications however it is a clear opportunity to engage with residents to support the net zero carbon strategy. Furthermore the funding will be invested in programmes that align with this strategy and contribute to a net reduction in carbon emissions in the Borough.

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

- 4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.4.2 A resident equalities impact assessment has not been undertaken in this instance because this report is an update to an existing financial strategy that is agreed during annual council tax and budget setting.

## 5. Reason for recommendations

- 5.1 Members are asked to consider and agree to amend and adapt the current approved sources of borrowing list to include individuals lending via a peer-to-peer platform where appropriate counterparty checks are conducted by the platform and investors in capital market bonds and retail bonds issued by the Council. This will allow a future decision to be made in relation to the issuance of a Community Municipal Investment opportunity.

### Appendices:

- Appendix A – Updated Treasury Management Strategy Statement (Tracked Changes)

### Background papers: None

Final report clearance:

### Signed by:



9 September 2021

Executive Member for Finance & Performance

Date

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# **UPDATED Islington Treasury Management Strategy Statement** **2021/22**

## **Introduction**

Treasury management is the management of the authority's cash flows, borrowing and investments, and the associated risks. The authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the authority's prudent financial management.

Treasury risk management at the authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the authority to approve a treasury management strategy before the start of each financial year. This report fulfils the authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy (**Appendix E5**).

## **External Context**

**Economic background by our advisors, Arlingclose:** The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain major influences on the authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile

components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in quarter 3, 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% year-on-year in November, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in q. The US Federal Reserve bank maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and has reversed several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

**Credit outlook:** After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (also known as CDS and is a financial product or contract that allows an investor to "swap" or offset his or her credit risk with that of another investor) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020,

2

drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

**Interest rate forecast:** The authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.50% and that new long-term loans will be borrowed at an average rate of 2.5%

### **Local Context**

On 15 January the authority held £383m of borrowing and £208m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	<b>31.3.20 Actual £m</b>	<b>31.3.21 Estimate £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>	<b>31.3.24 Forecast £m</b>
<b>Total CFR</b>	<b>712.411</b>	<b>717.801</b>	<b>726.193</b>	<b>782.777</b>	<b>842.700</b>
Less: Other debt liabilities *	-110.674	-96.373	-84.030	-80.561	-77.428
	<b>601.800</b>	<b>621.428</b>	<b>642.163</b>	<b>702.216</b>	<b>765.272</b>
Less: External borrowing **	-302.100	-346.100	-477.200	-641.000	-709.500
<b>Internal (over) borrowing</b>	<b>299.637</b>	<b>275.328</b>	<b>164.963</b>	<b>61.216</b>	<b>55.772</b>
Less: Usable reserves	-281.000	-255.100	-234.200	-228.400	-249.800
[Less/Plus]: Working capital	-132.800	-132.800	-132.800	-132.800	-132.800
<b>Treasury investments (or New borrowing)</b>	<b>-114.163</b>	<b>-112.572</b>	<b>-202.037</b>	<b>-299.984</b>	<b>-326.828</b>

\* leases and PFI liabilities that form part of the authority's total debt

\*\* shows only loans to which the authority is committed and excludes optional refinancing

The underlying need to borrow or finance from other long term liabilities for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the authority expects to comply with this recommendation during 2021/22.

**Liability benchmark:** To compare the council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	<b>31.3.20 Actual £m</b>	<b>31.3.21 Estimate £m</b>	<b>31.3.22 Forecast £m</b>	<b>31.3.23 Forecast £m</b>	<b>31.3.24 Forecast £m</b>
Total CFR	712.400	717.801	726.193	782.777	842.700

Less: Usable reserves	-281.000	-255.100	-234.200	-228.400	-249.800
Less: Working capital	-132.800	-132.800	-132.800	-132.800	-132.800
Plus: Minimum investments	10.000	10.000	10.000	10.000	10.000
<b>Liability benchmark</b>	<b>308.600</b>	<b>339.901</b>	<b>369.193</b>	<b>431.577</b>	<b>470.100</b>

### **Borrowing Strategy**

The authority currently holds £361.5million of loans, an increase of £20 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the authority expects to borrow up £477.2m in 2021/22. The figure of £477.2m includes a provision by the authority to pre-fund future years' requirements, if it is deemed that rates are on the rise and providing this does not exceed the authorised limit for borrowing of £ 536 million.

**Objectives:** The authority's principal objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the authority's long-term plans change is a secondary objective.

**Strategy:** The authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. The use of internal resources in lieu of borrowing and short to medium term borrowing will continue because of the 'cost of carry' (that is the difference between debt costs and investment earnings where cash is held).

By doing so, the authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and shortterm borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Its output may determine whether the authority borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the authority may borrow short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except your local Pension Fund)
- capital market bond investors
- [UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues](#)
- [Individuals lending via a peer-to-peer platform where any necessary counterparty checks \(for example proof of identity or money laundering requirements\) are conducted by the platform](#)
- [Investors in capital market bonds and retail bonds issued by the Council](#)

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing-a contract outlining the terms under which one party agrees to rent a property owned by another party
- Hire purchase-financing where you make monthly payments but do not own until the last payment is made
- Private Finance Initiative –is a procurement method which uses private sector investment to deliver public sector infrastructure
- Sale and leaseback- selling a property you own and occupy and entering a lease arrangement with the purchaser

**PWLB :** On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The new margins over gilt yields are as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)

- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

**Municipal Bonds Agency:** The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment if the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full council

**LOBOs:** The authority holds no LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the authority has the option to either accept the new rate or to repay the loan at no additional cost.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Investment Strategy**

The authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the authority's treasury investment balance has ranged between £100m and £200 million, and similar levels are expected to be maintained in the forthcoming year.

**Objectives:** The CIPFA Code requires the authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to

negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the authority aims to reduce its temporary debt and majority of the authority's surplus cash currently remains invested in short-term unsecured bank deposits, DMO and other local authorities and money market funds. This diversification will represent a continuation of the strategy

**Business models:** Under the new IFRS 9 standards, the accounting for certain investments depends on the authority's 'business model' for managing them. The authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The authority may invest its surplus funds with any of the counterparty types in **Appendix** -Approved counterparty List, subject to the limits shown.

The council has reviewed the way it formulates its counterparty criteria. The lending list criteria is devised from the use of rating agencies which will include) as well as other factors. The main sovereign states whose banks are to be included are Australia, Canada, Finland, France, Denmark, Germany, Netherlands, Switzerland and the US.

These countries and the Banks within them have been selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term A+ minimum short term F1).
- Credit Default Swaps- a financial contract that allows investor to offset their credit risk
- GDP; Net Debt as a Percentage of GDP.
- Sovereign Support Mechanisms / potential support from a well-resourced parent institution.
- Share Price.

The council has restricted its investment activity to the following institutions while conditions in the financial sector are monitored for stability and cashflow positions are averaging around £100m.

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the council's capital is secure).
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV).
- Deposits with other local authorities.

- Business reserve accounts and term deposits. These have been primarily restricted to UK institutions that are rated at least A+ long term.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in (where burden of failure is shared with creditors) and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer

term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

### **Net Zero Carbon**

As a responsible investor, the council is committed to considering environmental, social, and governance issues, and has a particular interest in taking action to contribute to our strategy of Building a Net Zero Carbon Islington by 2030.

However, investment guidance, both statutory and from professional guidelines (CIPFA), dictates that investment activities must adopt 'SLY' principles – prioritising security, liquidity and yield.

There are already touch points with local authority investing, including the incorporation of Environment, Social and Governance (ESG) metrics into credit rating agency assessments. There are also a small, but growing number of financial institutions and fund managers promoting ESG products. Advisors are looking at ways in which to incorporate these factors into their creditworthiness assessment service that will be shared and adopted. The council will continue to monitor this as the market develops, noting that the lack of consistency and coverage in current market products alongside the treasury management 'SLY' priorities means that it is not currently practicable to formally include ESG targets as part of our treasury management or investment strategies.

It is the council's intention to exploit the treasury strategy to further the aims of the council and it will therefore actively consider appropriate ESG products as they emerge.

**Operational bank accounts:** The authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below 30million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** The authority’s revenue reserves available to cover investment losses are forecast to be £255 million on 31<sup>st</sup> March 2021. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Liquidity management:** The authority uses purpose-built database cash flow forecasting software and excel to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the authority's medium-term financial plan and cash flow forecast.

### **Treasury Management Indicators**

The authority measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit	A+

**Liquidity:** The authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling one month period, without additional borrowing.

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 1 months	£25m

**Interest rate exposures:** This indicator is set to control the authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit(£m)</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£3.430
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.470

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

**Maturity structure of borrowing:** Local Authorities are exposed to the risk of having to refinance debt at a time in the future when interest rates may be volatile or uncertain. The maturity structure of borrowing indicator is designed to assist Authorities in avoiding large concentrations of debt that has the same maturity structure and would therefore need to be replaced at the same time. The indicator is calculated as the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing. For each maturity period an upper and lower limit is set. The upper and lower limits on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	100%	12%
12 months and within 24 months	100%	5%
24 months and within 5 years	100%	16%
5 years and within 10 years	100%	7%
10 years and within 20 years	100%	20%
More than 20 years	100%	40%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

<b>Price risk indicator</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Limit on principal invested beyond year end	£30m	£20m	£20m

### **Related Matters**

The CIPFA Code requires the authority to include the following in its treasury management strategy.

**Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over

local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Existing derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

**Housing Revenue Account** On 1<sup>st</sup> April 2012, the authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the authority's average interest rate on investments.

**Internal borrowing** Where the HRA or GF has surplus cash balances which allow either account to have external borrowing below its level of CFR (internal borrowing), the rate charged on this internal borrowing will be based on the 14.5 -15year PWLB fixed loan rate to reflect the assumed opportunity cost forgone.

**Markets in Financial Instruments Directive:** The authority has opted up to professional client status (versus retail status) with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies (retail clients). Given the size and range of the authority's treasury management activities, the Corporate Director of Resources believes this to be the most appropriate status.

## **Financial Implications**

The budget for investment income in 2021/22 is £0.95 million. Presently the investment portfolio has averaged a balance of £100 million and an interest rate of 0.5% however both of these variables move throughout the year. The budget for debt interest paid in 2021/22 is £12 million, based on an average debt portfolio of £461 million at an average interest rate of 3.7%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

## **Other Options Considered**

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Corporate Director of Resources having consulted the Executive Member for Finance and Performance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however longterm interest costs may be less certain
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## **Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2020**

### **Underlying assumptions:**

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the aftereffects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

### **Forecast:**

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.

- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingdose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>3-month money market r</b>													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Artingdose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>1yr money market rate</b>													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Artingdose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>5yr gilt yield</b>													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingdose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
<b>10yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingdose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
<b>20yr gilt yield</b>													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingdose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
<b>50yr gilt yield</b>													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Artingdose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## **Appendix B – List of Institutions Lent To & Approved Counter Party List**

**2021/22**

### **List of Institutions Lent to As At 15 January 2021**

<b>Class</b>	<b>Type</b>	<b>Counterparty</b>	<b>Outstanding Balance</b>	<b>Profile</b>
Deposit	Fixed	Birmingham City Council	-£5,000,000.00	Maturity
Deposit	Fixed	DMADF (Debt Management Account Deposit Facility)	-£25,000,000.00	Maturity
Deposit	Fixed	DMADF (Debt Management Account Deposit Facility)	-£39,800,000.00	Maturity
Deposit	Fixed	Surrey County Council	-£10,000,000.00	Maturity
Deposit	Fixed	Windsor and Maidenhead Royal Borough Council	-£5,000,000.00	Maturity
Deposit	Fixed	Swale Borough Council	-£5,000,000.00	Maturity
Deposit	Fixed	Wokingham Borough Council	-£10,000,000.00	Maturity
Deposit	Fixed	Kirklees Council	-£5,000,000.00	Maturity
Deposit	Fixed	Kirklees Council	-£5,000,000.00	Maturity
Deposit	Fixed	Kirklees Council	-£5,000,000.00	Maturity
Deposit	Fixed	Swindon Borough Council	-£10,000,000.00	Maturity
Deposit	Fixed	Cherwell District Council	-£5,000,000.00	Maturity
Deposit	Fixed	Eastleigh Borough Council	-£5,000,000.00	Maturity
Deposit	Fixed	Liverpool City Council	-£5,000,000.00	Maturity
Deposit	Fixed	Birmingham City Council	-£10,000,000.00	Maturity
Deposit	Fixed	Gloucester City Council	-£3,700,000.00	Maturity
Deposit	Fixed	Thurrock Borough Council	-£15,000,000.00	Maturity
Deposit	Fixed	Cambridgeshire County Council	-£10,000,000.00	Maturity
Deposit	Fixed	Warrington Borough Council	-£15,000,000.00	Maturity
Deposit	Fixed	London Borough of Croydon	-£5,000,000.00	Maturity

Deposit	Fixed	Liverpool City Council	-£10,000,000.00	Maturity
		<b>Deposits</b>	<b>-£208,500,000.00</b>	

Minimum criteria	A+	F1	A1	P-1	A+	A-1											
	Fitch L/T	Fitch S/T	Moody's L/T	Moody's S/T	S & P L/T	S & P S/T	Sovereign Rating - F/IM/S&P	5 year CDS	Share Price	Maximum Limit - £	Maximum Term	LBI	Arlingclose Current Advice	Lending at 15/01/2021			
<b>UK Banks</b>																	
Barclays	A+	F1	A1	P-1	A	A-1	AA-/Aa2/Aau	54	64	30,000,000	36 Months	Council Bankers from Mar 2015 - overnight liquidity only	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
HSBC	AA-	F1+	Aa3	P-1	A+	A-1	AA-/Aa2/Aau	48	60	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Lloyds	A+	F1	A1	P-1	A+	A-1	AA-/Aa2/Aau	42	75	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
RBS	A+	F1	A1	(P)P-1	A	A-1	AA-/Aa2/Aau	52	58	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Santander UK	A+	F1	A1	P-1	A	A-1	AA-/Aa2/Aau/	51	42	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Standard Chartered	A+	F1	A1	P-1	A	A-1	AA-/Aa2/Aau	48	32	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Ulster Bank Limited	A+	F1	A1	P-1	A	A-1	AA-/Aa2/Aau	52	58								
<b>UK Building Societies</b>																	
Coventry	A-	F1	A2	P-1			AA-/Aa2/Aau	N/A	N/A	30,000,000	34 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Leeds	A+	F1	A3	P-2			AA-/Aa2/Aau	N/A	N/A	30,000,000	35 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Nationwide	A+	F1	A1	P-1	A	A-1	AA-/Aa2/Aau	N/A	N/A	30,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Yorkshire	A+	F1	A3	P-2	NR	NR	AA-/Aa2/Aau	N/A	N/A	30,000,000	37 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
<b>Non UK Banks</b>																	
<b>Australia</b>																	
Australia & NZ Banking Group	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	35	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Commonwealth Bank of Australia	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
National Australia Bank	A+	F1	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	35	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Westpac Banking Group	AA-	F1+	Aa3	P-1	AA-	A-1+	AAA/Aaa/AAAu	50	N/A	15,000,000	36 Months	Suspended	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
<b>Canada</b>																	
Bank of Montreal	AA	F1+	Aa2	P-1	A+	A-1	AA+/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Bank of Nova Scotia	AA	F1+	Aa2	P-1	A+	A-1	AA+/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Canadian Imperial Bank of Commerce	AA	F1+	Aa2	P-1	A+	A-1	AA+/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Royal Bank of Canada	AA+	F1+	Aa2	P-1	AA-	A-1+	AA+/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
Toronto-Dominion Bank	AA	F1+	Aa1	P-1	AA-	A-1+	AA+/Aaa/AAA	N/A	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
<b>Finland</b>																	
Nordea Bank ABP	AA	F1+	Aa3	P-1	AA-	A-1+	AA+/Aa1/AA+	20	95	15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
<b>Germany</b>																	
DZ BANK AG DEUTSCHE ZENTRAL-	AA-	F1+	Aa1	P-1	AA-	A-1+	AAA/Aaa/AAAu	35		15,000,000	36 Months	Limit to 6 Months	Limit to 35 days / %5 Deposits & CDs/ 10% Secured				
<b>Netherlands</b>																	
ING Bank	A+	F1	Aa3	P-1	A+	A-1	AAA/Aaa/AAAu	40	N/A	15,000,000	36 Months	Suspended	Suspended				
Cooperative Rabobank	AA-	F1+	Aa3	P-1	A+	A-1	AAA/Aaa/AAAu	20	N/A	15,000,000	36 Months	Limit to 6 Months	Limit to 6 Months				
<b>Sweden</b>																	
Handelsbanken	AA	F1+	Aa2	P-1	AA-	A-1+	AAA/Aaa/AAAu	25	N/A	15,000,000	36 Months	Suspended	Suspended				
Nordea Bank AB	AA-	F1+	Aa3	P-1	A+	A-1	AAA/Aaa/AAAu	25	N/A	15,000,000	36 Months	Suspended	Limit to 6 Months				
<b>Switzerland</b>																	
Credit Suisse	A	F1	A1	P-1	A	A-1	AAA/Aaa/AAAu	90	N/A	15,000,000	36 Months	Suspended	Suspended				
<b>Other</b>																	
Deutsche Bank Global Liquidity Fund	AA+	F1+	AA2	(P)P-1			AAA/Aaa/AAAu	N/A	N/A	15,000,000	N/A	OK - Limit to 0.5% of Fund Size (approx £25M)	OK - Limit to 0.5% of Fund Size (approx £25M)				
UK Local Authorities							N/A	N/A	N/A	15,000,000(per authority)	24 Months - amended 11/12/18	OK	Limit to 24 Months - WEF 11/12/2018	143,700,000			
Supra-National Bonds ( EIB )	AAA	F1+	Aaa	P-1	AAA	A-1+	N/A	N/A	N/A	Unlimited	Unlimited	Limit to 6 Months	Limit to 15 years 10% of portfolio				
UK DMADF	AA		Aa2		AA		N/A	N/A	N/A	Unlimited	6 Months	OK	OK	64,800,000			
													<b>TOTAL FUNDS INVESTED</b>	<b>208,500,000</b>			

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**Report of: Director of Law and Governance and Monitoring Officer**

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Council	23 September 2021	All

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

## **SUBJECT: Constitution Update**

### **1. Synopsis**

- 1.1 This report proposes a number of changes to the Council's Constitution to ensure it reflects changes in legislation and council policy and remains fit for purpose.

### **2. Recommendations**

- 2.1 To approve the amendments to the Constitution set out in the appendices, to take effect from 1<sup>st</sup> October 2021.

### **3. Background**

- 3.1 The appendices contain extracts from the Constitution in which proposed changes are marked, by crossing through in the case of deletions and by underlining in the case of additions. The main changes proposed are described below.

### **4. Main proposed changes**

- 4.1 Revisions to Procurement Rules

A number of amendments are proposed to Part 6, Procurement Rules. These are to ensure that the procurement activity remains compliant with the latest legislation and the council's community wealth building priorities.

#### 4.2 Sub-delegation of Executive functions

It is proposed to amend Part 4, Procedure Rule 55.4, to clarify the rules on the delegation of Executive functions.

#### 4.3 Reporting of Discretionary Payments

Amendments are proposed to Part 5, Terms of Reference, to update arrangements for the reporting of discretionary payments.

#### 4.4 Revision to the Officer Delegations

It is proposed that Part 3, Paragraph 8.8 is amended to remove the exception which allows Corporate Directors to award contracts of any value if the spend is approved as part of the annual Capital Programme at Budget Council and let to a framework established by the Council.

#### 4.5 Other minor amendments

The numbering of Part 3, 4.4(k) will be corrected.

### **5. Implications**

#### **5.1 Financial implications:**

There are no direct material financial implications associated with the amendments to the Constitution as set out in this report.

#### **5.2 Legal Implications:**

The Council must keep its Constitution up to date (section 9P Local Government Act 2000).

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

There are no direct environmental implications resulting as a result of this report.

#### **5.4 Resident Impact Assessment:**

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

An initial assessment has been undertaken and it has been concluded that a full assessment is not required as there are no direct impacts on residents.

## 5. Reason for recommendations

- 5.1 This report proposes a number of changes to the Constitution to ensure that the document remains up to date and fit for purpose.

### Appendices:

- Appendix A – Proposed Amendments to the Constitution
- Appendix B – Proposed Amendments to the Procurement Rules

### Background papers:

None

Final report clearance:

### Signed by:



Peter Fehler,  
Director of Law and Governance  
Monitoring Officer

15 September 2021

Date

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## APPENDIX A

### Proposed Amendments to the Constitution

#### (i) Revisions to Procurement Rules (Part 6)

Please refer to Appendix B.

#### (ii) Sub-Delegation of Executive Functions (Part 4, Procedure Rule 55.4)

##### **55.4 Sub-delegation of Executive functions**

~~(a) Where the Executive, a committee of the Executive or an individual member of the Executive is responsible for an Executive function, they may delegate further to joint bodies (in so far as this is permitted by law) or to an officer. The Executive may also delegate to a Committee of the Executive.~~

~~(b) Unless the Leader directs otherwise, a committee of the Executive or a single member of the Executive to whom functions have been delegated may delegate further to an officer.~~

##### **55.4 Delegation of Executive functions**

(a) Executive functions may be delegated to: a sub-committee of the Executive, an individual member of the Executive, Joint Bodies (in so far as this is permitted by law) or to the Chief Executive or a Corporate Director.

#### (iii) Reporting of Discretionary Payments

### **Part 5, Terms of Reference: Audit Committee**

#### Audit Committee (Advisory) Functions

To consider the following matters and to make recommendations concerning them to the relevant Council bodies or to officers:

1. The Head of Internal Audit's annual report and opinion and the level of assurance internal audit activity can give over the Council's corporate governance arrangements;
2. The external auditor's annual letter, relevant reports and the report to those charged with governance on issues arising from the audit of the accounts;
3. Reports dealing with the management, performance and value for money of the providers of internal and external audit services;
4. A report from internal audit on agreed recommendations not implemented within a reasonable timescale;
5. The appointment of the Council's external auditor;
6. Work to be commissioned from internal and external audit;
7. Specific internal and external audit reports as requested;

8. The contract procedure rules and financial regulations in the Council's constitution and the Council's compliance with its own and other published standards and controls;
9. Any issue referred to it by the Council, Executive, Policy and Performance Scrutiny Committee or the Chief Executive;
10. The Council's arrangements for corporate governance and risk management and recommend necessary actions to ensure compliance with best practice;
11. The production and content of the authority's Annual Governance Statement;
12. The annual report from the Monitoring Officer concerning standards of member conduct, which shall include a summary of complaints received under the Code of Conduct Complaints Procedure and their outcome.
13. To note any termination of employment where the total payment including pension strain, discretionary redundancy payments and statutory redundancy payments exceeds £100,000 in total.
- ~~13.~~ 14. Any report on any matter relevant to the advisory functions of the Committee which the Committee may request from the Corporate Director of Resources or other proper officer.

