



AGENDA FOR THE EXECUTIVE

Members of the Executive are summoned to attend a meeting to be held in the Council Chamber, Town Hall, Upper Street, N1 2UD on **1 September 2022 at 7.00 pm.**

Enquiries to : Jonathan Moore
Tel : 020 7527 3308
E-mail : democracy@islington.gov.uk
Despatched : 23 August 2022

Membership

Councillor Kaya Comer-Schwartz
Councillor Santiago Bell-Bradford
Councillor Rowena Champion
Councillor Roulin Khondoker
Councillor Una O'Halloran
Councillor Michelline Safi Ngongo
Councillor Nurullah Turan
Councillor Diarmaid Ward
Councillor John Woolf

Portfolio

Leader of the Council
Executive Member for Inclusive Economy and Jobs
Executive Member for Environment, Air Quality and Transport
Executive Member for Equalities, Culture & Inclusion
Executive Member for Homes and Communities
Executive Member for Children, Young People and Families
Executive Member for Health and Social Care
Executive Member for Finance, Planning and Performance
Executive Member for Community

Quorum is 4 Councillors



Declarations of interest:

If a member of the Executive has a **Disclosable Pecuniary Interest*** in an item of business and it is not yet on the council's register, the Councillor **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent. Councillors may also **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency. In both the above cases, the Councillor **must** leave the room without participating in discussion of the item.

If a member of the Executive has a **personal** interest in an item of business they **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but may remain in the room, participate in the discussion and/or vote on the item if they have a dispensation from the Chief Executive.

- *(a) **Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences**- Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

NOTE: Public questions may be asked on condition that the Chair agrees and that the questions relate to items on the agenda. No prior notice is required. Questions will be taken with the relevant item.

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

	Page
A. Formal Matters	
1. Apologies for absence	
2. Declarations of Interest	
3. Minutes of previous meeting	1 - 4
B. Budget, Performance and Monitoring matters	
1. Monthly Budget Monitor, including funding allocations and adjustments to the capital programme	5 - 44

2. Procurement strategy for Parking Debt Recovery Services (Concessions Contract) 45 - 68

C. Children and young people have the best start

3. Special Educational Needs and Disabilities (SEND) Transitions - Review of the Children's Services Scrutiny Committee 69 - 140

D. Communities feel safe, connected and inclusive

4. Procurement strategy for residential care service for older men with alcohol misuse and mental health care needs 141 - 182

E. Decisions taken by Officers

5. Monitoring Report - September 2022 183 - 192

F. Urgent non-exempt matters

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

G. Exclusion of the press and public

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

H. Confidential / exempt items

I. Urgent exempt Matters

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

The next meeting of the Executive will be on 13 October 2022

WEBCASTING NOTICE

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

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

In addition, the Council is obliged by law to allow members of the public to take photographs, film, audio-record, and report on the proceedings at public meetings. The Council will only seek to prevent this should it be undertaken in a disruptive or otherwise inappropriate manner.

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London Borough of Islington

Executive - 14 July 2022

Minutes of the meeting of the Executive held in the Council Chamber, Islington Town Hall, Upper Street, N1 2UD on 14 July 2022 at 7.00 pm.

Present: **Councillors** Comer-Schwartz, Ward, Bell-Bradford, Champion, Ngongo, O'Halloran, Turan and Woolf

Also present: **Councillor:** Ernestas Jegorovas-Armstrong

Councillor Kaya Comer-Schwartz in the Chair

13 **APOLOGIES FOR ABSENCE**

Received from Councillor Roulin Khondoker.

14 **DECLARATIONS OF INTEREST**

None.

15 **MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 9 June 2022 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

16 **APPOINTMENTS TO BE MADE BY THE EXECUTIVE**

RESOLVED:

That Councillor Comer-Schwartz be appointed to the Associated Joint Committee – London Councils' Grants Committee and that Councillors O'Halloran, Khondoker, Turan and Woolf be appointed as deputies for the remainder of the municipal year, or until successors are appointed.

Reasons for decision – to enable the Council's appointed representatives to participate in meetings of the London Councils' Grants Committee.

Other options considered – none

Conflicts of interest / dispensations granted – none

17 **2021/2022 PROVISIONAL FINANCIAL OUTTURN**

RESOLVED:

(a) That the breakdown of the forecast 2021/22 General Fund (GF) outturn by individual variance at Appendix 1 and by service area at Appendix 2 of the report of the Executive Member for Finance, Planning and Performance, be noted.

(b) That the overall 2021/22 GF net break-even position, after application of grants and contingencies, be noted.

(c) That the allocation of Contain Outbreak Management Fund funding totalling £2.403m across eligible COVID-19 related expenditure in line with the terms of the grant be noted.

(d) That new reserves, the outturn transfers to/from reserves, the movements between reserves and the provisional GF and HRA reserves balances be approved and the Section 151 Officer be authorised to agree any further movements to/from reserves related to finalising the 2021/22 Statement of Accounts.

(e) That the drawdowns from the corporate transformation fund in 2021/22 be approved.

(f) That the HRA in-year deficit of (+£18.541m), fully funded from a lower contribution to HRA reserves than planned in the original budget, be noted.

(g) That the 2021/22 capital outturn and financing of the 2021/22 capital programme and the movement in the 2021/22 capital budget since the last reported capital programme at Month 10 be noted.

(h) That the re-profiling of the 2021/22 capital outturn budget variances (-£34.967m) into the 2022/23 capital programme, with the exception of variances that were underspends rather than re-profiling in nature, be approved and the Section 151 Officer be authorised to agree any further capital financing adjustments related to finalising the 2021/22 Statement of Accounts.

Reasons for decision – to enable members to monitor the budget.

Other options considered – none

Conflicts of interest / dispensations granted – none

18 **VARIANCE OF THE TERMS OF LEASES AT 41/47 OLD STREET AND 69/85 OLD STREET, LONDON EC1**

RESOLVED:

That the Corporate Director for Community Wealth Building be authorised to enter into the Deeds of Variation in respect of the leases at 41/47 Old Street and 69/85 Old Street on the terms set out in exempt appendix 1 of the report of the Executive Member for Finance, Planning and Performance, and following consultation with the Corporate Director of Resources.

Reasons for decision – to generate long-term income from non-operational property assets to provide a much-needed revenue stream to the Council to support frontline services

Other options considered – none

Conflicts of interest / dispensations granted – none

19 POLICY FOR DISABLED FACILITIES GRANT FOR COUNCIL TENANTS

RESOLVED:

That the policy for the delivery of Disabled Facilities Grants for Council tenants, appended to the report of the Executive Member for Homes and Communities, be approved.

Reasons for decision – to ensure that the Council's approach to delivery of the Disabled Facilities Grants was well documented, transparent and met legislative requirements.

Other options considered – none

Conflicts of interest / dispensations granted – none

20 EXECUTIVE RESPONSE TO THE HOUSING SCRUTINY COMMITTEE - REINTEGRATION PROGRAMME OF PFI 2 SERVICES REVIEW

RESOLVED:

(a) That the responses to the recommendations made by the Housing Scrutiny Committee on their report "Reintegration Programme of PFI 2 Services Review", and detailed in the report of the Executive Member for Homes and Communities, be approved.

(b) That the Housing Scrutiny Committee be thanked for their report.

Reasons for decision – to respond to the Housing Scrutiny Committee on progress and delivery in relation to the recommendations made by that Committee.

Other options considered – none

Conflicts of interest / dispensations granted – none

21 **EXECUTIVE RESPONSE TO THE HOUSING SCRUTINY COMMITTEE - COMMUNAL HEATING REVIEW**

RESOLVED:

- (a) That the responses to the recommendations made by the Housing Scrutiny Committee on their report "Communal Heating Review", and detailed in the report of the Executive Member for Homes and Communities, be approved.
- (b) That officers report back on progress to the Housing Scrutiny Committee in twelve months' time.
- (c) That the Housing Scrutiny Committee be thanked for their report.

Reasons for decision – to respond to the Housing Scrutiny Committee on progress and delivery in relation to the recommendations made by that Committee.

Other options considered – none

Conflicts of interest / dispensations granted – none

22 **EXEMPT APPENDIX - VARIANCE OF THE TERMS OF LEASES AT 41/47 OLD STREET AND 69/85 OLD STREET, LONDON EC1**

Noted.

The meeting closed at 7.10 pm.

CHAIR

Report of: Executive Member for Finance, Planning and Performance

Meeting of:	Date	Ward(s)
Executive	1 September 2022	All
Delete as appropriate	Exempt	Non-exempt

Budget Monitoring 2022/23 - Month 3

1. Synopsis

- 1.1. This report presents the estimated outturn position for the 2022/23 financial year as at the end of month 3 (30 June 2022). This is an initial view of the forecast financial position and incorporates known and emerging budget variances and risks at this early stage of the financial year.
- 1.2. The financial context of high inflation and continued recovery from the pandemic creates a very uncertain backdrop to the 2022/23 financial year. The impact of the cost-of-living crisis is already being felt hard by the council and residents. Moreover, the economy is showing signs of entering a period of stagflation (a combination of rising prices and slow, or negative, economic growth). This would impact both residents and council services, especially those services that are either demand-led or particularly reliant on income generation.
- 1.3. This report seeks to highlight the largest variances to budgets and how these are being managed. The main report includes the most significant budget variances by directorate with an exhaustive list of variances included at **Appendix 1**, with appropriate commentary. Overall, the General Fund (GF) is currently forecasting a net overspend of (+£8.134m), after applying the corporate energy provision of (-£1.400m) but before the use of the contingency budget or reserves.
- 1.4. The HRA is currently forecasting an in-year surplus of (-£0.812m). As the HRA is a ring-fenced account, a surplus or deficit at the end of the financial year will be transferred to or from HRA reserves.
- 1.5. At the end of month 3, total capital expenditure of £25.380m had been incurred against a 2022/23 forecast of £188.425m and the revised 2022/23 capital budget of £242.182m.

2. Recommendations

- 2.1. To note the forecast 2022/23 GF estimated net outturn variance of a (+£8.134m) overspend at month 2. (**Section 3, Table 1, and Appendix 1**)
- 2.2. To note the transformation fund allocations and anticipated, profiled drawdowns for 2022/23. (**Paragraph 4.52 and Appendix 2**)
- 2.3. To note the collection fund monitoring position at month 3. (**Paragraphs 4.53 to 4.62**)
- 2.4. To note the Energy Price Analysis position at month 3. (**Paragraphs 4.63 to 4.69**)

- 2.5. To note the forecast 2022/23 HRA estimated outturn (-£0.812m) surplus at month 3. (**Section 5**)
- 2.6. To note that, at the end of month 3, capital expenditure of £25.380m had been incurred against a 2022/23 full year forecast of £188.425m and against the revised 2022/23 capital budget of £242.182m. (**Section 6 and Appendix 3**)

3. Revenue Summary

- 3.1. A summary position of the month 3 2022/23 GF financial position is shown in **Table 1**, with a breakdown by individual variance in **Appendix 1**.

Table 1: 2022/23 GF Over/(Under)Spend – Estimated Outturn

Directorate	Month 3 Total £m
Adults	3.202
Chief Executive's	0.100
Children's Services	3.217
Community Wealth Building	1.084
Environment	1.760
Fairer Together	0.171
Homes & Neighbourhoods	-
Public Health	-
Resources	-
Total: Directorates	9.534
Corporate	-
Gross Total: General Fund	9.534
Less: Corporate Energy Provision	(1.400)
Net Total: General Fund	8.134

- 3.2. The 2022/23 corporate energy provision of £1.4m, prudently built into the 2022/23 budget to provide some resilience against rising fuel and energy prices, has been applied and set against the gross GF position.

4. General Fund

Adult Social Services (+£3.202m)

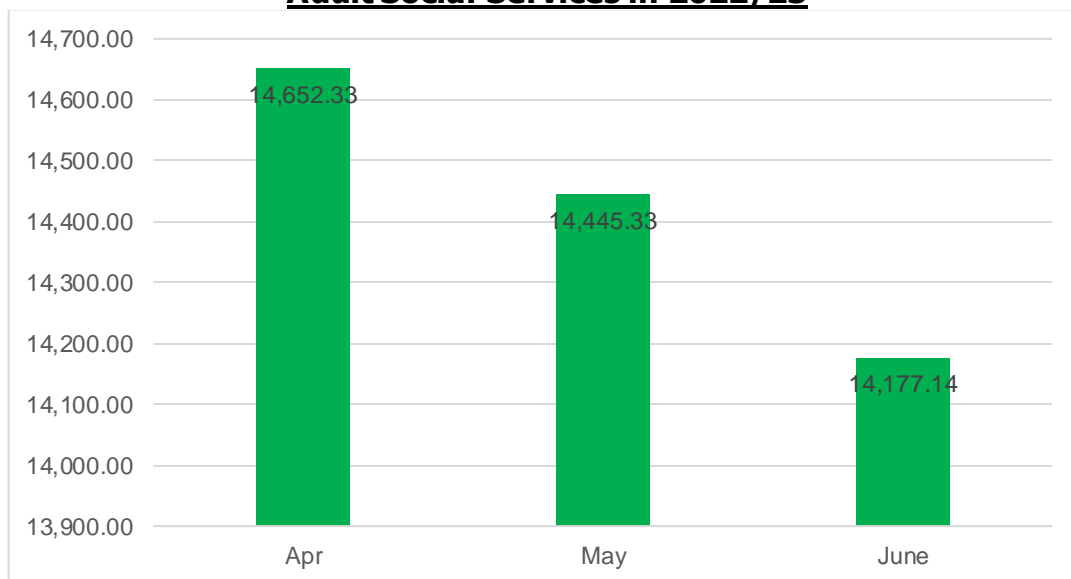
- 4.1. Adult Social Services is currently forecasting an overspend of (+£3.202m), which is detailed by key variances in **Appendix 1**.

Covid and Hospital Discharge Pressures (+£2.455m)

- 4.2. The Covid and Hospital Discharge pressures are made up of:
- (+£1.752m) relating to individuals who came through the NHS Hospital Discharge schemes from March 2020 to March 2022 and are now receiving social care packages; and

- (+£0.703m) relating to hospital discharge pressures in the current financial year.
- 4.3. A pressure of (+£1.752m) relates to individuals who came through the NHS Hospital Discharge scheme from March 2020 to March 2022 and are now receiving social care packages. The original cost for this cohort of 733 individuals at the start of 2022/23 was £14.652m, (+£2.221m) over budget. It is expected that this will decrease throughout the year as these individuals leave the system. As at month 3, this pressure is (+£1.752m).