### **Part 5, Terms of Reference: Personnel Sub-Committee**

1. Responsibility for and monitoring of, the Council's health and safety policies as employer, including reports on health and safety within Council departments.
2. To approve the early retirement of the Chief Executive and to agree the award of any discretionary payments in connection with such retirement or redundancy.
3. To approve any discretionary payment to an officer on termination of employment which exceeds £100,000 in total. Discretionary payments exclude statutory entitlements and pension strain, however may include payments in respect of redundancy entitlement, any payment under the Local Government (Early Termination of Employment) Discretionary Compensation Regulations and notice pay in respect of termination in the interests of the efficient exercise of the Authority's functions, ~~which exceeds £100,000 in total.~~

#### **(iv) Revision to the Officer Delegations**

### **Part 3, Responsibility for Functions**

#### 8. Officer Delegations

8.8 The Chief Executive, Corporate Directors and the Chief Finance Officer shall also have authority to award contracts where the value of the contract is up to £2 million revenue expenditure or £5 million capital expenditure, ~~and in the case of capital spend approved as part of the capital programme to award or vary contracts under a framework agreement (itself established by the council on its own or in partnership with any other organisation) where the estimated value of the contract or variation is more than £5m.~~

**(v) Other Minor Amendments**

**Part 3, Paragraph 4.4 (Matters Reserved for Executive Decision – Finance and Property)**

- (k) Decisions on acquisitions and disposals of interests in land except:
- (i) grant of leases of up to 125 years at or below best consideration to voluntary sector and community bodies in accordance with the Property Strategy,
  - (ii) disposals of void council owned homes where the best consideration reasonably obtainable is £3 million or less;
  - (iii) disposals of other property where the best consideration reasonably obtainable is £1.5 million or less;
  - ~~(ii)~~ (iv) grant of leases for 20 years or less where the annual rent is the best consideration reasonably obtainable and does not exceed £250,000;
  - ~~(iii)~~ (v) acquisitions of interests of 20 years or less where the consideration is £1m or less;
  - ~~(iv)~~ (vi) disposals of interests at less than the best consideration reasonably obtainable for six months or less;
  - ~~(v)~~ (vii) disposals where the Executive has already agreed in principle that the land and/or building is surplus to requirements and may be disposed of.
  - ~~(vi)~~ (viii) the acquisition of the leasehold interest in former council owned homes sold under the RTB to facilitate approved redevelopment schemes
  - ~~(vii)~~ (ix) grant of a lease of 125 years at a peppercorn rent to an academy trust following the making of an academy order in respect of a maintained school

# PROCUREMENT RULES

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6. Resident Impact Assessment
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## A – FINANCIAL REGULATIONS

### 1. Introduction and Thresholds

- 1.1 These mandatory rules apply to all spend by officers or agents of the Council and partnerships for which the Council has responsibility, on goods, works and services, including when we are leading in a central purchasing body arrangement. References to the Council in these Procurement Rules should be substituted by any relevant partnership as appropriate. The rules ensure we comply fully with our obligations for [Contract Standing Orders](#) ~~under as governed by Section 135 of~~ the Local Government Act 1972 ~~Section 135~~ [and are the Council's rules for contract](#). It is a disciplinary offence for officers/agents not to follow the Procurement Rules. These rules govern any purchase, lease, rental or combination but exclude employment arrangements or Council land arrangements.
- 1.3 Any explanation or clarification of these Procurement Rules should come exclusively from the Council's Strategic Procurement ~~Team~~ [and Supply Assurance](#) or Legal Services.
- 1.4 Where there is conflict between law or Council policy then law then Council policy shall apply in that order of priority. No officer, member or the Executive has any authority to waive any matter which is required under the law.
- 1.5 These rules ensure competition, provide protection against inappropriate use of Council funds, look at full life costs of any purchase, assist legislative compliance and deliver best value by the Council supported by our policies and codes of practice.
- 1.6 The procedure to be followed is determined in Value Bands of whole life value (recurring procurements based on four years of value) across the entire Council. The calculation of the whole life value of a procurement shall be based on the total amount payable, net of VAT, as estimated by the Council including any potential renewals or contract extensions. Spend must not be fragmented in any way to circumvent the appropriate procedure. The budget must be appropriately approved by the relevant officer of the Council prior to spending. Where an exact value is not known then the decision should be based on the estimated value.
- 1.7A The procedure is:
- 1.7A.1 Utilise an existing corporate contract wherever available (for more information refer to our website); or
- 1.7A.2 When no corporate contract is available, follow the procedure set out in [the Tables 1.1 to 2 below](#).

Table 1

All Contracts		
Value Band	Estimated whole life value (excluding VAT)	Required Procedure <a href="#">(Table 1 Notes apply)</a>
i)	£ 0 - £4,999	No formal written quotation required.  Spend should be made by purchase card wherever possible.
ii)	£5,000 to £24,999	One (1) written quotation from a suitable provider with a reason for decision based on value for money recorded in writing.  <del>All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database register.</del>
iii)	£25,000 and the supplies/services threshold mentioned in 2.2.	A minimum of three (3) competitive written quotations with justification on grounds of value for money for award recorded in writing.  <del>The three (3) quotations must include one (1) quotation from a local (Islington) supplier, as long as a suitable supplier is available.</del>  <del>Where contracts within this Value Band are to be advertised, the agreement of the Head of Strategic Procurement is required. The Head of Strategic Procurement (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder.</del>

		All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database.
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**Table 1 Notes:**

Quotations can be provided by email and/or include published or catalogue pricing.

All contracts within this Value Band ii) or Value Band iii) must be notified to procurement@islington.gov.uk to be recorded on the corporate contracts database register.

Advertising contracts in Value Band i) is not permitted. Where contracts within this Value Band ii) or Value Band iii) are to be advertised, the agreement of the Head of Service, Strategic Procurement and Supply Assurance is required. The Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder. Advertised contracts in Value Band ii) or iii) may be reserved to national, regional (London based), small and medium sized enterprises (SMEs) and/or voluntary and community sector enterprises (VCSEs), when agreed by the Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative) and their guidance is strictly adhered to on what the Council must have regard to.

As a matter of policy, non-advertised quotations in Value Band ii) or iii) must come from local suppliers (Islington and/or boroughs with adjoining boundaries), whenever suitable suppliers are available. If suitable suppliers cannot be identified this must clearly identified within the justification for award.

Table 2(a)

Services and Supplies Contracts other than “Light Touch” (see section 2.2) Services*		
Value Band	Estimated whole life value (excluding VAT)	Required Procedure <a href="#">(Table 2 Notes apply)</a>
iv)	The supplies/services threshold mentioned in 2.2.	<p>Contact <del>Strategic Procurement Team</del> <a href="mailto:procurement@islington.gov.uk">procurement@islington.gov.uk</a> who will look at the availability of an existing suitable consortium or framework arrangement.</p> <p>If one is not available:</p> <p>a formal tender process with a minimum of five (5) written competitive tenders.</p> <p>Where five (5) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the <del>Head of Strategic Procurement</del> <a href="#">Head of Service, Strategic Procurement and Supply Assurance</a> (or their nominated representative).</p> <p><del>All contracts within this value band must be notified by email to the Strategic Procurement Team and subsequent guidance adopted.</del></p> <p><del>Note: European advertising requirements will have to be complied with for the procurement of most services in this category (see 2.2) in addition to the Council's portal and advertising in Contracts Finder. European advertising requirements will only apply to the procurement of works contracts that have a value that is above the relevant EU threshold for works.</del></p>

[Table 2 Notes](#)

All contracts within this value band must be notified by email to [procurement@islington.gov.uk](mailto:procurement@islington.gov.uk) and subsequent guidance adopted.

National advertising requirements (Find a Tender Service and Contracts Finder) will have to be complied with for the procurement of most services in this category (see 2.2) in addition to the Council's portal and website. National advertising requirements will only apply to the procurement of contracts that have a value that is above the relevant threshold.

Table 3(a) ~~2(b)~~

"Light Touch" Services (see section 2.2), Concessions (see section 2.3) and Works Contracts		
Value Band	Estimated whole life value (excluding VAT)	Required Procedure (Table 3(a) Notes apply)
iv) <del>a</del>	The supplies/services threshold mentioned in 2.2. - Up to £500k revenue or £1m Capital	<p>A minimum of four (4) competitive written quotations (or 5 in the case of contracts exceeding £250k revenue of £500k capital) with justification on grounds of value for money for award recorded in writing.</p> <p><del>The e</del>Quotations must include one (1) quotation from a local (Islington) supplier, as long as a suitable supplier is available and be obtained through the council's e-tendering system, unless agreed otherwise by the <del>Head of Strategic Procurement</del>Head of Service, Strategic Procurement and Supply Assurance.</p> <p><del>Where contracts within this Value Band are to be advertised, the agreement of the Head of Strategic Procurement is required. The Head of Strategic Procurement (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder.</del></p> <p>Where four (4) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the <del>Head of Strategic Procurement</del>Head of</p>

		<p><a href="#">Service, Strategic Procurement and Supply Assurance</a> (or their nominated representative).</p> <p><del>All contracts within this value band must be notified by email to the Strategic Procurement Team to be recorded on the corporate contracts database.</del></p>
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Table 3(a) Notes:

All contracts within this value band must be notified to [procurement@islington.gov.uk](mailto:procurement@islington.gov.uk) to be recorded on the corporate contracts database and any subsequent guidance adopted.

Where contracts within this Value Band are to be advertised, the agreement of the Head of Service, Strategic Procurement and Supply Assurance is required. The Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative) will advise on the wording and content of the advertisement and must additionally arrange for the advertisement to be placed in Contracts Finder.

Advertised contracts in Value Band iv) up to the applicable threshold in Rule 2.2 or 2.3, may be reserved to national, regional (London based), small and medium sized enterprises (SMEs) and/or voluntary and community sector enterprises (VCSEs), when agreed by the Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative) and their guidance is strictly adhered to on what the Council must have regard to.

As a matter of policy, non-advertised quotations must come from local suppliers (Islington and/or boroughs with adjoining boundaries), whenever suitable suppliers are available. If suitable suppliers cannot be identified this must clearly identified within the justification for award. If no local supplier can be identified then the written permission of the Head of Service, Strategic Procurement and Supply Assurance is required.

Table 3 (b)

<u>“Light Touch” Services (see section 2.2), Concessions (see section 2.3) and Works Contracts</u>		
<u>Value Band</u>	<u>Estimated whole life value (excluding VAT)</u>	<u>Required Procedure (Table 3(b) Notes apply)</u>
iv) - b	£500k revenue or £1m Capital	<p>Contact <del>Strategic Procurement Team</del> <a href="mailto:procurement@islington.gov.uk">procurement@islington.gov.uk</a> who will look at the availability of an existing suitable consortium or framework arrangement.</p> <p>If one is not available:</p> <p>a formal tender process with a minimum of five (5) written competitive tenders.</p> <p>Where five (5) written competitive tenders are not available or a lower number is desired, the commissioning client officer shall follow the advice of the <del>Head of Strategic Procurement</del> <a href="#">Head of Service, Strategic Procurement and Supply Assurance</a> (or their nominated representative).</p> <p><del>All contracts within this value band must be notified by email to the Strategic Procurement Team and subsequent guidance adopted.</del></p>

All contracts within this value band must be notified to [procurement@islington.gov.uk](mailto:procurement@islington.gov.uk) to be recorded on the corporate contracts database and any subsequent guidance adopted.