Figure 1 - Value of Historical Covid-19 Hospital Discharge Care Packages within Adult Social Services in 2022/23



As a result of the current Hospital Discharge process and a change in the NHS funding, the Council is facing a gross pressure of (+£1.415m). This will be mitigated by the following actions:

- Examining other funding streams that may be used to mitigate the income loss (-£0.525m);
- Changing operational practices linked to Hospital discharges (-£0.062m);
- Better understanding discharges which are compliant with the funding and factoring these into future projections; and
- Reablement returning to full capacity (-£0.123m).
- This will result in a net pressure of (+£0.703m).

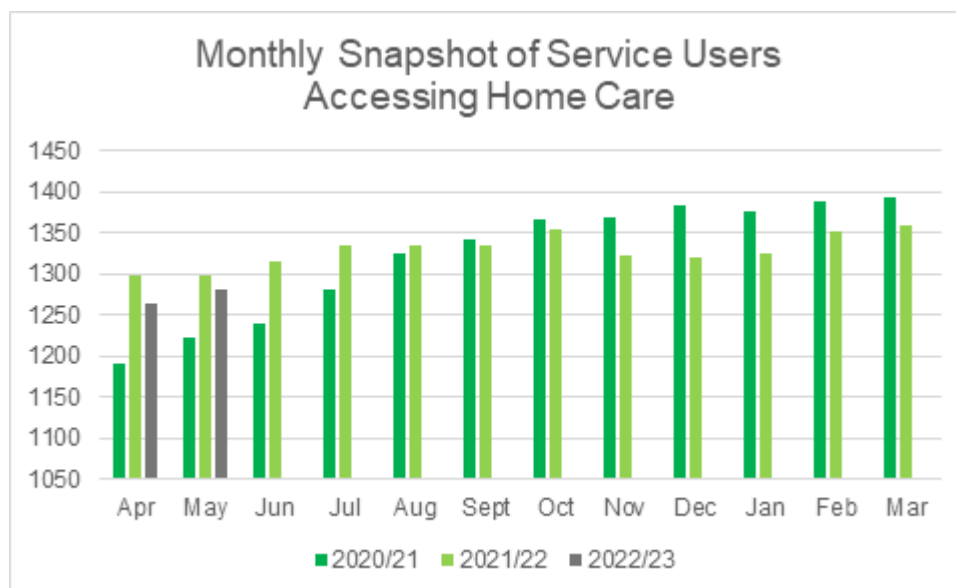
Demand over Demographic Growth (+£1.017m)

- 4.4. Adult Social Services continues to be impacted by wider demographic pressures, including increased demand for services and need of acute care. During budget setting, it was assumed that demographic growth would reduce back to pre-pandemic levels in 2022/23. However, in the first 3 month of the year we are seeing a continuation of the growth trends seen in 2021/22 during the pandemic, which is now an unbudgeted growth pressure of

(+£1.017m). This growth has primarily been in homecare throughout the pandemic. However, residential and nursing placements are also increasing to pre-pandemic levels after a dip in the past few years.

Figure 2 - Monthly Snapshot of people accessing Homecare over the past three financial years

4.5. This graph shows that whilst demand for homecare is slightly less than it was in 2021/22, demand is still above early pandemic levels.



Client Contributions and Direct Payments Drawdown (-£0.800m)

4.6. There are several factors to mitigate these pressures. As the number of individuals accessing care increases, so does the level of client contributions (-£0.300m) and one-off direct payment surplus will be drawn down to offset (-£0.500m).

Additional Staffing in the Adult Senior Leadership Team (+£0.332m)

4.7. This is mainly due to several roles where the postholder is involved in a long-term HR related issue and it has been deemed necessary to have another individual covering their post, resulting in the double cost of these roles and potential redundancy costs.

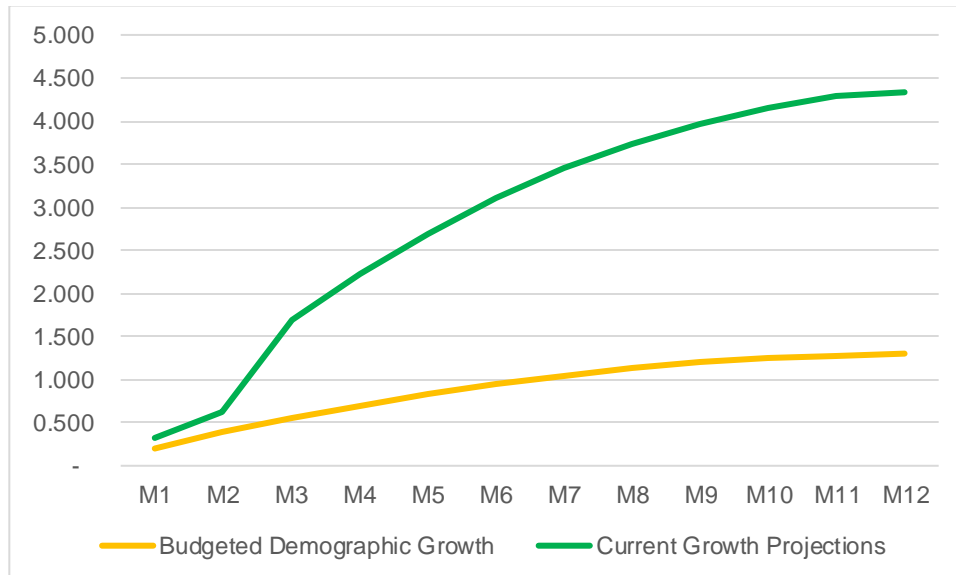
Savings Slippage (+£0.198m)

4.8. The In-House Transformation Programme has been delayed to the middle of 2022/23 due to the covid response at the end of 2021/22. This will commence following approval of new structures. This will cause a financial pressure in 2022/23 of +£0.198m which will be rectified in 2023/24.

Risks and Opportunities for Adult Social Service's finances:

4.9. **Demand over Demographic Growth Allocation (+£1.893m)** - If demand continues at current rates, a further (+£1.893m) will be spent in addition to the current forecasted overspend above the allocated demographic growth. This is based on current trends which shows that social care levels are still following the 2020/21 pandemic levels.

Figure 3 - Demographic Growth for Older People – Budget compared to Current Forecast



Management actions to mitigate the pressures from this increased demand include:

- Using the Integrated Quality Assurance Meeting (IQAM) Panel to focus on the right sizing of packages with an emphasis on maximising enablement. A slight reduction in the size of packages going forward should also start to be evidenced due to an amendment to custom and practice.
 - There is a planned restructure to the reablement service to increase its capacity to take cases.
 - Operational Social Work Management are working with the Finance team and Data Intelligence to capture further information on the pressures to be able to focus targeted work on areas of growth earlier.
 - Further work is being undertaken to identify tangible saving opportunities in all areas of the service. These savings are primarily aimed at addressing pressures in future years but there is potential for work to be started sooner to offset additional pressures.
 - Operational Changes to the Hospital Discharge Process. This includes a move away from NHS Therapy led discharges with the Hospital Social Work team managing the process from start to finish and all funding requests to come to a single IQAM Panel for agreement.
- 4.10. **Delay to Beaumont Rise Opening (+£0.189)** - the delay in the opening of a new residential Mental Health care home, Beaumont Rise, because of construction work delays due to restrictions to activity on the building site and supply chain issues resulting from COVID-19. Most of the Mental Health accommodation in the Mental Health Commissioning Section 75 Pooled Budget was redesigned as part of the Mental Health Accommodation project. This includes closing the Hanley Gardens and Caledonian Road homes (which NCL CCG currently pay for) and moving residents into other accommodation, predominately the new Beaumont Rise development. As a result of the delay to Beaumont Rise to January

2023, the CCG will be required to continue to pay for the Hanley Gardens and Caledonian Road contracts which are a higher cost than the new Beaumont Rise contract, and unable to transfer this budget into the pool. This is expected to cause a pressure of (+£0.409m). The CCG have agreed to pay £0.220m towards this through a Section 256 agreement. There is potential for additional income from the NHS from the part closure of Hanley Gardens. Negotiations are ongoing with the provider to see if budget can be released from the block arrangement. It is expected that this will offset the remaining pressure. However, if not agreed, this will cause a pressure for Adult Social Services of (+£0.189m).

- 4.11. **Social Work Teams (+£0.201m)** - Partially due to a delay in the Social Work Transformation programme resulting in a number of additional agency staff above the budgeted establishment. This will be managed by recruiting permanently to these posts with a temporary 'Temp to Perm' recruitment process already underway. A business case is expected to be put forward requesting an additional £0.201m to fund additional social workers for the rest of the financial year. If this is not agreed, this will cause a pressure on the Adult Social Care budget.
- 4.12. **Savings** - Adult Social Services have a significant amount of savings (£5.521m) to be delivered in 2022/23. This report assumes that all savings will be delivered except £0.198m from In-House Transformation.
- 4.13. There is a significant risk that the 'Managing Uplifts' saving (£0.650m) will be undeliverable due to the current inflationary pressures faced by providers.

Chief Executive's Directorate (+£0.100m)

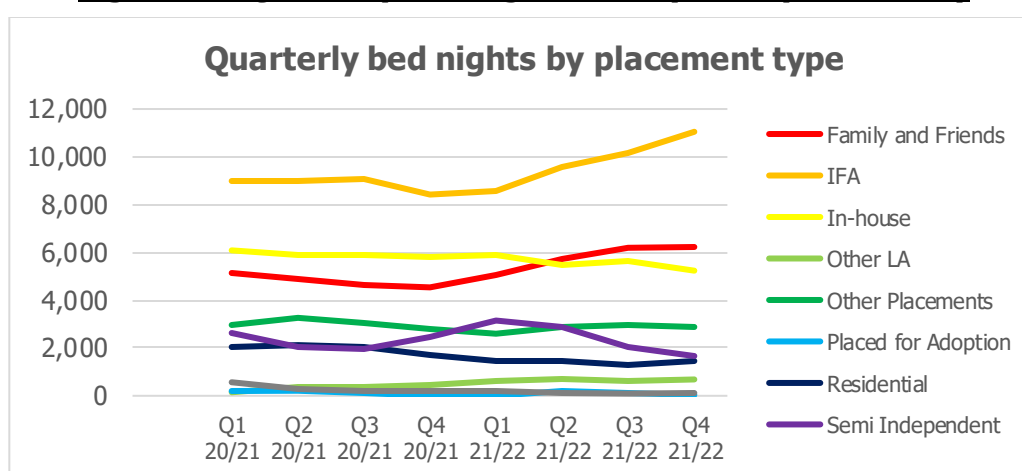
- 4.14. The Chief Executive's Directorate is currently forecasting an overspend of (+£0.100m), which is detailed by key variances in **Appendix 1**.
- 4.15. This is wholly due to an unfunded pressure within communications as part of the Accessible Documents project.
- 4.16. There are no other significant variances to report.
- 4.17. There are no other known risks or opportunities to report.

Children's Services (+£3.217m); Schools (-£0.902m)

- 4.18. Children's Services are currently forecasting an overspend of (+£3.217m), which is detailed by key variances in **Appendix 1**.
- 4.19. Variances to note include:
- (+£1.636m) forecast overspend against the Children's Social Care placements budget, after allowing for drawdown of demographic growth. The increase in the forecast is due to factoring in provisional estimates of the impact of market inflation. This forecast is based on a projection of trends in expenditure since 2019/20:
 - Against a budget of £19.467m spend could increase to £22.328m in 2022/23 if the average trend of the last three years occurs (4.9% increase per annum) or down to £21.103m if the 2021/22 trajectory is followed (0.9% reduction). The outturn spend for 2021/22 was £21.035m. This analysis is purely based on spend data, not activity data.

- Taking an average of these two forecasts and comparing it to the budget after adjusting for savings and demographic growth, indicates that the budget could overspend by (+£2.599m). If the various transformation projects (ASIP and foster carer housing adaptations schemes) deliver cost reductions as per their business cases, then this forecast overspend could reduce to (+£1.636m). This analysis includes the estimated impact of market inflation.
- The latest bed night activity data is from quarter 4 2021/22. This shows that bed night activity for all placement types (non-UASC) increased by 0.7% during quarter 4 and was 11% higher during quarter 4 2021/22 compared to a year earlier.

Figure 4 - Quarterly bed night activity data (non-UASC)



- Residential bed night activity data is shown in **Table 2** below. At quarter 4 there was an increase in residential activity, reversing the decrease in activity seen during quarter 3. Residential activity was however still lower than during quarter 4 2020/21. Significant reductions were seen during the year in welfare secure placements, parent and child court directed placements and therapeutic placements. The average length of stays in residential care reduced by 10% (38 days) in 2021/22. The average unit cost of residential placements has reduced in 2021/22 by £60 per week to £4,416 when compared to the previous year.

Table 2 – Residential bed night data extract

	Q4 20/21	Q2 21/22	Q3 21/22	Q4 21/22
Residential bed nights	1,675	1,452	1,288	1,448
Movement from previous quarter			- 11%	+ 12%
Movement from same quarter one year earlier				- 14%

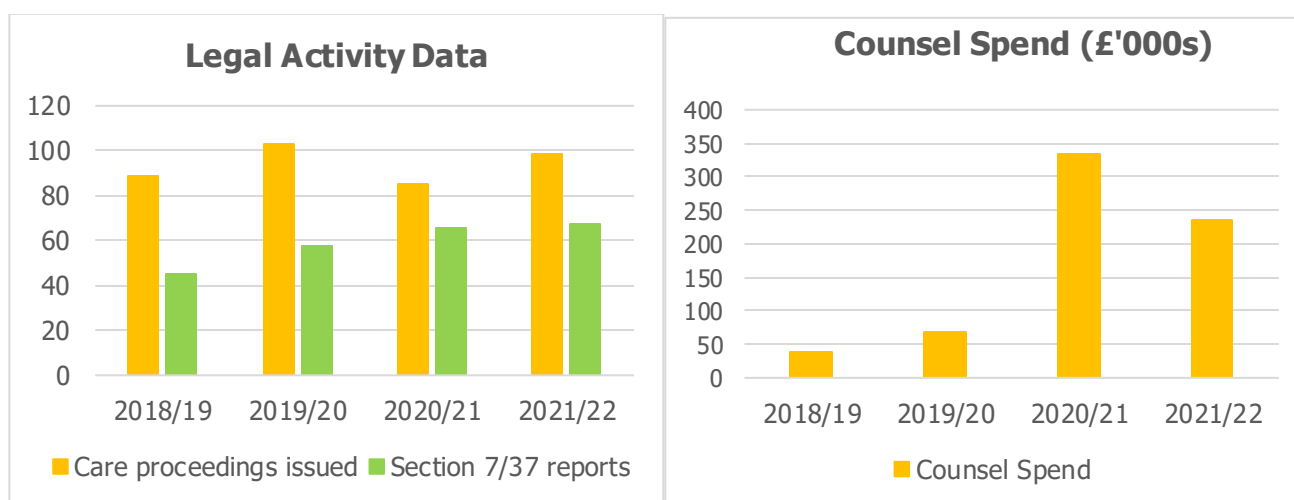
- Activity in relation to independent foster care (IFA) is shown in **Table 3** below. Activity continued to increase during quarter 4 and is almost one third higher than this time last year. Lengths of stay in foster care have reduced by 23% (98 days) when compared to 2020/21. This trend follows a significant increase in the average length of stay in IFA in 2020/21 which was then attributable to the pandemic.