The [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative) will advise on the wording and content of the advertisement.

1.7B [Engagement of consultants requires the completion of a business case in line with the online guidelines provided by the Strategic Procurement and Supply Assurance service.](#) Consultants shall:

1.7B.1 [include any independent self-insured third party person or organisation \(i.e. not an employee of the Council\), who provides professional independent advice](#)

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and recommendations in the form of a written report on which business decisions are made for and by the Council, as opposed to an individual service user.

- 1.7B.2 be engaged for their professional advice and recommendations on contract for services with appropriate control over how, when and by whom work is completed, dependent on the circumstances, rectifying any errors at the Consultant's expense, risking their money and providing the majority of their own equipment for the work.
- 1.7B.3 have a business case completed by the client commissioning officer i.e. the person in the Council responsible for identifying and specifying the need(s) for the contract. One business case may set out a need for a period of time or multiple needs under one overall project.
- 1.7B.4 require initial approval of the business case from the Chief Executive or the client commissioning officer's Corporate Director (or their nominated representative on a Chief Officer grade).
- 1.7B.5 be quality assured by Corporate Management Board or an independent panel consisting of Strategic Procurement and Supply Assurance, Finance and an independent departmental representative, as outlined on the business case template. The client commissioning officer will then be informed whether or not they can procure their consultant or whether more information is needed for a decision to be reached. Normal decision making governance such as Recordable Decisions or Key Decisions shall still apply, as applicable.
- 1.7B.6 also include interim appointments to the Council's establishment and/or temporary agency workers outside of the Council's managed service provider.
- 1.7B.7 undergo relevant vetting requirements and have established the appropriate obligations for taxation by the client commissioning officer prior to their appointment
- 1.7B.8 be determined by the Head of Service, Strategic Procurement and Supply Assurance (or their nominated officer).

~~1.7 Engagement of consultants requires the completion of a business case in line with the online guidelines provided by the Strategic Procurement Team. The business case should be completed by the client commissioning officer. The client commissioning officer is the person in the Council responsible for identifying and specifying the need(s) for the contract. Initial approval of the business case is required from the client commissioning officer's Corporate Director (or their nominated representative). A panel consisting of the Strategic Procurement Team, Finance and an independent departmental representative will assess the business case. The client commissioning officer will then be informed whether or not they can procure their consultant or whether more information is needed for a decision to be reached.~~

- 1.8 Concession agreements are agreements under which the consideration given by the council consists of or includes the grant of a right to exploit the work or services to be carried out under the contract. For the purposes of the Procurement Rules, the Value Bands requirements in Table 1 will apply based on the estimated value to be received

over the whole life of the agreement. The value of a concession is calculated on the basis of the total turnover of the concessionaire generated over the duration of the contract, net of VAT, as estimated by the Council, in consideration for the works and services that are the object of the concession as well as for the supplies required for such works and services.

## 2. Value Based Procedures

2.1 All contracts with an estimated value in value band iv) must be advertised on the Islington Council website, the Council's online e-tendering portal and Contracts Finder, unless otherwise agreed by the ~~Head of Strategic Procurement~~Head of Service, Strategic Procurement and Supply Assurance. The advertisement must include unless otherwise authorised by the ~~Head of Strategic Procurement~~Head of Service, Strategic Procurement and Supply Assurance (or their authorised representative):

2.1.1 the price/quality breakdown of award criteria;

2.1.2 the time by which an interested party must respond to be considered;

2.1.3 how, to whom and in which way to respond;

2.1.4 any other relevant requirements for participating in the procurement.

The price/quality breakdown of award criteria including any weighting cannot be amended during the tender process once published.

2.2 The Public Contract Regulations 2015 (the Regulations) apply to all contracts although which specific rules apply will depend on the value and subject matter of the contract. Specific advertising and tender process requirements apply to the procurement of some contracts with a value estimated to exceed thresholds of **£189,330** whole life value for supplies/services and **£4,733,252** whole life value for works. The Strategic Procurement ~~Team~~and Supply Assurance shall advise whether a contract is supplies, services or works in accordance with the Regulations and the definitions below:

2.2.1 a supplies contract is an agreement which has at its object the purchase, lease, rental or hire-purchase, with or without the option to buy, a physical product or piece of software, including any incidental matter, siting or installation;

2.2.2 a service contract is an agreement which has at its object the action of performing an activity or operation for or on behalf of the Council without a physical product;

2.2.3 a works contract is an agreement which has as its object a mixture of service or labour and transfer of goods, leading to the realisation or improvement of a physical asset, for example a building contract.

The Strategic Procurement ~~team~~and Supply Assurance shall provide the appropriate Common Procurement Vocabulary (CPV) code(s) for any required ~~Contract Notice~~advertisement.

- 2.3 In the case of services contracts, the Strategic Procurement ~~Team and Supply Assurance~~ shall determine whether the service is covered by the “light touch” regime under the Regulations. Light touch contracts are for services which tend to be of lower interest to cross-border competition and include certain social, health and education services, defined by CPV codes. The list of services to which the Light Touch Regime applies is set out in Schedule 3 of the Public Contracts Regulations 2015 (Annex A). Light-touch regime services which exceed a whole life value of **£663,540** also will be subject to advertising within the [Find a Tender Service \(FTS\)](#) ~~Official Journal of the European Union (OJEU)~~.
- 2.4 Concessions (or contracts for income) are subject to the advertising requirements of Procurement Rule 1.8 and additionally to advertising within ~~OJEU~~ [FTS](#) when they exceed whole contract life value of £4,733,252 in terms of income and/or monies received.
- 2.5 When executing new or amendment existing agreements:
- 2.5.1 ~~C~~contracts exceeding £500,000 or where directed by the Director of Law and Governance, must be signed as a deed by Director of Law and Governance or their authorised representative;
- 2.5.2 ~~(contracts below this threshold~~ [£500,000](#) ~~where no alternative instruction has been provided shall be signed by two Authorised Officers of the Council)~~ [in line with the Scheme of Authorisation](#);
- 2.5.3 [electronic signatures of Authorised Officers from all parties are permitted](#);
- 2.5.4 ~~C~~contracts must be signed prior to works commencing, services starting or goods being delivered, unless otherwise agreed in writing by the Director of Law and Governance and recorded in the contract file. The Legal Services Contracts Team will supply the wording for any Letter of Intent. Letters of intent represent a risk to the Council and should only be used where absolutely unavoidable.
- 2.6 Proposed ~~C~~contracts that:
- 2.6.1 ~~will or could be connected to the Council IT infrastructure network or could reasonably be determined a digital, technology or telephony device, including hardware, software, cloud services and storage, as well as data systems, services, electronic business applications, digital consultancy or agreements requiring data transfer need the prior agreement of the Director of Digital Services (or their nominated representative);~~
- 2.6.2 ~~will directly impact or change the fabric of a corporate building asset need the prior agreement of the Director of Corporate Landlord (or their nominated representative) in addition to relevant permissions such as building control or planning;~~
- 2.6.3 ~~exceeding~~ £500,000 need to be ~~approved~~ [agreed](#) in advance by any applicable board, as determined by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative).

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- 2.7 In relation to contracts with an estimated value (to the Council) which exceeds the delegated authority of the Corporate Director as set out in Procurement Rule 18 (as applicable for the type of spend in question), approval of the Procurement Strategy is required from the Executive. ~~This is not required in the case of Capital Spend under contract for works approved as part of the capital programme which are to be provided under a framework agreement (established by the council on its own or in partnership with any other organisation). Revenue and Capital Spend are more particularly defined within the Financial Regulations.~~[\[Removed\]](#)
- 2.8 Where Procurement Strategy approval is required, a report (complying with the Access to Information Rules in Part 4 of the Constitution) must be provided to the Executive pre tender setting out the following relevant information:
- 2.8.1 Nature of the service;
  - 2.8.2 Estimated value and volumes, [referring to potential savings](#);
  - 2.8.3 Timetable;
  - 2.8.4 Options appraisal for tender procedure including consideration of collaboration, [category management and insourcing](#) opportunities;
  - 2.8.5 Consideration of: social [value including community](#) benefit clauses, London Living Wage, best value, TUPE, pensions and other staffing implications;
  - 2.8.6 ~~Price and quality~~ [Award criteria, including 20% minimum for social value in quality criteria unless by exception there is a significant reason not to do so agreed with the Head of Service, Strategic Procurement and Supply Assurance](#);
  - 2.8.7 Any business risks associated with entering the contract;
  - 2.8.8 Any other relevant financial, legal or other considerations.

### 3. Exceptions to the Procurement Procedure

- 3.1 When procuring goods and services from an approved central purchasing body such as ~~the London Contracts and Supplies Group (LCSG) or~~ Crown Commercial Services (CCS) the financial thresholds in table 1 of the Procurement Rules do not apply. In these instances the procedures laid out in the existing contract or framework prevail which may require a mini competition (or quotation exercise) to be completed. The Council's rules in respect of Recordable and Key Decisions will always apply.
- 3.2 Exceptions to the Procurement Rules (including in the case of any collaborative arrangement between the Council and any other body under which the other body undertakes a procurement process with or on behalf of the Council) will only be considered on the basis of a written report ("waiver request") produced in advance of procurement activity. The waiver request should set out good operational and financial reasons and be based on value for money principles. Examples of exceptions, such as an emergency where serious financial loss or loss of life may be

concerned, or when the goods, works or services are of an exclusive proprietary nature should be outlined in the waiver request.

- 3.3 Where the collaboration is on-going (e.g. in the case of a shared service arrangement) exceptions may be agreed in respect of all procurements by the other body which are undertaken as part of that arrangement.
- 3.4 The waiver request must include comments from the Legal Services Contracts Team, Strategic Procurement [and Supply Assurance](#); and Finance.
- 3.5 Corporate Directors (and Directors and Heads of Service where appropriately authorised) can agree exceptions for Value Bands i), ii) and iii) contracts up to their delegated authority levels by approving a written waiver request.
- 3.6 Corporate Directors (and Directors where appropriately authorised) can agree exceptions for Value Band iv) contracts up to their delegated authority levels by approving a written waiver request.
- 3.7 A Recordable Decision report must be completed where appropriate. Only the Executive can agree exemptions in the case of Value Band iv) contracts where the value exceeds the Corporate Director delegated authority and it will be necessary for a formal report to be submitted.
- 3.8 The Executive does not have authority to waive or override the requirements of ~~European or~~ national law.
- 3.9 Exceptions to the Procurement Rules, other than use of an approved central purchasing body, will only be approved under exceptional circumstances -where there are significant reasons to justify the request.-

#### 4. Risk and Insurance Financial Management

- 4.1 All Value Band iv) procurements must have a risk assessment completed by the client commissioning officer in line with the Council's standard processes.
- 4.2 All Value Bands procurements should give consideration to financial and legal risks of the proposed procurement. For Value Band iv) this should be recorded in writing.
- 4.3 All contracts where there is direct advice and/or design services provided by a contractor, including all Consultancy arrangements, must include a requirement for Professional Indemnity Insurance.
- 4.4 For Value Band iii) procurements all contractors must have and maintain Public Liability insurance and Employers Liability insurance of £5,000,000 or more in addition to any other insurance recommended by the Insurance Section of the Council. Value Band iv) procurement insurance values should be checked with the Insurance Section. (Note: sole traders with no employees are excluded from Employers Liability.)
- 4.5 Corporate Directors and (where they have appropriate authorisation) Directors and Heads of Service may agree an exception to insurance values for public liability and professional indemnity in respect of contracts up to Value Band iii). A Corporate Director or authorised Director may agree a variation to an insurance value at Value Band iv). All variations to agreed insurance levels must be made in discussion with the Insurance Section and the Director of Law and Governance (or their authorised representative). All variations must be recorded in writing in the contract file.
- 4.6 All potential Contractors to the Council shall have a financial appraisal undertaken prior to being awarded a Value Band iv) contract.
- 4.7 ~~The Strategic Procurement Team and Supply Assurance~~ shall procure independent financial appraisals as required unless otherwise agreed by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative).
- 4.8 In the event of any doubt as to the Contractor's financial viability, or any non-availability of an external report, the Commissioning officer's finance contact shall provide expert advice. Consideration may still be made of the Contractor if the risk is deemed acceptable by Corporate Directors (or authorised Service Directors) and agreed with the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative).
- 4.9 Financial appraisals are not required when contracting directly with other local authorities, the Police, Crown Prosecution Service, Greater London Authority, Clinical Commissioning Groups, National Health Service, Her Majesty's Prison Service, Fire Brigade or other public sector bodies as agreed by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their ~~European~~ equivalents in all cases). Such organisations are underwritten by ~~Central Government(s)~~ and thus are deemed financially viable at all times.