Table 3 – IFA bed night data extract

	Q4 20/21	Q2 21/22	Q3 21/22	Q4 21/22
IFA bed nights	8,421	9,589	10,191	11,049
Movement from previous quarter			+ 6%	+ 8%
Movement from same quarter one year earlier				+ 31%

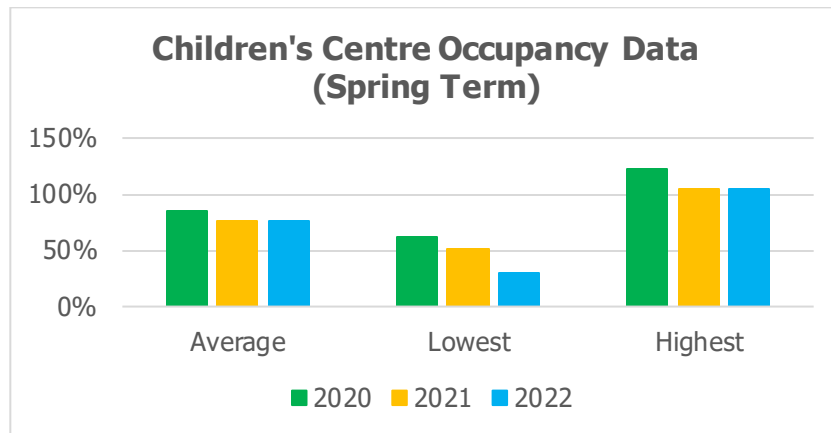
- Cost pressures in relation to Children’s Social Care placements is an issue across London. There has been a 36% increase in the cost of the support for the children in care across all London Boroughs since 2015, a 64% increase in the unit cost of residential settings and a 13% increase in the unit cost of fostering settings.
- (+£0.250m) estimated legal costs in relation to demand for care proceedings. The use of Counsel is subject to service director approval to minimise this cost pressure. Care proceedings issued and Section 7/37 reports remain high, and activity is not expected to reduce significantly from 2021/22 levels. Care proceedings issued in 2021/22 were 16% higher than in 2020/21, while numbers of section 7/37 reports were in line with 2021/22. Activity continues to be impacted by the pandemic and pressures on Counsel spend is a national issue across local authorities.

Figure 5 - Legal activity data and Counsel spend



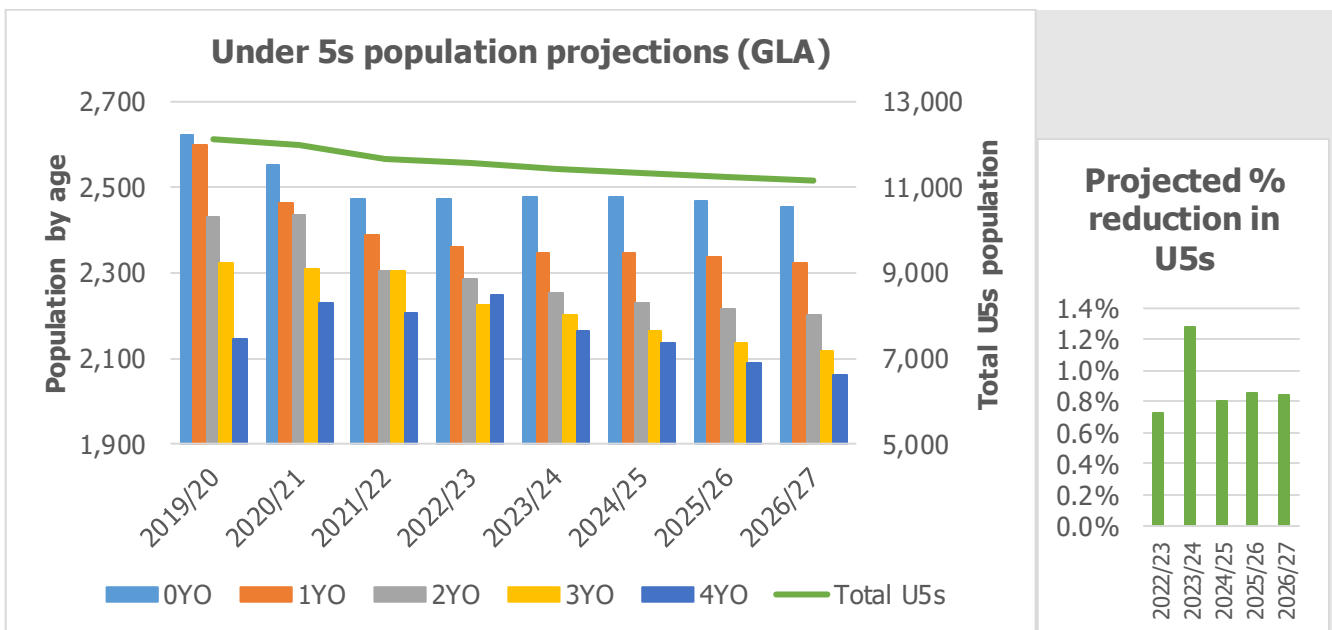
- (+0.271m) forecast cost of continuing to underwrite income losses at Lift and Rosebowl while income levels continue to recover to pre-pandemic levels.
- (+0.300m) estimated cost pressure from bringing the youth provision at platform back in-house. This includes estimates of pressures in relation to facilities management. The cost estimate is due to be updated in line with the latest plans.
- (+0.250m) estimated loss of parental fee income in Children’s Centres due to sustained lower levels of attendance following the pandemic:
 - Average occupancy on the spring term census day 2022 has not recovered compared to pre-pandemic levels. Average occupancy was 10.2% lower than pre-pandemic levels (spring 2020), and 0.8% lower than last spring.

Figure 6 - Children's Centre occupancy data



- The population of under 5s is projected to decline over the next 5 years based on GLA population estimates. The forecast reduction is 4.5% by 2026/27, this follows a 2.6% reduction in 2021/22 from last year. A declining U5s population alongside changing work patterns indicate that occupancy is likely to be under pressure for the medium to long term unless take-up of provision can be increased.

Figure 7 - Under 5s population projections



4.20. Risks and Opportunities within the department are:

- There are risks in relation to the Children's Social care placements budget forecast:
 - The forecast overspend above is based on a desktop exercise projecting levels of spend based on a range of trends seen in previous years. A more accurate forecast will be available at month 3 based on quarter 1 activity data.
 - Market inflation pressures have been estimated at this stage with a further 2% allowed for above the level included in budget setting (approximately 2%). Each 2% average increase in cost above this level will add (+£0.260m) of costs.

- The regulation of supported accommodation is due to come into force in April 2023. This will result in an increase in provision for 16/17-year-olds falling under the scope of Ofsted regulation as Children's Homes. Following consultation with providers they have set the intention to comply with regulatory changes which will result in a cost increase on provision for this cohort.
 - Updated modelling in relation to Unaccompanied Asylum-Seeking Children (UASC) and leaving care indicates a cost pressure of (+£1.448m) in 2022/23. However, it is important to note that this is based on the current UASC and leaving care (Former UASC) cohort and does not take into consideration new UASC clients that may present in the borough in 2022/23. The projected pressure is due to the considerable number of UASC clients (39 in total) turning 18 and transferring to Leaving Care in 2022/23. The annual grant for someone under 18 is £0.052m, compared to £0.014m for someone 18 or over. This equates to a difference of £0.038m per year per client or £1.482m for 39 clients
 - Recent increases in demand for temporary accommodation (+£0.098m overspend in 2021/22) may recur in 2022/23.
 - Spend against the Universal Free School Meals (UFSM) budget is expected to continue to reduce in line with projected pupil numbers and increased eligibility for free school meals in future years. High level estimates indicate that non-FSM pupils (nursery and KS2) will reduce by another 3.3% at October 2022 and 2.6% at October 2023. This follows a 10.5% reduction in October 2021. UFSM spend could therefore reduce by (-£0.220m) in 2022/23 and (-£0.040m) in 2023/24. The reduction in spend in 2021/22 and future forecasts indicate that agreed 2022/23 savings of (-£0.195m) are deliverable and could be exceeded.
 - The GLA have notified the Council of a potential in-year reduction (10%) of ACL grant funding. This will be confirmed later in the year.
 - The forecast overspend for Children's Services takes into account the delivery of savings. All savings are on track for delivery with the exception of:
 - Targeted reduction in Children Looked After (£0.800m). This has not materialised due to increased demand, particularly during covid where: more children suffered serious harm; care proceedings were delayed, therefore more children stayed in care for longer; and a large increase in numbers of UASC presented. Savings against residential provision have been delivered but these have been offset by increased pressures on provision in IFAs and independent living. During Covid, the placement market was insufficient leading to ongoing unit cost increases – this is a national issue.
- 4.21. The ring-fenced Dedicated Schools Grant (DSG) is currently forecast to underspend by (-£0.902m):
- (-£0.849m) unallocated high needs block contingency. This is being held to mitigate any additional demand pressures, and in recognition that future increases in funding will be significantly lower than in previous years, despite the expectation of continued large increases in demand.
- 4.22. DSG balances are forecast to reduce to by (-£0.350m) to (+£4.868m) during 2022/23 taking into account the forecast underspend above, and the allocation of £1.252m of

funding from the High Needs Block balance. This is shown in **Table 4** below. £1.152m of this is an allocation to mainstream primary schools to meet the additional cost of significantly increased levels of special educational needs and disabilities being experienced at the Early Years Foundation Stage.

Table 4: Forecast DSG Balances

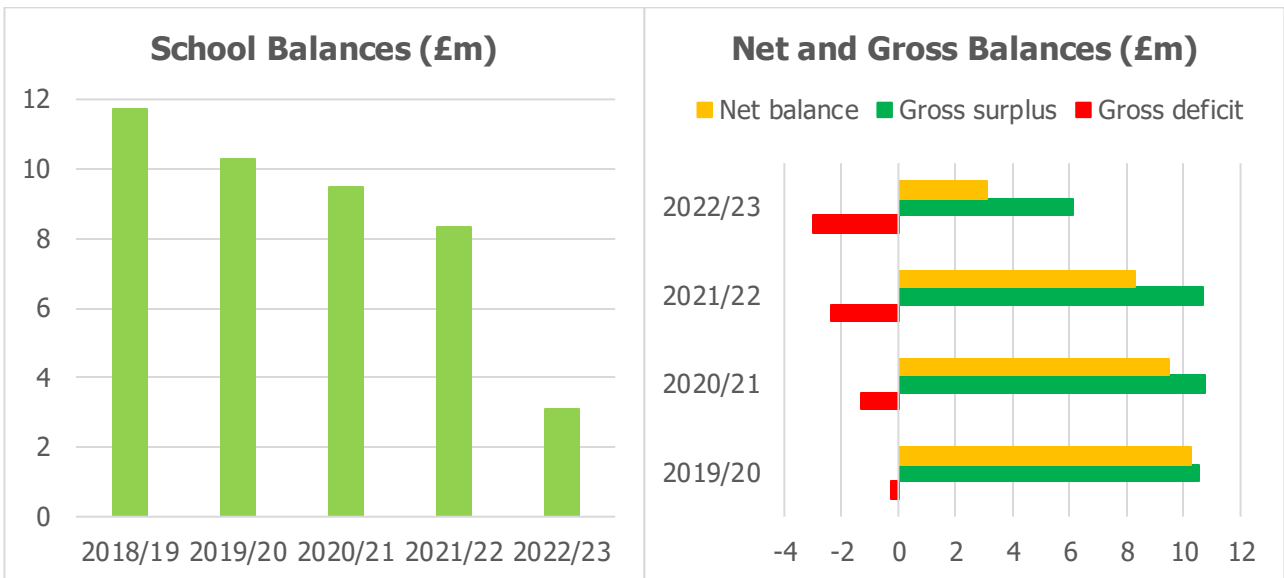
	Schools Block £m	De-delegated budgets £m	Central Schools Services £m	High Needs Block £m	Early Years Block £m	Total £m
Opening balance	0.776	0.122	0.210	2.649	1.461	5.218
Drawdowns	0.000	0.000	0.000	(1.252)	0.000	(1.252)
In-year DSG variance	0.000	0.000	0.053	0.849	0.000	0.902
Forecast closing balance	0.776	0.122	0.263	2.246	1.461	4.868

4.23. Risks and Opportunities within the DSG are:

- The main in-year risk to DSG funding is in relation to Early Years. Funding in the Early Years Block to fund statutory entitlements to early education and childcare is provisionally set to reduce by £1.555m (7.7%) in 2022/23 but will be adjusted in the summer term in line with the 2022 spring term early years census. Provisional allocations are based on the 2021 spring term headcount which was artificially suppressed due to the pandemic. In the normal course of events, we would expect some recovery in the data compared to 2021, and therefore a positive in-year funding adjustment. However, the Omicron variant had an adverse impact on recovery, therefore this remains a significant budget risk for the council and early years providers.