4.10 Where there is doubt as to the financial viability of a contractor but the Council has either no acceptable alternative provider or has decided to accept the level of risk then additional form of security to a level determined between Legal Services Contracts Team and financial services shall be provided such as:

4.10.1 a Parent Company, Ultimate Holding Company or Holding Company guarantee where their finance prove acceptable;

4.10.2 a Director's Guarantee or Personal Guarantee where their finances prove acceptable;

4.10.3 a Performance Bond, retained funds or cash deposit;

4.10.4 any other security as determined by finance and/or legal services.

4.11 A Corporate Director can decide in the case of contracts with a total value up to £5,000,000, that the level of security specified by finance and/or Legal Services Contracts Team need not be provided by the tenderer. A written record by the Corporate Director of this decision and the reason(s) for it must be kept in the contract file.

4.12 A contractor may need to provide security of performance.

4.13 Before a contract is awarded, the Executive must approve the award of a contract where the contractor cannot provide security of performance for contracts with a total contract value of more than £5,000,000. The report seeking approval of the Executive must set out the reason why it is proposed that the contract should be awarded despite the absence of security and what measures are to be taken to manage the risk.

## 5. E-Procurement

5.1 The Council recognises the following e-procurement activities, including sourcing, ordering, receiving goods and making payments to achieve best value in line with the Procurement Rules and Council policies:

5.1.1 Corporate purchase cards;

5.1.2 Electronic tendering;

5.1.3 Electronic auctions;

5.1.4 Purchase-to-pay systems;

5.1.5 Consolidated and electronic invoicing.

5.2 Assistance for using e-auction may be obtained from ~~the~~ Strategic Procurement Team and Supply Assurance. All e-auctions require the authorisation of the ~~Head of Strategic Procurement~~ Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative).

- 5.3 An electronic signature is acceptable to make a contract legally binding [with appropriate back up storage](#).  
~~However contracts must still be printed by the commissioning client officer and appropriately signed or sealed to comply with Council procedures.~~

## **B – POLICY, REGULATIONS, INDIRECT RULES**

### **6. Resident Impact Assessment**

- 6.1 It is mandatory to complete a Resident Impact Assessment (RIA) for all contracts in value band iv) prior to the specification being completed. RIAs have replaced Equality Impact Assessments (EIAs) in Islington. Although there is no legal requirement to carry out EIAs, public bodies still have to demonstrate that they are taking the Public Sector Equality Duty (PSED) into account when making decisions. Local authorities also have obligations in relation to safeguarding and human rights. The main focus of RIAs is on drawing out the equality impacts of proposals with additional sections for highlighting safeguarding risks and potential human rights breaches.
- 6.2 Contract clauses inserted in respect of a Protected Characteristic must be approved by the Legal Services Contracts Team.
- 6.3 Contractors may be encouraged to undertake appropriate equalities training.
- 6.4 Contractors will be required to sign the Fairness and Equality Charter in all procurement in value band iv), Any exception must be approved by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their authorised representative).

### **7. Corporate Priorities**

- 7.1 All contracts shall support the priorities set out in the Corporate Plan and/or Strategy.
- 7.2 Corporate priorities may change from time to time. For further information refer to [www.islington.gov.uk](http://www.islington.gov.uk).

### **8. Responsible Procurement**

- 8.1 The Council has made a commitment to responsible procurement.
- 8.2 Officers shall consider the effect on the environment of their commissioning when procuring by:
- [8.2.1 supporting tackling climate change and reducing waste, by considering how they can contribute to the Council becoming net zero carbon by 2030;](#)
- [8.2.2 reducing waste, improving resource efficiency and contributing to the move towards a circular economy;](#)

- 8.2.~~3~~<sup>4</sup> not specifying, purchasing or using products that damage the environment when a reasonable alternative is available to promote behaviour that causes the least damage to the environment;
  - 8.2.~~4~~<sup>2</sup> taking into account whole life costs such as energy, maintenance and end of life disposal costs where appropriate in tender evaluations;
  - 8.2.~~5~~<sup>3</sup> identifying, prioritising and recognising that sustainability and buying environmentally friendly goods and services is part of continuous improvement;
  - 8.2.~~6~~<sup>4</sup> completing an environmental impact assessment on all value band iv) contracts and considering any additional environmental benefit like biodiversity.
- 8.3 Officers shall, consistently with the council's Best Value duty and so far as permitted by relevant procurement legislation, consider the effect on others of their commissioning when procuring by:
- 8.3.1 ensuring that the council's Public Sector Equality Duty is complied with in all procurement activity;
  - 8.3.2 leveraging opportunities to create new business, new jobs and new skills, particularly increasing opportunities for entrepreneurship and helping new and/or small businesses to grow, increasing employment opportunities particularly for those who face high barriers to employment or who are located in disadvantaged areas and extending training opportunities, particularly for people in industries with known skills shortages or in high growth sectors;
  - 8.3.~~3~~<sup>2</sup> promoting fair employment practices (also see Rule: London Living Wage);
  - 8.3.~~3~~<sup>4</sup> encouraging and improving supplier diversity, innovation and resilience, in a diverse supplier base in-contract advertisements, welcoming applicants who meet the qualitative selection criteria from voluntary and community sector enterprises (VCSEs), social enterprises, staff mutuals, new start-ups, not for profit enterprises and small to medium enterprises;
  - 8.3.5 promoting innovation and the use of disruptive technologies and business models throughout the supply chain, to deliver lower cost and/or higher quality goods and services, and encourage the wider adoption of innovation that contribute to the development of scalable and future-proofed new methods to modernise delivery and increase productivity;
  - 8.3.~~6~~<sup>4</sup> considering Social Value at each stage of the procurement (also see Rule: Public Services (Social Value) Act 2012), going beyond the Act and adopting a minimum 20% on social value in all tender award criteria as a matter of policy wherever possible-.

**9A. Freedom of Information Act 2000 and Environmental Information Regulations 2004**

9A.1 The Freedom of Information Act 2000 [and Environmental Regulations 2004](#) gives people the right to see information that is held by any public organisation. It is intended to make public authorities more open and responsible for their actions. The Act recognises that there are some valid reasons for withholding information. Contractors must be asked to complete a Freedom of Information Schedule (or equivalent named schedule) identifying any confidential or commercially sensitive information in their tender response. [The Council will use this information when reviewing information for disclosure.](#)

## **9B. Data Protection Act 2018 and UK General Data Protection Regulation (UK GDPR)**

9B.1 [Public sector purchasers will be data controllers for most of the contracts they let. The current legislation on data protection requires that data controllers are accountable for how data is handled within the supply chain that processes those data. The UK General Data Protection Regulation \(UK GDPR\) requires that data controllers to appoint data processors which can provide 'sufficient guarantees' that the requirements of GDPR will be met. Processors also must act only on the instructions of the data controller. This means that a public sector purchaser needs to have visibility of how data is being used and be sure that their suppliers \(and their supply chains\) are up to standard. Failure can bring fines of up to £17.5 million for public bodies under the UK GDPR and Data Protection Act 2018.](#)

## **10. Conduct**

10.1 Officers shall conduct themselves in line with the Employee Code of Conduct available on the Council's internet pages. Officers must not accept any gift or reward before, during or after a tender process beyond nominal value. Officers must declare any personal interest(s) in a contract prior to any involvement in a contract the Council is/are considering or a contract that has already commenced.

## **11. Transfer of Undertakings (Protection of Employment) Regulations (TUPE)**

11.1 Whenever a new contractor is appointed to take over an existing service, the employees of the original contractor (or the Council, if the service was previously provided in-house) may be affected by transferring the services to another provider. If so, you must make sure TUPE issues are considered. You must get legal advice from the Legal Services before asking for tenders or quotations. This may also apply where a service is being re-configured and will in future be covered by a number of providers.

## **12. London Living Wage**

12.1 As a matter of policy, London Living Wage (LLW) must be considered on all contracts where the Citizen's UK accreditation criteria for contracts apply. LLW consideration is encouraged on all contracts and shall be considered on all Value Band ii) contracts and above. LLW shall be adopted on all contracts insofar as this is permitted by law. A report shall be produced setting out all relevant considerations. The consideration report must be included within the contract file. The report must be approved by the relevant Director, ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) and/or appropriate person under delegated authority.

## **13. Public Services (Social Value) Act 2012**

13.1 The Public Services (Social Value) Act 2012 came into force in February 2013. It covers services contracts that are covered by the Regulations but the principles can be applied to other contracts. In planning and conducting a Value Band iv procurement you must consider, and record within the contract file, how the procurement and contract shall:

13.1.1 consult and improve the economic, social and environmental well being of the borough and relevant partners;

13.1.2 secure and achieve any noted economic, social and environmental improvement.

Consideration shall be proportionate, reasonable, relevant and non discriminatory to the procurement and subsequent contract. [The Council has adopted a minimum 20% on social value in all tender award criteria as a matter of policy wherever possible.](#)

## C – RESPONSIBILITIES

### 14. Commissioning and Procurement Board Responsibilities

- 14.1 The Commissioning and Procurement Board shall provide leadership and governance to:
- 14.1.1 challenge the approach and strategy of commissioning officers across the Council for the purposes of improving efficiency including category management and collaboration to ensure proposals are robust and sustainable;
  - 14.1.2 help the Council to challenge costs, then identify and capture savings opportunities;
  - 14.1.3 review third party spend, risk/opportunities, performance and transparency information for the purposes of embedding compliance;
  - 14.1.4 appraise the Council's approach to the Community Right to Challenge and make any initial assessment and comments on expressions of interest prior to Executive decision;
  - 14.1.5 improve the quality of business cases and reports, guiding commissioners on corporate and organisational objectives;
  - 14.1.6 promote social, environmental and economic considerations – social value;
  - 14.1.7 encourage opportunities to help local employment and local economies;
  - 14.1.8 improve organisational knowledge in regard to third party spend and encourage a commercial approach that still focuses on the service user;
  - 14.1.9 modernise the approach to commissioning, procurement and contract management in service delivery;
  - 14.1.10 critically assess changes in the wider environment such as new developments in legislation or technology where additional guidance or support may be required.
- 14.2 The Commissioning and Procurement Board shall provide direction on the best approaches towards commissioning, procurement and contract management including appropriate supply chain related issues.
- 14.3 The Commissioning and Procurement Board will record minutes of their activities and these shall be made available upon request.
- 14.4 All key decision procurement strategies shall be challenged by the Commissioning and Procurement Board to qualitatively improve their content, unless otherwise agreed by the Head of Service, Strategic Procurement and Supply Assurance (or their nominated representative).
- 14.5 All proposed optional contract extensions, where the original procurement strategy was a key decision, shall be reviewed and challenged by the Commissioning and

[Procurement Board, unless otherwise agreed by the Head of Service, Strategic Procurement and Supply Assurance \(or their nominated representative\).](#)

## **15. Supply Chain Practitioners Group Responsibilities**

15.1 The Supply Chain Practitioners Group shall:

- 15.1.1 keep an awareness of what supply chain activity is happening within departments;
- 15.1.2 act as a conduit of best practice for supply chain;
- 15.1.3 provide information for reports and input for newsletters;
- 15.1.4 maintain or liaise with the departmental person(s) responsible for maintaining the procurement forward plans for respective departments;
- 15.1.5 provide a first line information source on where to find supply chain information.