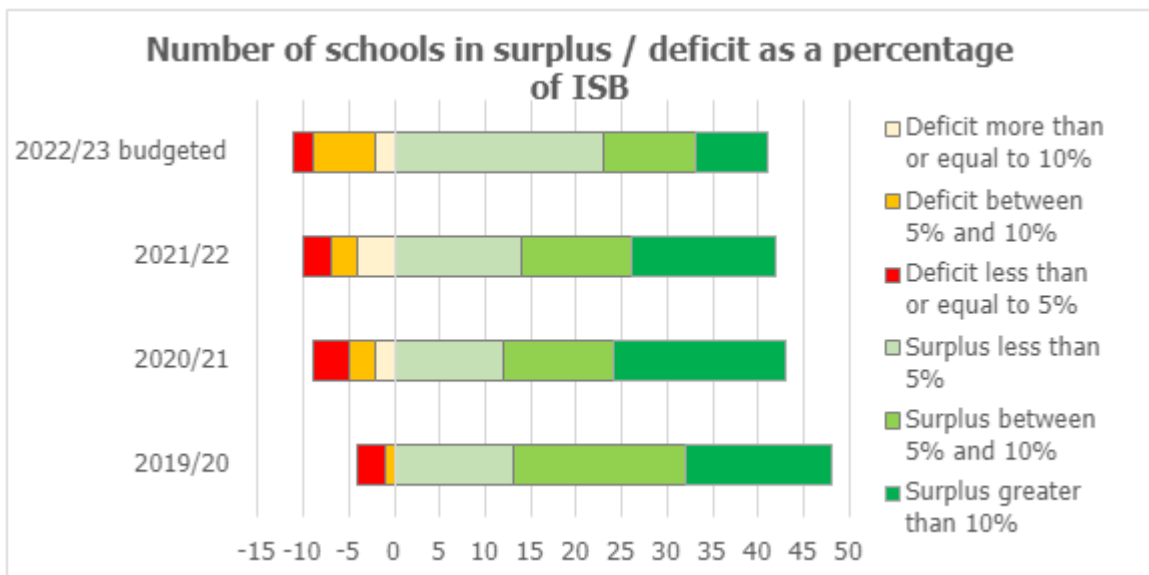
4.24. Individual school balances stood at £8.313m at the end of 2021/22. Schools have budgeted to reduce their balances by £5.233m to £3.080m over the course of the year. Individual school balances in Islington have been in decline since 2018/19 when they stood at £11.732m. Balances reduced steadily to £8.313m at the end of 2021/22 but are budgeted by schools to sharply decline during 2022/23. The decline in school balances is a national issue as schools face increasing cost pressures.

Figure 8: School balances



4.25. There were 10 schools in deficit as of 31 March 2022, based on the budget plans submitted by schools this is expected to increase to 11 by 31 March 2022, with two schools entering deficit and one coming out of deficit. A further analysis of balances, when compared to the Education & Skills Funding Agency (ESFA) suggested guidance of balances held by schools; 8% for nursery, primary and special schools and 5% for secondary schools, indicate 13 schools will be above the suggested limits at the end of 2022/23, a reduction from 21 at the start of the year.

Figure 9: Numbers of schools in surplus / deficit



4.26. The main causes of the decline in Islington are:

- Reducing pupil numbers. 90% of school funding is pupil led – each reduction in pupils equates to an average loss of funding per pupil of £5,430 in primary and £8,040 in secondary schools. Actual losses per pupil for individual schools will depend on the pupil characteristics at that school.

- Increasing numbers of pupils with SEND. Education health and care plans increased at a rate of 10.4% per annum in Islington in 2021/22.
- Below inflation per-pupil increases in funding under the national funding formula.

Community Wealth Building (+£1.084m)

4.27. The Community Wealth Building Directorate is currently forecasting a (+£1.084m) overspend position.

4.28. Variances to note include:

- It is expected that there will be a shortfall in Commercial property income in the Corporate Landlord division of (+£1.084m) due to additional undeliverable savings of £0.840m and £0.244m from previous years.
- The division currently has 44 committed live leases with annual value of £3.213m. This assumes 100% occupancy rate during the year with no void or rent-free periods. It is assumed that commercial tenants will remain throughout the year and rent of £3.213m will be received.

4.29. Risks and Opportunities within the department:

- In addition, there is a pipeline of £1.271m of new commercial property income opportunities for future years to offset the pressure in the longer term.
- 8 leases with a total value of £0.326m are being investigated and re-negotiated currently. The income from these contracts will reduce the overspend position if they are agreed and signed off.
- Apart from Commercial property income, there are no other known risks or opportunities.

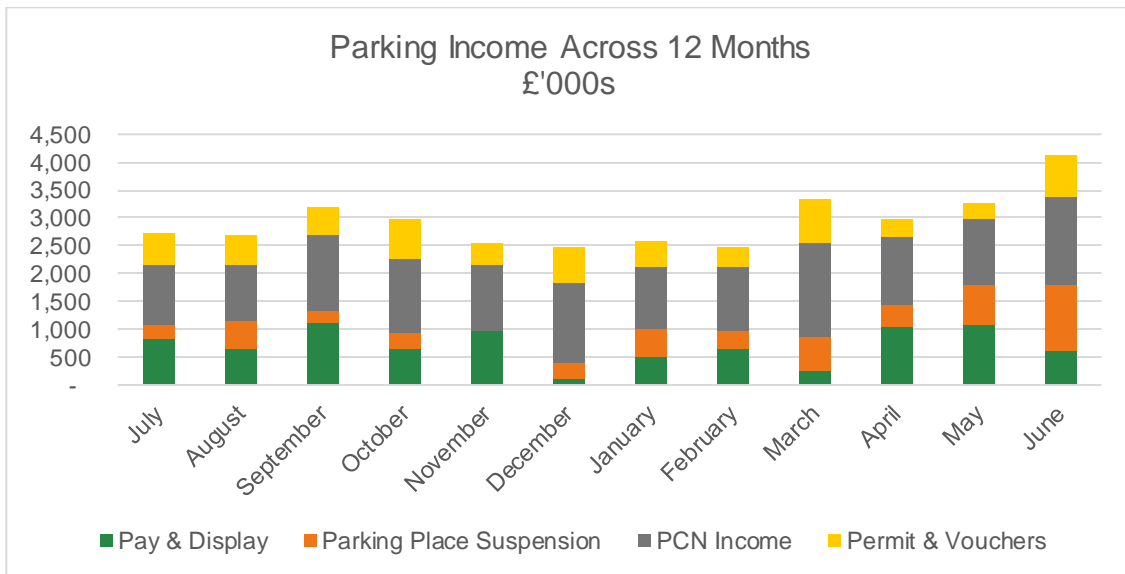
Environment (+£1.760m)

4.30. The Environment Directorate is currently forecasting a (+£1.760m) overspend position, which is detailed by key variances in **Appendix 1**.

4.31. The significant variances within the department are as follows:

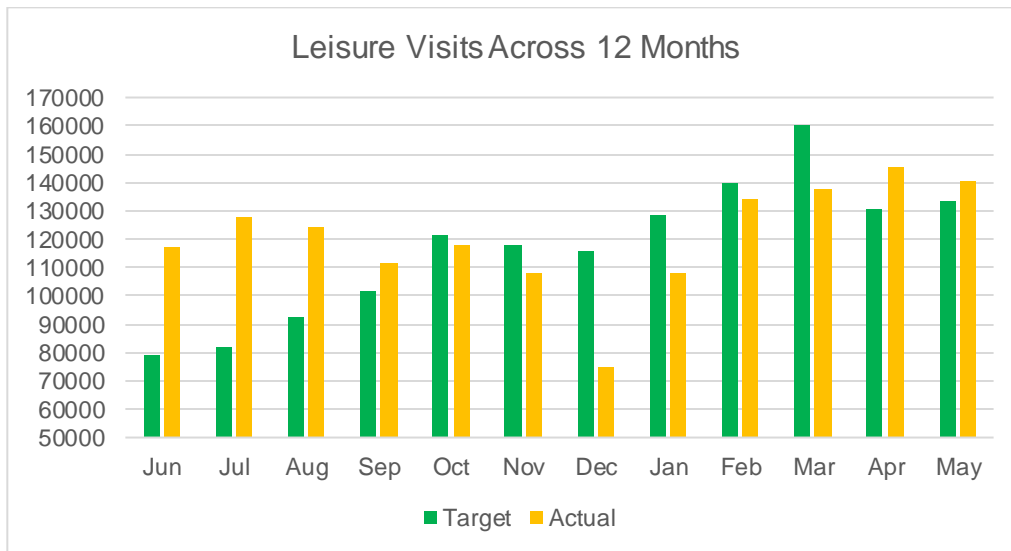
- The Parking account is currently forecast to break-even, however there are several risks around the significant income streams. Whilst volumes of pay and display transactions are increasing the average income per transaction is falling indicating shorter lengths of stays. Suspension income remains strong with the continued programme of fibre network roll-out across the borough. There is a risk around the timing of the delivery of the rollout of the GNetwork works programme which could lead to a pressure within the parking account as this gain is currently offsetting the shortfall within the pay and display budget of around £1.5m.
- There is a pressure on parking permit income which it is anticipated will be partially resolved by a mid-year pricing review. £0.300m was set aside within reserves from surplus parking income in 2021/22 to alleviate this part year pressure so is not included in the forecast. The table below shows the monthly breakdown of the main parking income streams over the last 12 months.

Figure 10 - Parking Income Streams July 2021-June 2022



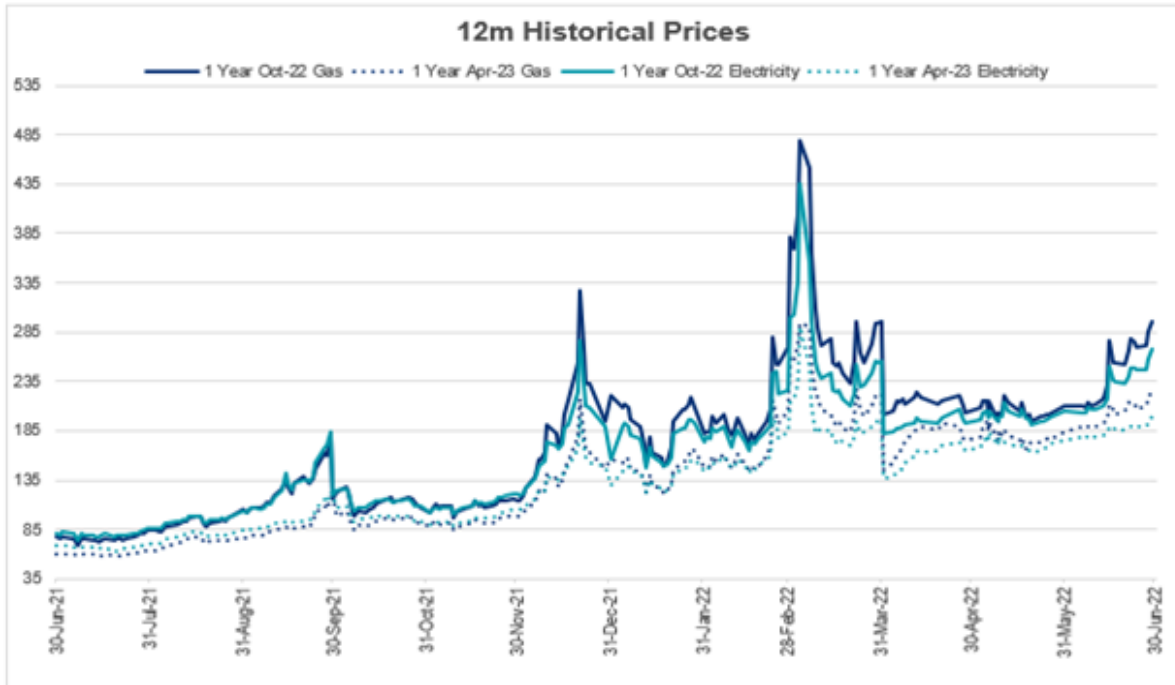
- It was agreed to continue to defer the rent receivable from GLL for the first quarter of 2022/23 (+£0.500m), of which the future repayment is uncertain, and this has been fully provided for as a one-off adjustment to the Environment budget for 22/23 so does not contribute to the overspend position.
- In the leisure contract there is also a pressure around the energy price risk share where the council would bear 50% of the rise in the cost of energy. This risk is uncertain but is currently estimated to be (+£0.750m). The capacity of GLL to absorb their portion of the energy risk is currently unknown and may be dependent upon an in-year price rise as the inflationary cost pressures continue. The table below shows the actual number of leisure visits against the target for the last 12 months. Whilst the recovery in the January to March period was behind target, the recovery has been stronger from April with targets being exceeded.

Figure 11 - Leisure Visits June 2021-May 2022



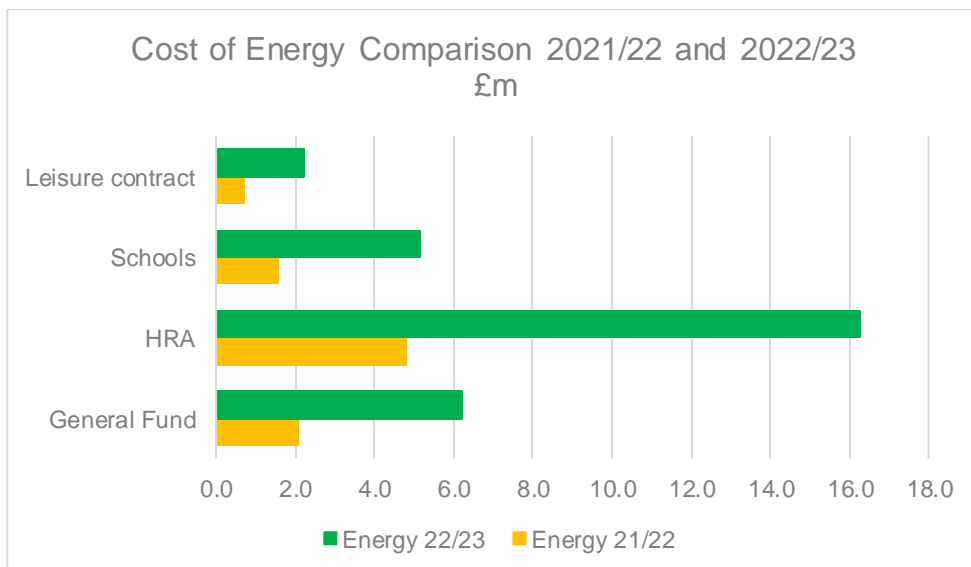
- The energy risk also impacts upon other service areas but particularly on the Street Lighting PFI contract. Some allowance has been made from the annual contract inflation provision however at current prices it is anticipated that this could be (+£0.500m) underprovided.
- The table below shows the commodity prices for gas and electricity. This tracks how the cost of annual contracts for gas and electricity for October 22-23 and April 23-24 has changed over the previous 12 months. Whilst costs are below the March peak at the start of the Ukraine crisis prices are again starting to climb particularly to cover the Winter 22 period.

Figure 12 - Change in Commodity cost of Gas (pence per therm) and Electricity (pence per MWh). Change in price from 30 June 2021 to 30 June 22 of purchasing October 22-23 and April 23-24 contracts



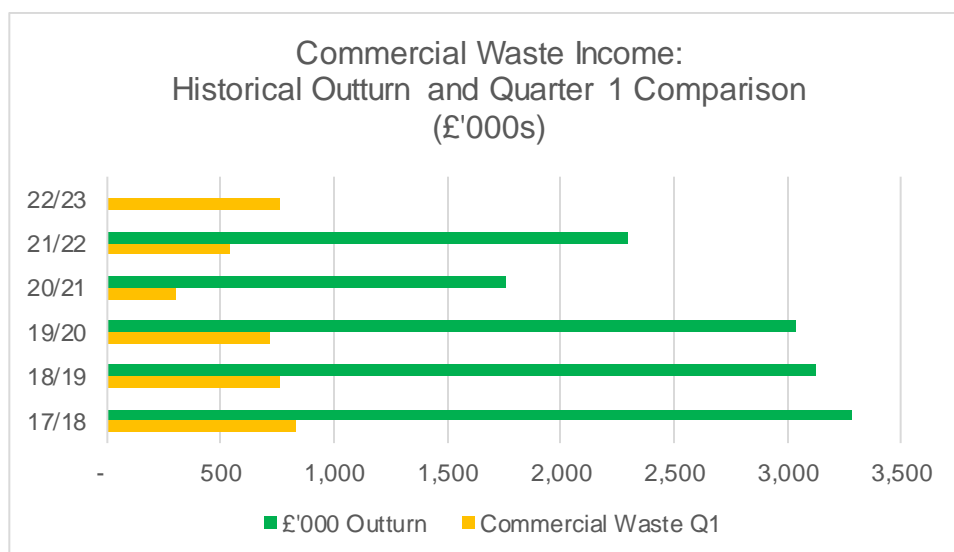
- As at 30 June 2022 the commodity cost of gas was trading at 296.25p per therm whilst electricity was trading at £267 per MWh to purchase a 1-year contract from October 2022. The table below illustrates the impact on council energy costs at these market rates compared to actual cost in 2021/22.

Figure 13 - Cost of 1 year contract from Oct 2022 – Oct 2023 at 30 June 2022 market prices



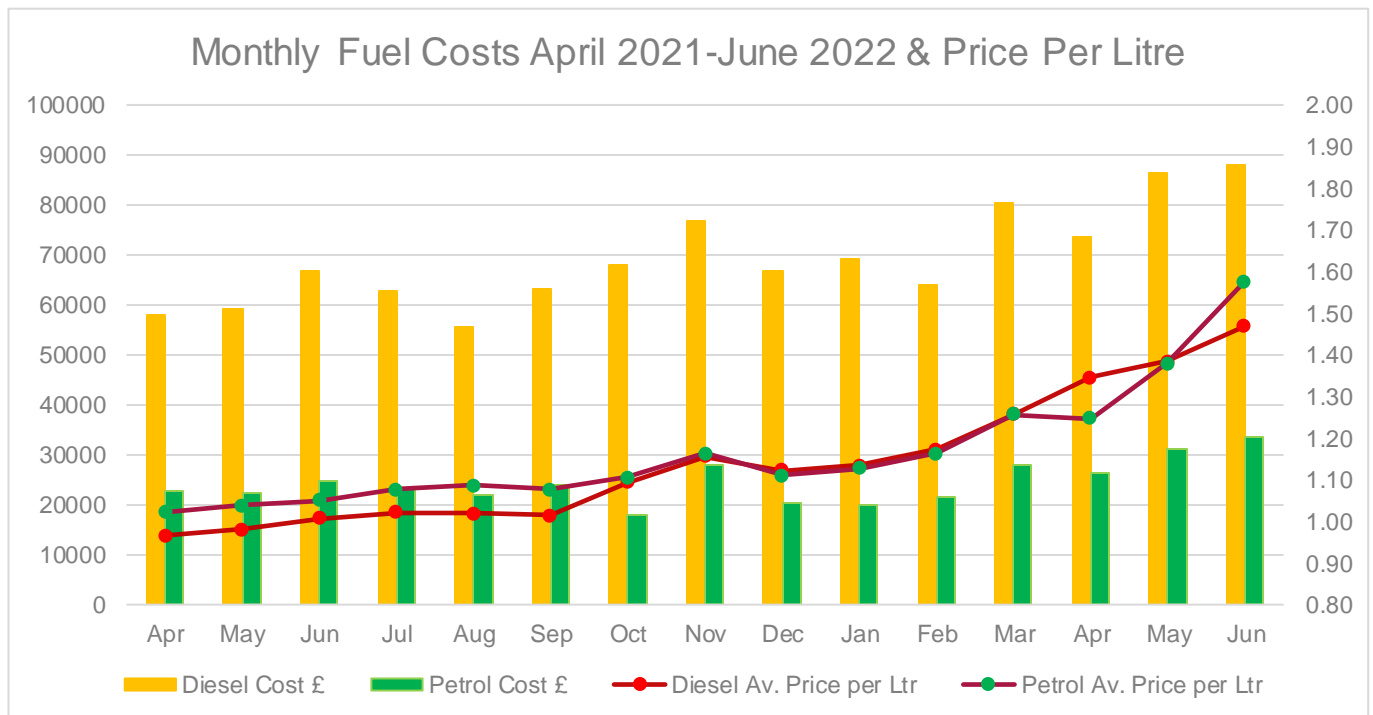
- There continues to be a pressure within the commercial waste service as the customer base recovers however the first quarter income figures look encouraging. The table below compares the income received during the first quarter compared to the outturn for the previous 5 financial years. The first quarter income of 2022/23 saw a return to pre-covid levels last achieved in 2018/19.
- With offsetting reductions in the commercial waste disposal levy it is estimated that there is a pressure of around £0.3m within the service. With a business plan to increase the customer base utilising and re-focussing existing resources this pressure is expected to diminish over time.

Figure 14 - Quarter 1 Compared to Outturn: Current performance compared to last 5 years



- There is a further pressure relating to the rising cost of fuel. The main consumers of fuel are Environment and the HRA. At current prices the pressure is estimated to be (+£0.420m) split around 50/50 between the two services, representing a (+£0.210m) risk to the Environment directorate.
- The council purchases around 60,000L diesel and 20,000L petrol per month. Wholesale prices have increased by over 50% in the last year increasing costs by around £40k per month.

Figure 15 - Monthly spend on Diesel & Petrol: Impact of increasing Fuel costs



4.32. All other areas are expected to break even at this stage.

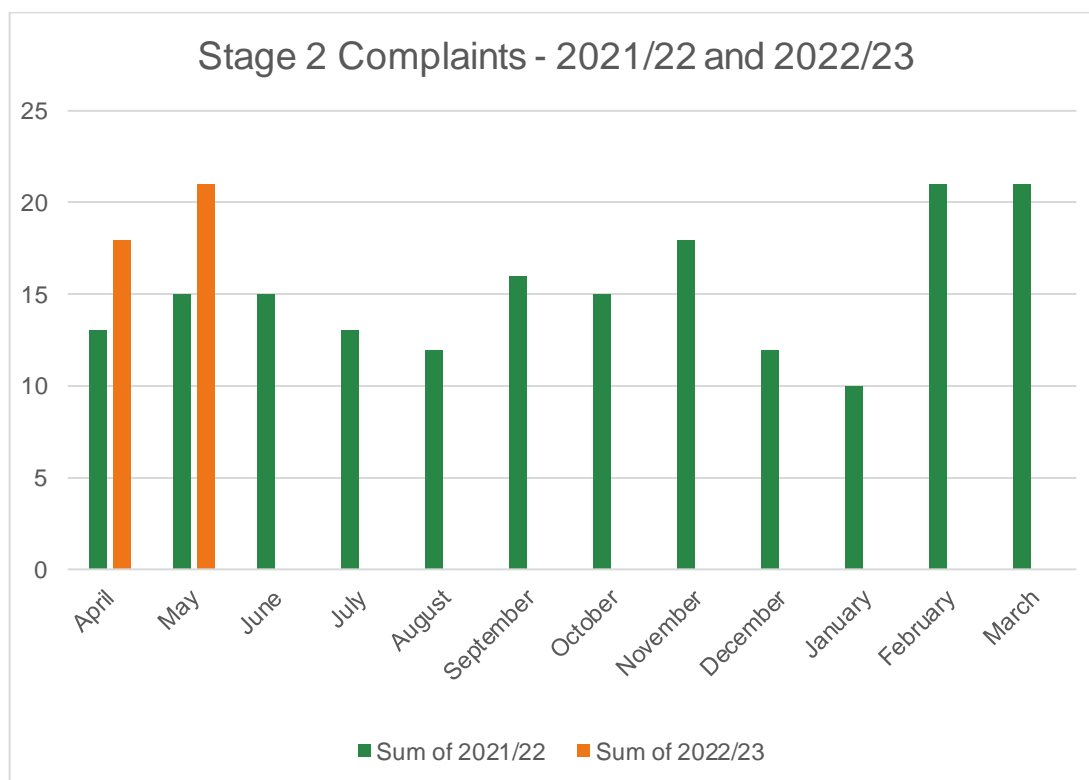
Fairer Together (+£0.171m)

4.33. The Fairer Together Directorate is currently forecasting a (+£0.171m) overspend, which is detailed by key variances in **Appendix 1**.

4.34. Significant variances within the directorate are as follows:

- (+£0.091m) cost pressure due to two full time secondments and additional overtime to deal with Chief Executive complaints effectively and efficiently, to combat Ombudsman action and ultimately avoid fines.

Figure 16 – 2021/22 Call volumes for the Chief Executive Team (Stage 2)



- (+£0.080m) COVID-19 related costs from 'We Are Islington' continuing to operate up until month 3 and will be wound-down by month 6. These costs are for additional overtime and salary related expenditure, from providing extra support and assistance provided to the vulnerable, those isolating and communities in general.

4.35. Risks and Opportunities

- There is a risk that due to the nature of the emergency 24/7 service within Resident Experience, that (+£0.065m) of the vacancy factor saving may be unmet.
- The service is currently undertaking a review into its honorarium payments, and as a result it is likely an opportunity to bring down salary costs will arise.
- There is a cost pressure (+£0.017m) risk within Resident Experience due to a redundancy payment if the staff member currently within a fixed-term contract is unable to be re-deployed.

Homes and Neighbourhood (Break-even)

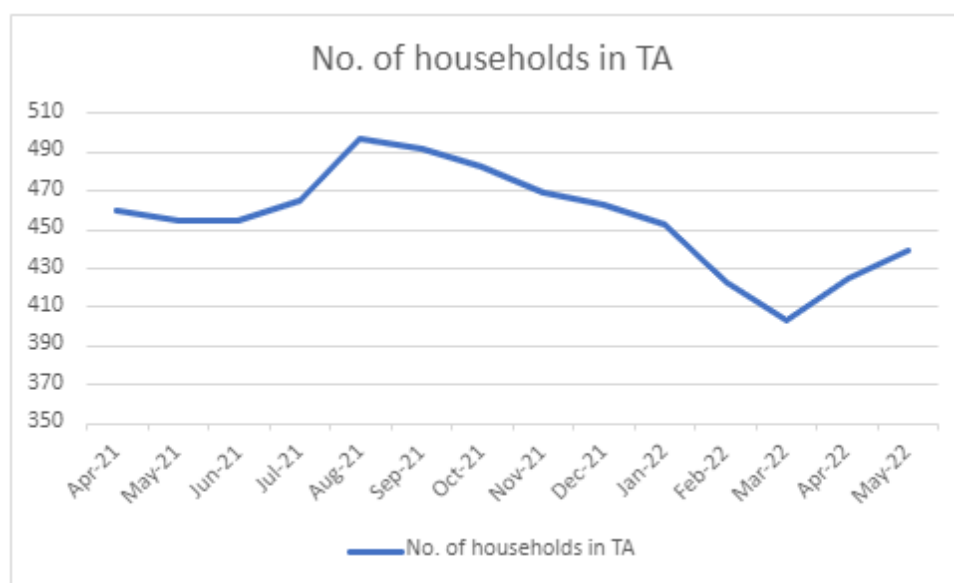
4.36. The Homes and Neighbourhood directorate is currently forecasting a break-even position.

4.37. Within the break-even position there are a number of variances to note:

- Nightly Booked Temporary Accommodation (TA) is currently forecasting a minor underspend of (-£0.024m). Numbers in TA are rising, but the department believes that it can accelerate cases moving out of TA, with a number of new Property Acquisition Programme (PAP) properties becoming available. Overall case numbers will be monitored in the months ahead to ensure the department remain on track.

- Bad debts/arrears are expected to be (+£0.181m) overspent. As case numbers rise and the cost of living impacts, then more people will be in a position where other priorities conflict with TA rents, resulting in increased arrears. The department will seek to reform the management of this area ensuring it is led by a specialist team, to drive a focus on improving outcomes and collection rates.
 - Islington Lettings is currently forecasting (+£0.249m) pressure. Islington Lettings is a guaranteed rent scheme that means a liability is created when tenants do not pay their rent and arrears develop. The department is seeking to mitigate the cost of this scheme by removing tenants from this more expensive accommodation either by transferring them into nightly booked TA or by creating direct relations between the tenants and the landlords, moving them out of the scheme.
 - This is offset by smaller underspends detailed in **Appendix 1**.
- 4.38. There are a number of risks and opportunities to report for 2022/23. TA cases nationally are rising and expecting to rise to rise over the next 3 years by 20% per year by Heriot-Watt University. The local and national picture are increasingly difficult for the homeless:
- Nationally the cost-of-living crisis is beginning to impact on residents, private sector rents are rising in Islington by 16.2pc (based on inner-London rental values).
 - The number of properties available to rent has fallen by 50% in the last 12 months.
 - The number of evictions in the borough are rising due to the evictions ban ending in mid-2021.
 - The number of cases presenting themselves to the team has risen in the first few months of 2022/23. The department is focusing on preventing case numbers rising insurmountably by increasing the number of clients being supported back into private sector options and through moving clients into cost neutral accommodation.