## **16. The Executive Responsibilities**

16.1 The Executive shall:

- 16.1.1 approve the award or variation of contracts where the value of the contract or variation (to the Council) is estimated to exceed officers delegated authority (in the case of Revenue Spend or Capital Spend) unless, in the case of Capital Spend the contract is for works approved as part of the capital programme which are to be provided under a framework agreement (established by the council on its own or in partnership with any other organisation) in which case, Corporate Directors and the Chief Finance Officer shall be authorised to approve such award. Revenue and Capital Spend are more particularly defined within the main Financial Regulations.
- 16.1.2 approve awards without performance security where the contract exceeds £5,000,000.

16.2 The Executive may delegate its responsibilities under this Rule 16 to Corporate Directors or the Chief Finance Officer.

## **17. Chief Executive Responsibilities**

- 17.1 The Chief Executive is responsible for making sure that Corporate Directors carry out their responsibilities under these rules and for acting or appropriately delegating where a Corporate Director is not able to carry out these responsibilities.
- 17.2 The Chief Executive has all the powers of the Corporate Director set out in Rules 18 and 19 below.

## 18. Corporate Director and Chief Finance Officer Responsibilities

18.1 Corporate Director and Chief Finance Officer responsibilities include:

- 18.1.1 awarding contracts paid for using revenue money of up to £2,000,000 of Islington Council spend and contracts paid for using capital money of up to £5,000,000 of Islington Council spend
- 18.1.2 agreeing an amendment to a contract where the value of the amendment is up to £2,000,000 in the case of a revenue contract or £5,000,000 in the case of capital expenditure;
- 18.1.3 awarding contracts paid for using revenue money over £2,000,000 of Islington Council spend where authorised to do so under the constitution or by a specific Executive decision
- 18.1.4 awarding contracts paid for using capital money over £5,000,000 of Islington Council spend where authorised to do so under the constitution or by a specific Executive decision;
- 18.1.5 awarding contracts over £5,000,000 under a framework agreement (established by the Council on its own or in partnership with any other organisation) using capital money where the spend is part of the approved capital programme.

## 19. Corporate Director Responsibilities

19.1 Corporate Director responsibilities include:

- 19.1.1 making sure that the Procurement Rules, Key Decision procedures and Access to Information rules are followed;
- 19.1.2 making sure the Council achieves value for money;
- 19.1.3 taking immediate action if someone breaks the Procurement Rules;
- 19.1.4 making sure proper and detailed records of all contracts are kept;
- 19.1.5 making sure a record is kept when it is decided that these Procurement Rules do not have to be followed;
- 19.1.6 making sure arrangements are in place for opening tenders (where not conducted through the Council's e-tendering portal under the responsibility of the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#)) and keeping departmental copies of tenders (in electronic soft copy or physical hard copy) safe;
- 19.1.7 making sure that the Council's corporate seal is placed on any document that needs to be 'sealed and executed' as a deed, and that where a document does not need to be sealed, it is signed by two authorised officers;
- 19.1.8 agreeing to waive security of performance on a contract up to £5,000,000 of Islington Council spend;

- 19.1.9 deciding to accept a contract with lower levels of insurance cover and to accept a contract without professional indemnity insurance;
- 19.1.10 deciding, with advice from the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative) and the Legal Services Contracts Team (subject to rule 28.6) on whether to apply a competitive procedure with negotiation or a competitive dialogue where in response to an open or a restricted procedure only irregular or unacceptable tenders are submitted
- 19.1.11 in cases where the Public Contract Regulations do not require a specified process to be followed in respect of the procurement, agreeing to negotiate a contract direct with a completed waiver form; and
- 19.1.12 keeping a register of all contracts for their service and having all contracts duplicated on the corporate contracts database register with an official number [and having mechanisms in place for those entries to be kept up-to-date.](#)

[19.2 The Director of Public Health and the Partnership Director of Fairer Together have the equivalent status as Corporate Directors in regard to the responsibilities of the Procurement Rules.](#)

**20. Finance Responsibilities**

- 20.1 The finance department shall:
  - 20.1.1 provide guidance to client commissioning officers on procurement implications to associated budgets where multiple departments could be affected;
  - 20.1.2 commit the budget to being available for any procurement activity; and
  - 20.1.3 comment on all reports for the Corporate Management Board and Executive Reports.

**21. Legal Services Contracts Team Responsibilities**

- 21.1 The Legal Services Contracts Team shall:
  - 21.1.1 provide advice on the Public Contract Regulations, the Procurement Rules and responsibilities to client commissioning officers;
  - 21.1.2 prepare conditions of contract and associated documents- to include in the tender documents in a timely manner;
  - 21.1.3 advise on any legal issues arising in relation to the contract and the procurement process;
  - 21.1.4 review any proposed Contractor terms and conditions at the request of the commissioning officer;

21.1.5 advise on and where required negotiate on behalf of the commissioning officer, amendments to the conditions of contract.

## 22. Commissioning officer Responsibilities

22.1 Commissioning officers (officers leading on procurement) shall:

22.1.1 follow the Procurement Rules, decision making procedures and Access to Information rules;

22.1.2 in planning and conducting a Value Band iv) procurement consider, and record within the contract file, how the procurement and contract will:

22.1.2.1 consult on and improve the economic, social and environmental well being of the borough and relevant partners;

22.1.2.2 secure and achieve any noted economic, social and environmental improvement.

22.1.3 complete an Health and Safety Impact Assessment (other than where the purchase consists of system software to operate computer hardware), and London Living Wage consideration report for a Value Band ii) contract or above;

22.1.4 complete an Environmental Impact Assessment, and Risk Assessment for a Value Band iv) contract;

22.1.5 get a corporate contract database register number from the Strategic Procurement Team for all Value Band ii) contract or above;

22.1.6 instruct the Legal Services Contracts Team in good time to prepare, or give advice on, all terms and conditions;

22.1.7 notify Democratic Services and write appropriate reports needed by the Executive and to submit these in time to meet deadlines in both the committee schedules and procurement timetable;

22.1.8 ensure resources are in place to manage the let contract;

22.1.9 ensure there is sufficient budget for the contract;

22.1.10 seek legal advice when terminating a contract and/or withholding payments;  
~~and~~

22.1.11 ensure a minimum of one contract review per annum. ~~This is~~ to ensure the quality of the service and to promote continuous improvement;

22.1.12 consider Data Protection and Cyber Security risks of the proposed procurement and following applicable advice from Digital Services, Information Governance and Legal Services on how personal data is appropriate, accessed and adequately secured;

22.1.13 undertake a Data Protection Impact Assessment when required, informing their Information Asset Owner and Information Leads of any procurement that will require processing of personal data.

### 23. Strategic Procurement ~~Team~~ and Supply Assurance Responsibilities

23.1 ~~The~~ Strategic Procurement ~~Team~~ and Supply Assurance shall:

23.1.1 review the Procurement Rules and associated policies and documentation;

23.1.2 maintain a repository of skills and expertise to provide procurement and supply advice;

23.1.3 support commissioning officers when going out to tender with an appropriate level of advisory support, examining options available to the commissioning officer in light of procurement best practice and legislation and to advise commissioning officers to liaise with Democratic Services regarding the council's decision making processes;

23.1.4 liaise with the Legal Services Contracts Team to assist in ensuring that all the advice provided and procedures being followed are legally compliant;

23.1.5 provide procurement and spend information for statistical purposes and return for the governmental organisations.

## D – Procurement Administrative Process

### 24. Quotations

- 24.1 All quotations for Value Band ii) and iii) must be received in a written format of formal letter quotation, facsimile, email or catalogue and based on a written statement of needs and have a written justification under value for money for selection of provider;
- 24.2 All quotations for Value Band ii) and above should have formal terms and conditions as prepared or agreed by the Legal Services Contracts Team, unless the Legal Services Contracts Team provides exemption to those conditions.

### 25. Selection Criteria

- 25.1 In accordance with the Regulations and with guidance from the Strategic Procurement ~~Team~~ and [Supply Assurance](#), selection criteria may only relate to:
- 25.1.1 Exclusion grounds;
- 25.1.2 Suitability to pursue a professional activity;
- 25.1.3 economic and financial standing;
- 25.1.4 technical and professional ability.
- 25.2 The Council operates a selection questionnaire to ensure contractors meet these conditions where permitted by the Public Contract Regulations.
- 25.3 Any deviation from the council's standard selection questionnaire must be reported to the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) for approval and subsequent reporting by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) to the Crown Commercial Service.
- 25.4 Organisations found guilty of conducting fraud, such as 'cover pricing', will not normally be considered. Organisations shall be required to make declarations in regards to professional and business conduct, including Blacklisting, to the satisfaction of the Council before being invited to tender or tenders assessed.

### 26. Award Criteria

- 26.1 All award criteria must be linked to the subject matter of the contract, ensure the possibility of effective competition and be accompanied by specifications. The award conditions should be documented in the procurement documents including any weighting to be applied. Contractors assessed against these criteria are entitled to have access to their results and feedback, records must be kept of these results in line with retention procedures held by Strategic Procurement for matters in relations to procurement.

- 26.2 Tenders can only be awarded against ~~the following criteria: most economically advantageous tender~~, in accordance with the Public Contract Regulations.
- 26.3 All award criteria should be published in the tender advert, unless otherwise specifically agreed by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#). In all cases the award criteria shall be included within the procurement documents in accordance with the Regulations.

## 27. Invitations to Tender

27.1 All invitations to tender must include:

- 27.1.1 a description of the requirements with enough detail to allow the tenderer to make a competitive offer (a specification or term brief);
- 27.1.2 a requirement for tenderers to declare that they have not given the tender content and price to any other organisation (unless if necessary in confidence, such as the tenders' subcontractors, with prior authorisation);
- 27.1.3 a requirement for tenderers to fill in fully and sign all tender documents (electronically signed by return for e-tenders);
- 27.1.4 a statement that tenders are put forward at the tenderer's expense;
- 27.1.5 a list of the award criteria and the scoring/weighting system;
- 27.1.6 if the tender is being returned by post this must be agreed by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) and a statement that no tender will be considered unless it is enclosed in a sealed envelope or container which has the word 'tender' followed by the contract name, but no other name or mark showing who sent it;
- 27.1.7 a statement that tenders sent by post, ~~fax~~ or e-mail will only be considered and accepted by the Council with the authority of the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#) (or their representative);
- 27.1.8 how any pricing mistakes discovered in the tender will be dealt with;
- 27.1.9 statement that the Council can recover costs from the cancellation of any contract in the event the Contractor should offer, agree to offer or provide an officer, member or person associated with the Council, partner or its agent an inducement or reward in respect of a contract;
- 27.1.10 a statement that we do not have to accept the lowest tender, or indeed any tender.