Figure 17 – 2021/22 Number of Households in Temporary Accommodation



- Islington is participating in a number of refugee schemes, namely those for Syrian, Afghan and Ukrainian citizens. These projects, while coming with grant money, provide an increased burden on the service staff to manage this influx of clients. There is a risk that core No Recourse to Public Funds (NRPF) numbers may rise as the service struggles to absorb both sets of cases.
 - A number of different capital grants are coming into the HRA/HGF that will lead to an increase in Islington's acquisitions programme and the new Stacey Street project releasing up to 150 new properties. These properties will be cost neutral to the Housing General Fund budget and will help lower TA costs in the long term.
 - The Housing Needs Service is currently undertaking a restructure, the outcome has not been determined; however, any immediate financial impact will be met from the department's own resources. It is not clear at this point what the impact will be in future financial years.
 - Central government reviews of Homelessness Prevention Grant risk reduced funding for the Council. It is not clear if this will materialise in 2022/23 or in the next financial year.
- 4.39. Savings – Homes and Neighbourhood have a significant amount of savings (£0.675m) to be delivered in 2022/23. This report assumes that all savings will be delivered including the replacement of core council budget with additional homeless prevention grant available to the service, NRPF caseload reduction, increase income from training in NRPF connect and Temporary Accommodation. The impact of savings for Temporary Accommodation will depend on when the case numbers fall (or move into cost neutral accommodation), it is still too early to determine the long-term trend.

Public Health (Break-even)

- 4.40. Public Health is funded by a ring-fenced grant of £28.135m in 2022/23. The directorate is currently forecasting a break-even position.
- 4.41. There are a number of variances that may impact on the department in 2022/23:
- There is likely to be a significant underspend generated within the Sexual Health Division as the department continues to pay suppliers at baseline tariffs. There are additional costs related to an increase in activity for PrEP (-£0.835m).
 - The Camden and North-West London NHS trust has detailed a deficit in their funding that is likely to require a substantial contribution from Public Health Islington. Early indications suggest the contribution could be up to (+£0.600m).
 - The department is funding a number of one-off projects (+£0.452m) in the Other Public Health Division. This overspend will be partly met from underspends elsewhere, but also partly Public Health reserves to prevent an overall departmental overspend position.
- 4.42. There are a number of risks and opportunities in the area for 2022/23 and further:
- The Pre-Exposure Prophylaxis (PrEP) budget has previously not been fully utilised, but this was more a consequence of the pandemic preventing full access to the service. Demand is likely to increase in the year ahead and will fully consume any additional funding.
 - There is an increase in demand for online sexual health services that are not offset by a reduction in costs for in-clinic sexual health services. Public Health cannot realise cost

efficiencies in clinics without substantially undermining their financial position. It is possible that in the long-term some efficiencies can be realised, but not in the short and medium term.

- The demerger between Camden and Islington risks creating a number of financial pressures. Additional staff may be required and there will be previously shared costs that may need to be absorbed solely going forward. It is too early to determine the financial outcome from this process, but the loss of overhead income from Camden would create a financial pressure of (+£0.219m).
 - Inflationary pressures risk creating a pressure for providers that result in requests for additional payment or leading to provider failure, forcing the service to find alternative provision at additional cost. Inflationary pressures risk increased pay awards that will consume a greater share of the Public Health grant.
 - The department has been awarded an additional core Public Health grant uplift of £0.767m from the 2021/22 allocation. It is unclear if this increase will be needed to pay for the Agenda for Change contract increases, if so, this will likely consume all the uncommitted uplift.
- 4.43. Savings – Public Health have a significant amount of recurring savings (£0.433m) to be delivered in 2022/23. At this stage it is assumed that all savings will be delivered including in Sexual Health where the budget has been realigned to reflect efficiencies through increased use of online services. Savings related to the re-modelling of the substance misuse prescribing service and the transformation of the oral health and healthy visiting service are on track.

Resources (Break-even)

- 4.44. The Resources Directorate is currently forecasting a break-even position.
- 4.45. Risks within the directorate include:
- There is an inflationary pressure and exchange rate risk in re-negotiating contracts with Digital Services suppliers. The service is monitoring this on an individual contract basis.
 - Since the start of the pandemic the Digital Services department has had to improve technology in several areas, and this has seen a significant increase in projects. Digital Services are reviewing spend profiles on all projects in the department to ensure that project forecasts are robust and mitigate overspend risks on projects. The pressure in this area will become clearer as the review is completed.

Corporate Items (Break-Even)

- 4.46. The corporate position is currently forecast at break-even for the financial year.
- 4.47. There is a council-wide risk in relation to the budgeted pay award for 2022/23. There is currently a centrally held budget to allow for a 2% pay award in 2022/23. At the time of writing, the local government pay offer for the period 1 April 2022 to 31 March 2023 is a flat rate increase of £1,925 (for NJC pay points). On average, across the Council's payroll, initial estimates are that this would equate to a 6% increase in the council's pay bill. This would add an estimated £6.5m pressure to the in-year budget monitoring position and would need to be funded from the council's £5m contingency budget in-year plus further

corporate balances/reserves to be identified. The ongoing, additional cost would need to be reflected in the 2023/24 base budget position going forward.

- 4.48. The latest transformation fund allocations are included in **Table 5** and **Appendix 2** for noting.

Table 5 – Transformation Fund Allocations 2022/23

Directorate	£m
Adult Social Care	0.710
Children's Services	1.482
Community Wealth Building	0.832
Environment	0.292
Fairer Together	0.243
Resources	4.569
TOTAL	8.128

Collection Fund Update – Month 3

Background

- 4.49. The recovery of council tax and business rates continues to be impacted by the Covid-19 pandemic and the impact on household budgets of the cost-of-living crisis. The collection and recovery of collection fund income is likely to be adversely affected in the current year.
- 4.50. Council tax and business rates income is a major source of the council's overall funding, representing around 24% of the council's gross general fund income. The combined collection fund income (council tax and business rates) is shared with the Greater London Authority (GLA) and central government. The council currently keeps 76.9% of council tax income collected, approximately £102.3m, and 30% of business rates income, approximately £73.7m, based on the estimated 2022/23 budget.
- 4.51. Collectable gross income and actual outturn is offset by a number of reliefs such as single person discounts and exemptions (council tax) and charity relief (business rates).

Current Collection Rate

- 4.52. The council in-year target for council tax collection is set at 95.33% annually, with £35.7m collected up until month 3 or 24.9%. This is -0.4% below the monthly in-year target.
- 4.53. The council in-year target for business rates collection is set at 96.7% annually, with £82.9m collected up until month 3 or 28.1%. This is +1.9% ahead of the monthly in-year target.
- 4.54. The two graphs below illustrate the trends of in-year council tax and business rates percentage collection by month and year.

Figure 18 – Council Tax In-Year Collection Rate Trend

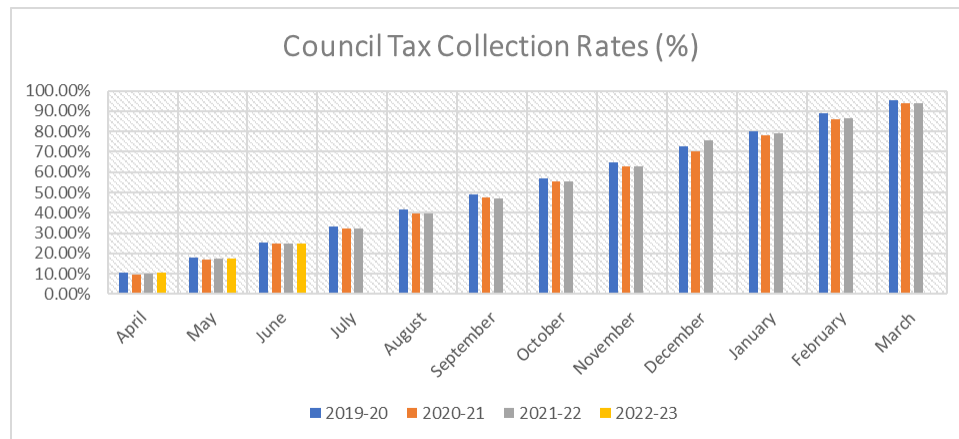
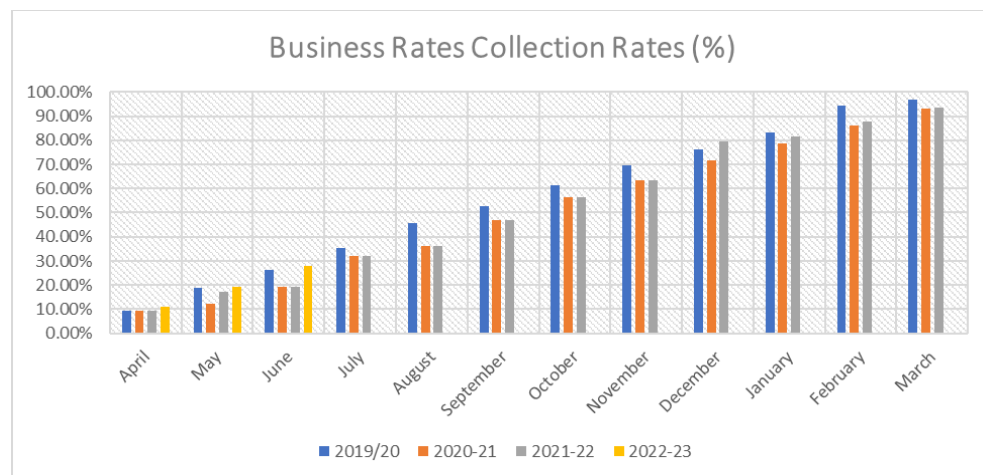


Figure 19 – Business Rates In-Year Collection Rate Trend



Collection Fund – Additional Commentary

- 4.55. The government provided £17.2m under the COVID-19 Additional Relief Fund (CARF) scheme to Islington Council to support those businesses that impacted by the pandemic but ineligible to claim any relief under previous support packages, such as the Retail Relief scheme. Take-up of the CARF scheme is lower than anticipated and up until month 3 the council has awarded relief to 310 local businesses, representing £2.5m or 14.6% of the overall grant awarded to the council.
- 4.56. The council has, at month 3, passed on £10.2m (99.7% of all eligible households) of the government’s £150 Energy Bill Rebates scheme to help households with rising costs of living. This is available to properties in council tax bands between bands A to D.
- 4.57. The virtual court hearings system for both council tax and business rates continues to operate efficiently. At month 3, the council has issued combined 9,592 summonses (8,114 council tax and 1,478 business rates). Based on the current trend, costs raised through the summonses is in line with budget estimates.

4.58. As at the end of month 3, the number of claimants in connection with the Council Tax Support (CTS) scheme stood at 25,246, of which 18,260 relates to working-age claimants and 6,985 relate to pension-age claimants. At month 3, the council has provided £31.7m CTS to residents (£22.2m working-age and £9.4m pension-age).

Energy Price Analysis – Month 3

4.59. Rising energy prices, global supply chain issues and the economic consequences of the war in Ukraine have driven inflation levels to a 40-year high. Council budgets are under pressure from high inflation, for example council contracts and other running costs linked to CPI inflation (currently at 9.4%). It is important that the impact of rising prices is monitored within departmental monitoring submissions with, in addition, a more wide-ranging analysis in this section. This will assist in identifying trends and impacts over time. The graphs below reflect the movements in price since 1 March 2022.

Figure 20 - Weekly monitoring of electricity commodity price at Megawatt per hour

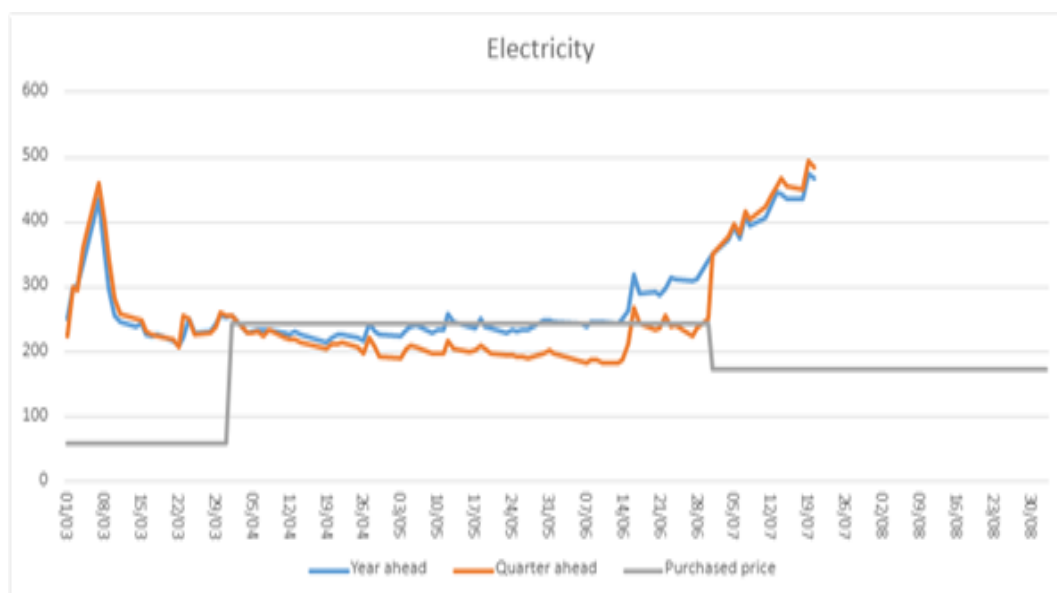
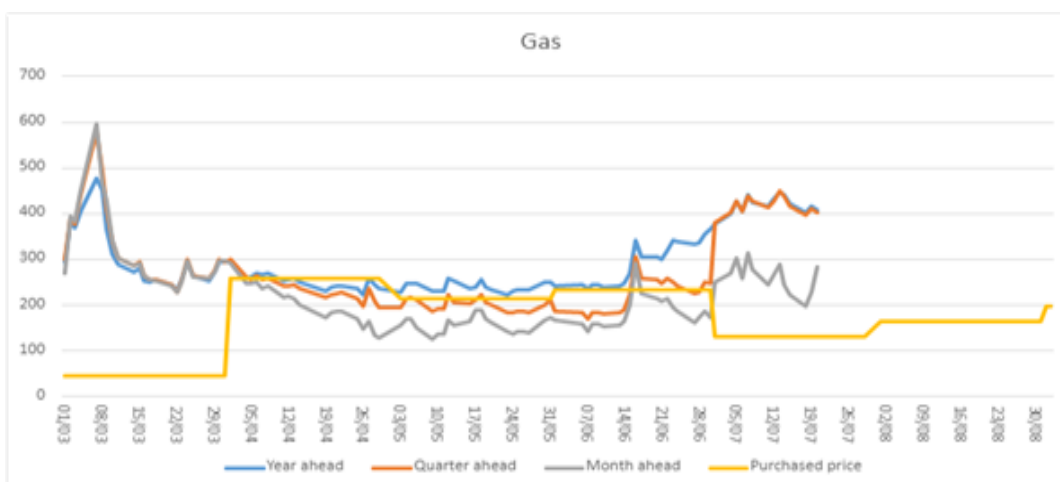


Figure 21 - Weekly monitoring of gas commodity price per therm



- 4.60. For quarter 1 of 2022/23 the council purchased electricity at £243/Megawatt (MW) and gas at an average price of 235p/therm. This equated to end user costs of around 37p/kWh for electricity and 9p/kWh for gas (a figure which includes an estimate of the standing charges). Volume was estimated at 2021/22 levels with an allowance of 20% in reduction or increase on usage. There was a drop in prices for Quarter 2 and electricity was purchased at £173/MWh and gas at 163p/therm on average, resulting in end user prices of around 30p/kWh for electricity and 7p/kWh for gas. **Table 6** shows the quarterly costs of gas and electricity for the General Fund and Leisure Centres, HRA and Schools.