## 28. Putting Tenders Forward

- 28.1 Officers should sufficiently prepare in advance for procurement processes to allow for ~~European Directive~~ [advertising](#) and ~~council Key Decision or~~ other decision making timescales.
- 28.2 Tenders should normally be received through the Council's e-tendering portal. ~~Posted, and~~ emailed ~~and fax~~ tenders may only be used with the express consent of the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their representative). [Faxed tenders will no longer be permitted.](#)
- 28.3 All intentions to seek tenders must be notified to ~~the Strategic Procurement Team and~~ [Supply Assurance](#) in writing including title, estimated annual value, contract length and commissioning officer (or responsible officer if different).
- 28.4 Mini-competitions from framework agreements are not tenders, but should be notified to Strategic Procurement [and Supply Assurance](#) whenever these are value band iv).
- 28.5 Mini-competitions in value band iv) from framework agreements should conducted through the Council's e-tendering portal unless otherwise agreed by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative).
- 28.6 All procurement activity where a third party provider is running the process, regardless of value, should be notified to the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative) to determine the appropriateness of the procurement process.
- 28.6 All mini-competitions from framework agreements where a third party provider is running the quotation process, regardless of value, should be notified to the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative) to determine the appropriateness of the procurement process.
- 28.7 Copies of the assessment will be required to be supplied to the Council whenever a third party has conducted procurement on the Council's behalf.

## 29. Receiving and Opening tenders

- 29.1 [Tender should normally be received via the Council's e-tendering portal. Tenders via other portals may be required when using professional buying organisations, but only when agreed by the Head of Service, Strategic Procurement and Supply Assurance \(or their nominated representative\).](#) Each tender received must be:
- 29.1.1 recorded with the date and time it was received;
- 29.1.2 kept in a safe place; and
- 29.1.3 reported to ~~the Strategic Procurement Team and~~ [Supply Assurance](#).
- 29.2 All tenders not conducted through the Council's e-tendering portal must be by agreement of the ~~Head of Strategic Procurement~~ [Head of Service, Strategic](#)

[Procurement and Supply Assurance](#) and be opened in the presence of a Tender Opening Panel (TOP). The TOP must be made up of at least two officers, one of whom should be the commissioning client officer.

- 29.3 Contracts estimated over the thresholds mentioned in 2.2 must have a member of the Strategic Procurement ~~Team~~ [and Supply Assurance](#) on the TOP, [unless specifically agreed by the Head of Service, Strategic Procurement and Supply Assurance \(or their nominated representative\)](#).
- 29.4 Tenders should be through the electronic e-tendering portal managed by Strategic Procurement [and Supply Assurance](#) when/wherever possible. When opening electronic tenders, all tenders must be opened at the same time.
- 29.5 Tenders received after the set time for receiving them, but before the TOP has begun opening them, may be opened and then considered only if agreed by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or ~~his~~-[their](#) nominated representative) agree that it is appropriate to do so.
- 29.6 Tenders received after the TOP has begun opening tenders “late tenders” will not be considered unless specifically agreed by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or ~~his~~-[their](#) representative) or are for land/building property purchases. This applies equally to tenders received through the Council’s e-tendering portal. Tenders received late and not to be considered will be returned or the relevant bidder written to as indicated by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or ~~his~~-[their](#) representative).
- 29.7 All tenders opened by the TOP will be evaluated in a timely manner against the advertised award conditions.
- 29.8 All extensions to tender return dates must be authorised by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or ~~his~~ [their](#) representative).
- 29.9 Errors or matters of ambiguity in tenders should be highlighted to the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or ~~his~~ [their](#) representative) to decide whether an extension is appropriate for satisfactory return of bids.

### 30. Negotiation

- 30.1 The negotiated procedure, either with or without competition, may ~~be~~ used in accordance with the provisions of the Regulations and only where agreed by the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their representative) and Legal Services Contracts Team to ensure compliance with the Regulations.
- 30.2 A Corporate Director can decide in consultation with the ~~Head of Strategic Procurement~~ [Head of Service, Strategic Procurement and Supply Assurance](#) (or their nominated representative) that a contract should be awarded by post-tender

negotiation (discussions after tenders have been received), subject to the Regulations.

- 30.3 Negotiations must be carried out by at least two (2) senior officers, at least one of whom is a Corporate Director nominated representative. Corporate Directors are responsible for the actions of the people they have nominated.
- 30.4 Negotiations must be fully minuted and the actions agreed by both parties.

### 31. Awarding Tenders

31.1 The commissioning officer must prepare a contract award report for any every contract which is in value band ii) or above and keep that report on the contract file. More guidance is available from Strategic Procurement [and Supply Assurance](#) but the report must normally include:

- 31.1.1 an introduction and summary of the requirement;
- 31.1.2 outcomes, efficiencies and savings as a consequence of award;
- 31.1.3 chosen procurement route and justified options discounted;
- 31.1.4 length of arrangement including any extension options;
- 31.1.5 criteria against which the contractor was selected and subsequently awarded;
- 31.1.6 the make up of the project team, noting any Member involvement;
- 31.1.7 the estimated value/actual value for the life of the contract;
- 31.1.8 dates and information regarding previous tendering in the case of a recurring procurement;
- 31.1.9 pre tender assessment information;
- 31.1.10 copies of any documentation required under Commissioning Officer Responsibilities within these Procurement Rules.

31.2 The Commissioning officer must write to the successful bidder telling them that the Council has accepted their offer and to the unsuccessful bidders telling them that the Council has not accepted their offers including in both cases their evaluation scores and the score of the winning tender(s) at the same time, published through the Council's e-tendering portal unless agreed by the ~~Head of Strategic Procurement~~[Head of Service, Strategic Procurement and Supply Assurance](#);

31.3 Tenders awarded in line with the Regulations must be notified that the Council will accept the successful tender as long as no objections are raised by any of the unsuccessful bidders during the ten (10) day appeal period where applicable;

31.4 The Contract must not be signed until the ten (10) day standstill period has passed without objection where applicable;

31.5 The successful Contractor must not commence work until the contract has been signed in line with Section A above.

### **32. Keeping records**

32.1 The Commissioning officer's department must keep:

32.1.1 successful contract files for twelve (12) years after the end of the contract for all sealed contracts;

32.1.2 successful contract files for six (6) years after the end of the contract for all other contracts;

32.1.3 unsuccessful contract files for two (2) years.

### **33. Contract Management**

33.1 A record of all contract amendments and variation orders (orders to amend contracts) must be issued in writing and sent electronically to Strategic Procurement [and Supply Assurance](#);

33.2 Commissioning officers must file a copy of every variation order in the contract file highlighting any risk to their relevant manager and any other affected department.

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# ISLINGTON

## COUNCIL MEETING – 23 SEPTEMBER 2021

### REPORT OF THE CHIEF WHIP

#### **A. CORPORATE PARENTING BOARD**

1. To note that Councillor Hyde has stood down from the Corporate Parenting Board.
2. To note that there is also a vacancy on the Corporate Parenting Board.
3. To appoint Councillors Ibrahim and Burgess to the Corporate Parenting Board for the remainder of the municipal year.

#### **RECOMMENDATION:**

1. That Councillors Ibrahim and Burgess be appointed to the Corporate Parenting Board with immediate effect for the remainder of the municipal year or until a successor is appointed.

#### **B. YOUNG PEOPLE'S CHAMPION**

1. To appoint Councillor Ibrahim as Young People's Champion

#### **RECOMMENDATION:**

1. That Councillor Ibrahim be appointed as Young People's Champion with immediate effect for the remainder of the municipal year or until a successor is appointed.

#### **C. MONITORING OFFICER:**

1. To confirm the appointment of Peter Fehler, Director of Law and Governance, as the Council's Monitoring Officer.

#### **RECOMMENDATION:**

1. That the appointment of Peter Fehler, Director of Law and Governance, as the Council's Monitoring Officer be confirmed.

**Cllr Sara Hyde**  
**Chief Whip**

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## COUNCIL MEETING – 23 SEPTEMBER 2021

### NOTICES OF MOTION

#### **Motion 1: An adaptation plan for climate resilience**

Moved by Cllr Caroline Russell

This Council notes:

- The climate emergency is increasing the frequency of extreme weather events, including extreme heat, cold and rainfall.
- 2020 ranks as the third warmest year in the UK since 1884. 2006 and 2014 were warmer, and 2011 was almost as warm as 2020.
- 2020 was the sixth wettest year in a series from 1862.
- Total rainfall from extremely wet days has increased by around 17% over 2008-2017, for the UK overall.
- All top-ten warmest years since 1884 have occurred this century.
- Rate of change is increasing, and causing alarm to scientists - as expressed in the recent IPCC report: <https://www.ipcc.ch/report/sixth-assessment-report-working-group-i/>
- The heatwaves experienced in 2003 and 2018 will be normal summers by the 2040s.
- A summer such as that experienced in 2018 is estimated to be 30 times more likely to happen under current emissions scenarios.
- Although it is too early for complete data on 2021, this year has seen record flooding in streets and Underground stations in London, and surface flooding impacts here in Islington at Highbury Pool.

This Council further notes:

- Extreme weather events are likely to become more common in future, with increasing impacts on local residents, businesses and organisations.
- 45% of properties in London have no flood insurance.
- Two thirds of flats could experience overheating temperatures >28°C by the 2030s.
- 80% of Londoners experienced overheating in their homes in 2015
- For every degree centigrade increase in temperature over 20°C, ambulance call outs increase by 1%.
- In 2009 there were about 30,000 domestic subsidence claims in London.

- 522 (59%) more people over the age of 75 died during the 2003 heatwave in London. Over the same period hospital admissions increased by 16% for the same age group.
- December 2010 was the coldest December for 100 years. The daily number of Category 1 (immediate life threatened) incidents for the London Ambulance Service was nearly 20% higher than November 2010
- The sector that has the least amount of evidence in terms of modelled impacts is that of workplaces and other buildings. Unlike housing there is less evidence on the number of workplaces that could potentially be affected in future. Beyond the current risks, evidence was much less specific and tended to focus on 'assets'.

This Council resolves to:

- Assess past and future risks to residents, organisations and the council from extreme weather events or hazards arising from a changing climate. This should include the impact of:
  - Surface water flooding from extreme rainfall
  - Extreme heat and cold in homes especially at night
  - Extreme temperatures in workplaces
  - Extreme wind, hail, rainfall, heat and drought
- Identify risks to public health, social care, community resilience, natural assets, infrastructure and economic development including these in corporate plans and policies
- Produce a plan and estimated costings for the adaptation and resilience measures required to protect the council, Islington residents, workers and organisations from the disruption due to future extreme weather events.
- Identify methods of funding and delivering this work in consultation with London Councils, City Hall and national government along with local organisations and residents.

## **Motion 2: Motion to support the Transport for All Equal Pavements Pledge**

Moved by Cllr Caroline Russell

This Council notes:

- the campaign of Transport for All calling on councils and transport authorities to sign an Equal Pavements Pledge (appended below)
- 95 per cent of roads are the responsibility of London boroughs and only 5 per cent belong to the TfL network.
- the majority of disabled people polled recently by Transport for All are worried that streets remain inaccessible with many streets still lacking even dropped kerbs to enable level access along pavements or to cross the street.
- disabled people are concerned at the risk of further barriers being presented – either from the way in which changes to streets are delivered, or from al-fresco dining being delivered without consideration for the need for clear access on pavements.
- our borough continues to need investment and progress in making pavements fully accessible

This Council notes that the Transport for All Equal Pavements Pledge outlines a need to:

- Listen to disabled people, and act
- Keep pavements clear
- Cut pavement clutter
- Reduce the impact of waste removal
- Audit pavements and install dropped kerbs where they are missing
- Protect blue badge parking, with relocation kept to a minimum
- Work with disabled experts, committing to co-production of schemes

This Council resolves to:

- support the Transport for All Equal Pavements Pledge
- engage directly with organisations representing people with specific accessibility requirements
- call upon the Mayor of London through Transport for London (TfL) to respond to the Equal Pavements pledge with a comprehensive programme of support to boroughs to be delivered in this current term.