Table 6 – Quarterly Electricity and Gas estimates for 2022/23

Period	General Fund and Leisure Centres		HRA		Schools (Incl. Academies)	
	Electricity £m	Gas £m	Electricity £m	Gas £m	Electricity £m	Gas £m
Quarter 1 average	1.097	0.402	1.746	1.392	0.664	0.357
Quarter 2 average	0.891	0.182	1.411	0.616	0.539	0.160
Quarter 3 average	1.784	1.040	2.862	3.683	1.083	0.930
Quarter 4 average	1.784	1.242	2.862	4.399	1.083	1.110
Total	5.556	2.866	8.881	10.090	3.369	2.557
Total Gas and Electricity	8.422		18.971		5.926	

- 4.61. There has been a sharp increase in commodity prices for Q3 and Q4 (which have not yet been purchased) since mid-June. Electricity has increased to an estimated end cost of £57p/kWh and gas to 14p/kWh. This price increase has been reflected in table 6 for quarters 3 and 4.
- 4.62. The cost of gas and electricity is being monitored daily as the forecasts do not indicate a drop in prices over the coming months. In addition to the daily monitoring of costs the council is taking steps to reduce spend in this area.
- 4.63. The Energy Services team have commissioned an energy market consultancy firm to devise a procurement strategy for the forthcoming months. They will advise the council on the

timing of its energy purchases to try and secure the best possible prices for the upcoming periods.

- 4.64. Facilities Managers are currently running workshops to raise awareness, advice and guidance on how to save on energy. A number of mitigations are covered such as regular meter readings, actions on usage of lighting, technology, air conditioning and appliances.
- 4.65. The Corporate Landlord team is also reviewing building operating hours to determine if reducing operating hours will reduce energy costs.

5. Housing Revenue Account (HRA)

- 5.1. The HRA is currently forecasting an in-year surplus of (-£0.812m).
- 5.2. As the HRA is a ring-fenced account, a surplus or deficit at the end of the financial year will be transferred to or from HRA reserves.
- 5.3. Variances within the department includes:
 - (-£0.208m) favourable variance from rent and service charge income, representing 0.11% of rent and service charge income budgets.
 - (-£0.450m) forecast underspend against provisions provided to accommodate one-off mobilisation costs arising from the re-integration of PFI 2 street properties to council management.
 - Works to migrate tenants on housing benefits to universal credit has not progressed at a pace initially anticipated. As such, one-off provisions set aside to manage cost pressures that may have arisen is expected to be lower than budgeted (-£0.400m).
 - Energy costs for landlord supplies and Community centres which are paid for by the HRA are expected to be significantly impacted by the unprecedented increases in energy prices. It is currently estimated that the full year increase will be approx. (+£0.246m) based on current prices. It should be noted that 2022/23 Q1 and Q2 supplies have been secured to date with the remaining two quarters have yet to be purchased. The energy market is currently experiencing significant volatility, as such, it is highly likely supply costs will fluctuate further as we seek to secure supplies for the remaining quarters which may result in a lower or higher energy forecast for the year.
- 5.4. Risks and opportunities within the department include:
 - Increasing energy costs - The HRA procures gas supplies for around 4,300 of the 33,000 council tenants and leaseholders with gas heating on communal heating systems. The remaining 29,600 have individual gas boilers and therefore pay their own bills which are subject to the domestic market energy price caps (regulated). The council purchases its energy directly from the market (unregulated) therefore, council tenants and leaseholders on communal heating systems are not protected by the domestic market energy price caps. Increased communal gas costs, in respect of tenanted households are not covered by housing benefit (HB) or universal credit (UC), meaning these costs must be met in full by tenants.
 - Increased communal electricity costs charged to tenanted households are covered by HB or UC. Around 75% of tenants living on estates, benefitting from a communal electricity supply are in receipt of either HB or UC. This means that any increase in cost should be

covered by HB or UC, leaving around 5,000 tenanted households that will potentially be required to meet the full cost of the increase.

- Leaseholders are required to meet in full any increases in the cost of communal gas or electricity. The impact of increases in costs incurred/anticipated by the council would be reflected in the 2022/23 estimated annual service charge bills issued in September 2022.
- As part of the 2022/23 budget setting process, it was anticipated that energy costs would increase significantly. It was anticipated gas costs would increase by 55%, which would be funded by a 25% (average increase of £2.12 per week) increase in charges to tenants for heating and hot water, and 30% funded from the heating pool to smooth the expected increase over a two-year period. Communal electricity costs were anticipated to increase by 49%, leading to an average increase in charges of 47p per week.
- The current energy market outlook indicates energy costs in 2022-23 could potentially exceed the increases anticipated during the budget setting process. Although most of the increased costs are rechargeable to tenants and leaseholder, any further increases would add to the impact of the cost-of-living crisis residents may already be experiencing. This would present a risk to the HRA should costs become unrecoverable.
- Heat Metering Regulation - The Heat Network (Metering and Billing) Regulations 2014 requires all properties connected to a heat network to have end point level meters or building level meters installed. Meters are to be installed by 1 September 2022, and failure to comply will mean that the council could face fines which are equivalent to the value of the works required to make our network compliant.
- Of the already assessed housing stock, 800 properties have been identified and will need to have end point meters installed. Once all assessments have been completed, it is likely to result in a further 800 properties requiring end point meters.
- Once end point metering are installed, the council is legally obliged to bill residents based on their individual use, taking into account the cost of fuel, contract costs including repairs and maintenance costs. Local authorities are expected to operate on a not-for-profit basis.
- A number of properties that require meters installed are currently on the pooled heating system and by virtue, will be removed from the pool once meters are installed. This is likely to distort the charges for those remaining in the pool which could cause a movement in charges levied on tenants from current levels.
- The installation of end point meters and Building level meters in particular sites that are older and more complex will require significant investment. It is unclear what the full costs of these works will be until a full assessment has been carried out.
- Non-pay/contract inflation: The HRA has a significant number of contractual arrangements in place that supports the delivery of repairs and maintenance services totalling approx. £19.800m per annum. With the current high inflation levels, there is a risk that contract uplifts payable could exceed levels assumed at 2022/23 budget setting (average 3.9% uplift) when contracts become due for their annual uplift review. The uplift indices applied will vary from contract to contract but could include CPI, CMPI (Construction Materials Price Index), and BCIS Maintenance Cost Indices.

- The table below outlines the potential cost pressure to the HRA should uplift rates exceed budgeted levels.

Table 7 – Potential Inflationary Cost Pressure Scenarios to HRA

Total current budget of contracts	Inflationary pressure at 1% above budget	Inflationary pressure at 3% above budget	Inflationary pressure at 5% above budget	Inflationary pressure at 10% above budget
£19.800m	+£0.198m	+£0.594m	+£0.990m	+£1.980m

- As shown above, any increase above budget will have an adverse impact on HRA finances, as such, the position will be closely monitored throughout the year to ensure pressures are identified and appropriate management actions can be taken to mitigate risk.
- Pay Award: Negotiations between National Employers and Unions on local government pay are currently underway. The 2022/23 HRA budgets allow for a 2% pay award but there remains a budgetary risk of a pay award above the 2%. For context, every 1% increase would equate to pay growth of £0.524m to the HRA. Any growth arising as a result would need to be met from HRA reserves and reflected in the 2023/24 base budget position.

6. Capital

- 6.1. At the end of month 3, total capital expenditure of £25.380m had been incurred against a 2022/23 full year forecast of £188.425m representing 13.5% of the forecast capital expenditure.
- 6.2. This is summarised between the non-housing and housing capital programme in **Table 8** and detailed in **Appendix 3**.

Table 8 – 2022/23 Capital Programme

	Revised Budget £m	Spend to Date M3 £m	Forecast Outturn 2022/23 £m	Forecast Variance £m	Forecast Expenditure M4-M12 £m
Non-Housing	54.397	3.231	47.553	(6.844)	44.322
Housing	187.785	22.149	140.872	(46.913)	118.723
Total Programme	242.182	25.380	188.425	(53.757)	163.045

Housing Capital Programme

- 6.3. The Housing (HRA and GF) capital forecast totals £140.872m compared to the revised 2022/23 capital budget of £187.785m (which includes £19.178m new build and property acquisition slippage from 2021/22). As at the end of month 3 (+£22.149m) of capital expenditure had been incurred, representing 16% of the forecast capital expenditure. This is detailed at **Appendix 3**.
- 6.4. The latest review of the new build programme suggests that, at this stage, slippage in 2022/23 is likely to be in the region of (-£46.913m) representing 25% of the revised capital budget. The slippage relates primarily to the ongoing fallout from COVID-19 and wider economic factors impacting capacity, materials and labour on sites and therefore scheme progress.

7. Implications

- 7.1. **Financial Implications:** These are included in the main body of the report.
- 7.2. **Legal Implications:** The law requires that the council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance (Section 28 Local Government Act 2003: the council's Financial Regulations 3.7 to 3.10 Revenue Monitoring and Control).
- 7.3. **Environmental Implications:** This report does not have any direct environmental implications.
- 7.4. **Equality 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.
- 7.5. An equality impact assessment (EQIA) was carried out for the 2022/23 Budget Report agreed by Full Council. This report notes the financial performance to date but does not have direct policy implications, therefore a separate EQIA is not required for this report.

Appendices:

- **Appendix 1** – General Fund and HRA Revenue Monitoring by Variance
- **Appendix 2** – Transformation Fund Allocations
- **Appendix 3** – Capital Programme 2022/23

Background papers: None

Signed by:

Diarmuid Ward.

Executive Member for Finance, Planning and Performance

Date: 16 August 2022

Responsible Officer:

Dave Hodgkinson, Corporate Director of Resources

Report Authors:

Tony Watts, Strategic Finance Manager – MTFS

Martin Houston, Assistant Director (Corporate Finance)

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

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Appendix 1: 2022/23 Key Variances - Month 3

DIRECTORATE/DIVISION	VARIANCE TYPE	DESCRIPTION	OVER/(UNDER)SPEND M3 2022/23 £m
ADULT SOCIAL SERVICES			
Integrated Community Services	Overspend	Service Users from Hospital Discharge Schemes in previous financial years	1.752
Integrated Community Services	Overspend	Service Users entering through Hospital Discharge Schemes in 2022-23	0.703
Integrated Community Services	Overspend	Demand over Demographic Growth	1.017
Integrated Community Services	Income	Additional Client Contributions	(0.300)
Integrated Community Services	Income	Direct Payments Surplus	(0.500)
Integrated Community Services	Saving Delay	In House Saving Delay	0.198
Integrated Community Services	Overspend	Senior Leadership Team Staffing	0.332
Total Adult Social Services			3.202
CHIEF EXECUTIVE			
Communications	Overspend	Unfunded costs relating to mandatory project relating to accessible documents	0.100
Total Chief Executive			0.100
CHILDREN'S SERVICES			
Early Intervention and Prevention	Timing issue	Commitments in Early Help against the multi-year budget provision. Income recognised in full in previous year's, therefore this is a timing issue.	0.173
Early Intervention and Prevention	Loss of income	Potential loss of income from paid for childcare provision post Covid-19 due to reduced demand	0.250
Early Intervention and Prevention	Income	Use of Holiday Activities and Food funding to meet eligible costs of Lunch Bunch	(0.100)
Learning and Culture	Overspend	Structural shortfall in the budget for Cardfields and Schools HR	0.135
Learning and Culture	Loss of income	Cut in School Improvement Monitoring and Brokering grant that cannot be mitigated in-year	0.045
Safeguarding and Family Support	Overspend	Estimated pressure against the Children's Social Care placements budget due to increased demand	1.376
Safeguarding and Family Support	Overspend	Estimated inflationary cost pressure on the Children's social care placements budget	0.260
Safeguarding and Family Support	Overspend	Estimated pressure against the budget for care proceedings due to a sustained increase in activity levels in the last 2 financial years that does yet appear to be reducing	0.250
Safeguarding and Family Support	Overspend	Estimated SEND transport related cost pressure in relation looked after children in out of borough provision	0.100
Young Islington	Overspend	Forecast cost in relation to underwriting income losses while income levels continue to recover at Lift and Rosebowl	0.271
Young Islington	Overspend	Cost pressure from bring youth provision at Platform back in-house	0.300
Young Islington	Overspend	Estimated overspend against the budget for secure remand	0.100
Young Islington	Loss of income	In -year cut in Youth Justice Board Remand grant funding	0.057
Total Children's Services			3.217
COMMUNITY WEALTH BUILDING			
Corporate Landlord	Income	Commercial Property Income shortfall	1.084
Total CWB			1.084
ENVIRONMENT			
Parking	Loss of Income	Lower levels of pay and display income	1.500
Parking	Additional Income	Higher levels of suspension income	(1.500)
Leisure	Overspend	Energy risk share for leisure centres	0.750
Street Lighting	Overspend	Increased energy costs on contract	0.500
Commercial Waste	Loss of Income	Reduced volume of activity	0.600
Commercial Waste	Saving	Reduction in levy due to reduced tonnages	(0.300)
Operations	Overspend	Increased fuel prices	0.210
Total Environment			1.760
Fairer Together			
We Are Islington	Cost Pressure	Cost of COVID-19 response 'We Are Islington', to be wound down by Q2. Additional overtime/salary related expenditure incurred due to extra support and assistance provided to vulnerable, isolating and communities	0.080
Resident Experience	Cost Pressure	Two full time secondments for Chief Executive and Ombudsman Complaints, in order to ensure an orderly handling of complaints so Ombudsman action is avoided	0.091
Total Fairer Together			0.171
HOMES & NEIGHBOURHOODS			
Housing Needs	Underspend	Temporary Accommodation: Nightly Booked/PSL	(0.024)
Housing Needs	Overspend	Bad Debt/Arrears: Case numbers in TA are rising and due to the impact of cost of living, other priorities will conflict with TA rent, resulting in increased arrears.	0.181
Housing Needs	Overspend	Islington Lettings - Charges for voids and uncollected rent.	0.249
Housing Needs	Underspend	Other Housing Needs	(0.228)
Housing Needs	Underspend	Salary Underspend	(0.178)
Total H&N			0.000
PUBLIC HEALTH			
Other Public Health	Overspend	One-off Public Health projects and staff projects commencing in 22/23. Some of these projects will be funded from PH reserves	0.452
Other Public Health	Overspend	Funding Contribution to the Camden and North West London NHS trust deficit.	0.600
Sexual Health	Underspend	The division has continued to pay baseline tariffs to NHS providers.	(0.835)
Smoking & Tobacco	Underspend	Activity numbers to be low in 22/23	(0.052)
Other Public Health	Underspend	Other Public Health commitments	(0.165)
Total Public Health			0.000
RESOURCES DIRECTORATE			
Nil to report			0.000
Total Resources			0.000
Directorates Total			9.534
CORPORATE			
Nil to report			0.000
Total Corporate			0.000
GROSS GENERAL FUND			9.534
Less: Corporate Energy Provision			(1.400)
NET GENERAL FUND			8.134