*Note: Further information on the Equal Pavements Pledge is available from <https://www.transportforall.org.uk/campaign/equal-pavements-pledge/>*

### **Motion 3: Islington Together let's talk about a greener future**

Moved by: Cllr Rowena Champion

Seconded by: Cllr Angelo Weekes

This Council notes:

- The global Climate Emergency we currently face and which this council declared in June 2019
- The emergency has seen global temperatures rise, with 2020 standing as the hottest year on record, and a number of extreme weather events such as flooding in London, Germany and New York at the same time as forest fires in California, Greece and Turkey
- The 2021 United Nations Climate Change Conference, also known as COP26, which is being held in Glasgow in November 2021
- The importance of COP26 as the last chance for leaders, including the UK Government, to take action to limit the global temperature increase to 1.5 degrees celcius above pre industrial levels

This Council also notes:

- Islington is at the forefront of efforts to tackle the environment and climate emergency, having cut emissions in the borough by 40% already and seeing the 12<sup>th</sup> highest decrease in emissions per person for any council area in the country
- The investment in the 2021 Council Budget, including more than £17million in projects to support our Vision 2030 strategy and £8 million investment in further electrifying the Council's vehicle fleet and the supporting infrastructure
- Under Islington Labour's leadership, the Council is cutting emissions in its buildings and homes, delivering ground-breaking projects to use waste heat to fuel people's homes and has the toughest set of planning policies that are helping cut the impact of new buildings on our climate and environment
- The ambitious People Friendly Streets programme, and Islington's recognition as the top-ranked London Borough by the Healthy Streets Scorecard, as a result of our efforts on a range of measures to make Islington's streets better for everyone.
- That the Council cannot tackle the climate emergency alone and the Tory Government needs to step up, support councils and local people, and implement a national plan to reach net zero carbon emissions much sooner than the current target of 2050
- The lack of ambition shown by the Tory Government since 2010 in tackling the climate emergency, not least in the run-up to the COP26 Conference in Glasgow

This Council resolves to:

- Hold a festival during COP26, to work together with local people on making our borough a greener, cleaner and healthier place by tackling the Climate Emergency
- Continue to work with residents and local business, third sector and public sector bodies to cut the 91% of emissions generated by non-Council sources in the borough, promoting and incentivising efforts to reduce their carbon footprint
- Continue to work with other local authorities and the Mayor of London to call on Central Government to fully fund the Council's Vision 2030 strategy and demand a national plan to tackle the climate emergency

#### **Motion 4: Opposing Central Government plans for voter ID**

Proposed by: Cllr Satnam Gill

Seconded by: Cllr Gulcin Ozdemir

This Council notes:

- Councils are responsible for organising all elections in England
- The Queen's Speech earlier this year which contained government proposals to require people to show identification including a photograph in order to vote in a General Election.
- Allegations of electoral registration or voter fraud are very rare
- There is no evidence of large-scale electoral fraud relating to the 2018 local elections. Of the 266 cases that were investigated by the police, four led to convictions and two suspects were given police cautions
- All residents in Islington should have the right to vote in Local Elections

This Council further notes:

- According to the Electoral Commission, 11 million UK citizens have no driving licence or passport and 3.5 million no access to photo ID at all
- Central Government's own data shows that white people are most likely to hold one form of photo ID – 76% hold a full driving licence. But 38% of Asian people, nearly a third of people of mixed ethnicity (31%), and more than half of Black people (48%) do not
- When the Government trialled voter ID in 2019, around 2,000 people were initially turned away from the polling station for not having ID, with around 750 of them not returning to vote
- The burden to provide “free voter cards” for people in this position would fall on local authorities, at an estimated cost of £20m per election
- Voting at elections is the cornerstone of democracy at both local and national level
- Participation in elections should be encouraged in all those who are qualified regardless of age, ethnicity or income
- Unnecessary barriers to voting are likely to reduce voter participation in elections, proper representation of all parts of the community and so legitimacy of those elected to office
- The disenfranchisement of many Islington residents who have made our borough their home but are not allowed to vote in Local Elections because they are not UK citizens or Central Government has not reached an agreement with their country of citizenship

This Council resolves:

- To oppose the introduction of photo ID as a requirement to vote at polling stations
- To write to the Government, opposing the introduction of voter ID and request this measure is not included in any forthcoming Bill

- That should mandatory photo ID be passed into law, this council will investigate low-cost options for residents, bearing in mind the barriers outlined and focus efforts to promote the ID to those who are most likely to need it
- To campaign for the introduction of residence-based voting rights to ensure all residents of Islington have the right to vote for their local representatives.

## **Motion 5: Supporting public sector workers**

Proposed by: Cllr Kaya Comer-Schwartz

Seconded by: Cllr Mick Gilgunn

This Council notes:

- The hard work of all public sector workers, including council staff, throughout the pandemic, who have kept our borough running, maintained education for Islington's young people and cared for those who have fallen ill.
- The dedication of our NHS workers, notably at the Whittington Hospital, transport staff and all frontline services across different sectors who throughout the pandemic, have played a crucial part as key workers in our society and deserve better pay and conditions.
- The Government's public sector pay freeze which is enacting a real-terms pay cut on most public sector workers, at a time when prices are rising and many have suffered due to the pandemic.
- The local government workforce has endured years of pay restraint with the majority of pay points losing 22 per cent of their value since between 2010 and 2020.
- The joint GMB, Unite and Unison pay claim to local government employers for a 10% pay rise.
- The pandemic has had a detrimental impact on the mental health of many public sector workers.
- A survey by the GMB union found that 75% of care workers say that their work during the Covid-19 pandemic has had a serious negative impact on their mental health.

This council further notes:

- In 2012, we became the country's first accredited Living Wage Council in 2012, with all directly employed staff paid at least the London Living Wage, and earlier this year Islington was recognised as North London's first Living Wage Place.
- It has already signed up to the TUC's Dying to Work Charter, Unison's Ethical Care Charter, the Time to Change pledge and is a Timewise Accredited Council, to protect the employment conditions and rights of all council staff.
- Work undertaken by Islington Council over the past 18 months to support council staff with their mental health, including the work of James Place as one of the Mayor's charities.
- The introduction of a new wellbeing role at Camden and Islington NHS Foundation Trust to further support the health and wellbeing needs of its staff – particularly our Black, Asian and Minority Ethnic workers.
- Calls by the GMB for higher wages for care workers, as well as full sick pay so care workers can afford to self-isolate, better support from employers, and national funding for new mental health services for care workers including talking therapy and specialised PTSD support.

This Council resolves to:

- Support the pay claim submitted by Unite, GMB and UNISON on behalf of council and school workers for a 10% uplift across all pay points in 2021/22.
- Call on Central Government to fully fund any increase in pay for public sector workers.
- Sign the Mental Health At Work Commitment, to achieve better mental health outcomes for council staff and commit to a set of actions to improve and support the mental health of council employees.
- Work with local trade unions to improve mental wellbeing services for council staff and support calls for improved mental health services for workers across the public sector.

## **Motion 6: Equalities in Educational Outcomes**

Moved by: Cllr Rakhia Ismail

This Council notes:

- Islington 'Equalities in Educational Outcomes: Final Report of the Children's Services Scrutiny Committee' published 14 recommendations in June 2020.
- The report stated that, both nationally and locally, Black Caribbean and White British pupils eligible for pupil premium funding lag amongst their peers in educational outcomes at every Key Stage, from Early Years to GCSE and beyond to participation in Higher Education.
- None of these 14 recommendations addresses the acute need for tangible education reform in Islington, to support the local Black, Caribbean and White British pupils to improve their educational attainments.
- Black, Caribbean and White British pupils are constantly failing behind their peers under Islington Labour administration. This is concerning for the future generations, of Black, Caribbean and White British pupils in Islington
- Furthermore, the Children's Services Scrutiny Committee report on 20<sup>th</sup> March 2017, titled 'Educational Attainment of BME And White British Pupils' also stated a decline. As well as, The Black Caribbean review, Insight Report from the Workshops and Survey express that they feel they are ignored, not listened to and nothing ever changes in their community" and the Final report Recommendation 6<sup>th</sup> July 2021, which none of these reports have addressed the need to improve more targeted education for Black, Caribbean and White British pupils.
- It has been five years since first finding.

This Council further notes:

- Islington supported/s 40 plus supplementary education to boost children's educational attainments since 2001 in Maths, English, Science, as well as mother tongue supplementary sessions. This has improved the education outcome in Islington aiding them in their success going on to higher education.
- On 10<sup>th</sup> March 2008 the Guardian newspaper published an article by Joe Clancy, after Islington Council invested in Kokayi Supplementary school for Black & Afro Caribbean children and the raised in education achievement figures in the article speaks volumes.
- Unfortunately this Labour administration withdrew all support after 2010.
- This has extinguished all hopes and aspirations for the Caribbean community, and resulting in Black, Caribbean and White British children losing out. As Labour continues to lead this council, these communities incessantly lose their voice which has led to a decline in educational attainments for the past 5 years plus.
- I therefore cannot speak for the national trend, this is an Islington issue. However, Islington residents have benefitted from Islington Education Dept, Ethnic Minority Achievement Services (EMAS) which supported Koyayia Supplementary school, since the education attainments and aspirations improved. Regardless of the data presented, Labour

abolished EMAS having a direct impact on the young Black, Caribbean and white children.

- We simply cannot wait another five years of other failures such as school exclusions, Pupil Refer Unit, over-represented in mental health services and prisons.
- In a few days it will be a Black History Month, and we need to encourage hope, aspirations, and ambition in their young lives and put to bed this horrific failure, for Black, Caribbean and White British pupils.

This Council resolves:

- To agree to fund and commission supplementary education for pupils underachieving in mainstream schools;
- To give a bold ambition that is embedded in the future prosperity and education outcomes for Black, Caribbean and White British pupils;
- To provide supplementary community based education to Black, Caribbean and White British pupils as an essential aspect in improving their future and ours too.

*Notes:*

*Motion to Council, 30 November 2004 'Kokayi School'*

[https://democracy.islington.gov.uk/Data/Council/200411301930/Agenda/\\$Motions%20to%20Council.doc.pdf](https://democracy.islington.gov.uk/Data/Council/200411301930/Agenda/$Motions%20to%20Council.doc.pdf)

*Article from the Guardian Newspaper: Aged 10 and already at college, March 2008:*

<https://www.theguardian.com/education/2008/mar/11/furthereducation.news1>

*Children's Services Scrutiny Committee: Equalities in Educational Outcomes – Final Report*

<https://democracy.islington.gov.uk/documents/s22645/Equalities%20in%20Educational%20Outcomes%20-%20final%20report.pdf>

*Voluntary and Community Sector Partnerships Grants Programme 2021-2024 – Appendix 4 – Review of Black-Caribbean Provision Final Report (6 July 2021)*

<https://democracy.islington.gov.uk/documents/s25139/Appendix%204%20Black%20Caribbean%20review%20report.pdf>

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