DIRECTORATE/DIVISION	VARIANCE TYPE	DESCRIPTION	OVER/(UNDER)SPEND M3 2022/23 £m
HOUSING REVENUE ACCOUNT			
Finance	Additional Income	Favourable rent and service charges income projections	(0.208)
Finance	Underspend	PFI 2 mobilisation costs lower than anticipated	(0.450)
Finance	Underspend	Migration of tenants on housing benefit to universal credit works not progressing as anticipated resulting in reduced	(0.400)
Homes and Communities	Overspend	Increasing energy costs for landlord supplies and community centres.	0.246
Total Housing Revenue Account			(0.812)

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Appendix 2 - Transformation Fund Allocations

DIRECTORATE	DESCRIPTION	REMAINING EARMARKED AMOUNT £m	Anticipated Drawdown 2022/23 £m	Anticipated Drawdown 2023/24 £m	Anticipated Drawdown 2024/25 £m
Adult Social Care	Adult Social Care Transformation phase 1	0.125	0.125		
Adult Social Care	Adult Social Care Transformation phase 2	0.457	0.457		
Adult Social Care	Assistive Technology	0.128	0.128		
Children's Services	Children's Social Care Transformation	0.752	TBC		
Children's Services	Foster Care Housing Adaptation Scheme (PM cos	0.005	0.005		
Children's Services	ASIP (Adolescent support intervention project)	0.725	0.490		
Community Wealth Building	Procurement Capacity	0.251	0.251		
Community Wealth Building	FutureWork - Phase 1 Business Case	0.581	0.581		
Environment	SES Back Office System	0.292	TBC		
Fairer Together	Resident Experience	0.243	0.243		
Resources	Workforce Strategy	0.250	0.250		
Resources	Applications upgrades & HR Zellis	1.048	1.048		
Resources	Legal Case Management	0.424	0.424		
Resources	Systems Review	0.422	0.422		
Resources	Modernising Finance	0.222	0.222		
Resources	Intranet Re-design	0.180	0.180		
Resources	Digital Experience Platform	2.022	2.022		
	TOTAL	8.128	6.849	-	-

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APPENDIX 3 - CAPITAL PROGRAMME MONITORING - MONTH 3

Directorate	Housing/ Non-Housing	Scheme	Original Budget £m	M12 2021/22 Slippage £m	Current Budget £m	Forecast Outturn £m	Variance to Budget £m	Spend to Date £m	Reason for Variance	Explanation of Variance
CLS	Non-Housing	Adventure Playgrounds - Cornwallis Adventure Playground	0.218	0.036	0.254	0.758	0.504	0.015	Other	Project delay was also in part due to unaffordable tender responses and the need to retender/negotiate. Tendered separately but same contractor for both AP schemes - end date estimated for Jan '23.
CLS	Non-Housing	Adventure Playgrounds - Martin Luther King	0.124	0.119	0.243	0.467	0.224	0.013	Other	Delay was also in part due to unaffordable tender responses and the need to retender/negotiate. Expected to complete end of year (early Dec) - same contractor as above.
CLS	Non-Housing	Adult Social Care	-	0.227	0.227	0.227	-	0.105	No Current Variance	
CLS	Non-Housing	Early Years and Children's Centres	0.185	0.116	0.301	0.301	-	-	No Current Variance	
CLS	Non-Housing	Early Years Capital	0.332	0.239	0.571	0.571	-	0.101	No Current Variance	
CLS	Non-Housing	Primary Schools Condition Schemes/Schools Modernisation SEN	1.780	0.193	1.973	1.973	-	0.143	No Current Variance	
CLS	Non-Housing	Schools - Schools Condition Schemes	2.278	1.066	3.344	3.344	-	0.534	No Current Variance	
CLS	Non-Housing	Schools Major Works	-	0.133	0.133	0.133	-	0.034	No Current Variance	In Final Accounts
CLS	Non-Housing	Schools - Tufnell Park School Expansion	0.688	0.021	0.709	0.709	-	-	No Current Variance	In Final Accounts, some disputes to be resolved but asset in use.
CLS	Non-Housing	Toffee Park & Radnor St Gardens	1.828	0.122	1.950	0.100	-1.850	0.001	Reprofiling - Non CV-19	Reporting slippage as project not yet started. Delays in getting the brief finalised. Spend expected from October (work on design to start) Delays in starting the project and getting the brief finalised. Design team not appointed yet. Professional fees indicatively at £300k-£350k based from feasibility study produced at stage 0 - awaiting to go to market Construction will not start this year. Design work not expected to fully complete this year
CLS	Non-Housing	Enhanced Special Needs Provision	1.743	-	1.743	1.743	-	-	No Current Variance	
CLS	Non-Housing	Packington Nursery Expansion	0.180	-	0.180	0.180	-	-	No Current Variance	
CLS	Non-Housing	The Zone Youth Club - Refurbishment and Reconfiguration	0.128	-	0.128	0.128	-	-	No Current Variance	
CLS	Non-Housing	Enhanced Children's Residential Provision	0.526	-	0.526	0.526	-	-	No Current Variance	
CLS	Non-Housing	Lift Building Development	0.550	-	0.550	0.550	-	-	No Current Variance	
CLS	Non-Housing	Finsbury Leisure Centre Redevelopment	0.858	0.143	1.001	1.001	-	0.083	No Current Variance	
CLS	Non-Housing	Libraries - Islington Museum and Local History Centre	0.200	0.100	0.300	0.150	-0.150	-	No Current Variance	
CLS	Non-Housing	Libraries - South Library	0.200	0.107	0.307	0.307	-	-	No Current Variance	
CLS	Non-Housing	Libraries - West Library	0.100	0.127	0.227	0.227	-	0.139	No Current Variance	
CLS	Non-Housing	Libraries Modernisation	0.150	0.029	0.179	0.179	-	0.002	No Current Variance	
CLS	Non-Housing	Compliance and Modernisation	3.410	0.740	4.150	3.422	-0.728	0.421	Other	Budget to be transferred to Adventure Playgrounds
CLS	Non-Housing	Whittington Park Hocking Hall Community Centre Phase 1	1.346	0.112	1.234	1.234	-	0.356	No Current Variance	Due to complete Sept '22
CLS	Non-Housing	Mildmay Library	0.450	-	0.450	0.450	-	-	Other	The projects team is still awaiting confirmation on the project brief from the Fairer Together team and the Library Services. Subject to clarification from the Energy Team on their Net Zero Carbon requirements for this site, the budget for this project could rise further.
CLS	Non-Housing	Holly Hall	0.550	-	0.550	0.550	-	0.004	Other	Due to the extreme dilapidations of this building that it will need substantial refurbishment works carried out to it plus the project team do not have a defined project brief from the Fairer Together team relating to how they wish Holly Hall to be reconfigured.
CLS	Non-Housing	Future Work Phase 2	1.631	-	1.631	1.631	-	0.189	No Current Variance	
CLS	Non-Housing	CWB Small S106/CIL Schemes	0.066	-	0.066	0.066	-	-	No Current Variance	
CLS	Non-Housing	Laycock Street	-	0.233	0.233	0.233	-	-	No Current Variance	
CLS	Non-Housing	GGF Affordable Work Space	-	0.300	0.300	0.300	-	-	No Current Variance	

APPENDIX 3 - CAPITAL PROGRAMME MONITORING - MONTH 3

Directorate	Housing/ Non-Housing	Scheme	Original Budget £m	M12 2021/22 Slippage £m	Current Budget £m	Forecast Outturn £m	Variance to Budget £m	Spend to Date £m	Reason for Variance	Explanation of Variance
CLS	Non-Housing	Vorley Road Library	0.200	-	0.200	0.200	-	-	No Current Variance	
Environment	Non-Housing	Bunhill Energy Centre Phase 2	-	0.578	0.578	0.578	-	0.025	No Current Variance	
Environment	Non-Housing	Corporate CCTV Upgrade	2.200	1.154	3.354	1.000	2.354	0.116	Reprofiling - Partly CV-19	There have been contractual issues associated with the network which has meant it will not be completed until the new financial year, pushing forward the camera replacement programme into 22/23 and 23/24.
Environment	Non-Housing	Chapel Market	1.133	0.009	1.142	1.142	-	0.009	No Current Variance	
Environment	Non-Housing	Council Building Renovation (Special Projects) Repairs and Renewal of Council Buildings	0.025	0.097	0.122	0.122	-	-	No Current Variance	
Environment	Non-Housing	Highways - Highways	1.400	0.049	1.449	1.449	-	0.092	No Current Variance	
Environment	Non-Housing	Environment Small S106/CIL Schemes	0.128	-	0.128	-	0.128	-	Other	Included in S106 schemes.
Environment	Non-Housing	Energy - Retrofitting Existing Council Buildings	0.500	-	0.500	0.500	-	-	No Current Variance	
Environment	Non-Housing	Greening the Borough	0.500	-	0.500	0.500	-	-	No Current Variance	
Environment	Non-Housing	Street Lighting - LED upgrades	0.060	0.020	0.080	0.080	-	-	No Current Variance	
Environment	Non-Housing	Clerkenwell Green	1.717	-	1.717	1.717	-	0.002	No Current Variance	
Environment	Non-Housing	Energy - LED Lighting Upgrades	0.333	-	0.333	0.333	-	-	No Current Variance	
Environment	Non-Housing	Energy - Solar Panels on Corporate Buildings	0.333	-	0.333	0.333	-	-	No Current Variance	
Environment	Non-Housing	Energy Services	0.251	-	0.251	-	0.251	-	Other	Related to GHG LAD1A scheme which was completed in 2021/22 - to be removed.
Environment	Non-Housing	Green SCIES	-	0.232	0.232	0.232	-	0.031	No Current Variance	
Environment	Non-Housing	Greenspaces - Barnard Park Renewal	1.441	-	1.441	1.441	-	-	No Current Variance	
Environment	Non-Housing	Greenspaces - Bingfield Park (including Crumbles Castle legacy)	0.408	0.001	0.409	0.409	-	0.005	No Current Variance	
Environment	Non-Housing	Greenspaces - Park Improvements	0.192	0.075	0.267	0.267	-	0.012	No Current Variance	
Environment	Non-Housing	Greenspaces - Highbury Bandstand/Highbury Fields	0.455	-	0.455	0.455	-	0.009	No Current Variance	
Environment	Non-Housing	Greenspaces - New River Walk	0.371	0.032	0.403	0.403	-	-	No Current Variance	
Environment	Non-Housing	Greenspace - Other	-	0.112	0.112	0.112	-	0.042	No Current Variance	
Environment	Non-Housing	Greenspaces - Woodfall Park Improvements	0.433	-	0.433	0.433	-	0.015	No Current Variance	
Environment	Non-Housing	Leisure - Cally Pool	0.250	-	0.250	0.250	-	-	No Current Variance	
Environment	Non-Housing	Leisure - Leisure repairs/modernisation	0.190	0.146	0.044	0.190	0.146	0.095	Overspend	Two projects have been agreed for 2022/23. These are to change the gym layouts at Highbury & ITC leisure centres. Design work underway. Projects to be completed in year with funding to be accelerated 23/24.
Environment	Non-Housing	Leisure - Sobell Leisure Centre	-	0.445	0.445	0.445	-	-	No Current Variance	
Environment	Non-Housing	Leisure - Tufnell Park all-weather pitch	0.385	0.011	0.396	0.396	-	-	No Current Variance	
Environment	Non-Housing	People Friendly Streets - Liveable Neighbourhoods	1.500	-	1.500	0.554	0.946	-	Reprofiling - Non CV-19	Extensive consultation prior to implementation and this will take place during 22/23 with delivery starting 23/24. These are all large areas with complex road networks making delivery more difficult. In year spend is focused on delivering 4 Liveable neighbourhoods and project management is resourced and underway.
Environment	Non-Housing	People Friendly Streets - Low Traffic Neighbourhoods	1.153	0.485	1.638	1.153	0.485	0.076	Reprofiling - Non CV-19	The pace of delivery of LTNs has changed as per exec decision in October 2021. This accounts for a change in member priorities with more of an emphasis on consultation and engagement prior to implementation. Work is underway for many of the 4 new LTNs with consultation due to take place in 22/23 with delivery in 23/24. Further decisions are required to make 7 already implemented LTNs permanent as a new trial was needed for blue badge exemptions - this required additional monitoring and decision making further delaying the implementation of new LTNs
Environment	Non-Housing	Public Realm - Fortune Street Area	0.592	-	0.592	0.592	-	-	No Current Variance	

APPENDIX 3 - CAPITAL PROGRAMME MONITORING - MONTH 3

Directorate	Housing/ Non-Housing	Scheme	Original Budget £m	M12 2021/22 Slippage £m	Current Budget £m	Forecast Outturn £m	Variance to Budget £m	Spend to Date £m	Reason for Variance	Explanation of Variance
Environment	Non-Housing	Public Realm - Kings Square Shopping Area Public Space	0.597	-	0.597	0.131	- 0.466	-	Reprofiling - Non CV-19	Project moved to Transport project team. Complex project which requires scaling down from original £4m budget to be reforecast as a smaller scheme to be designed in 22/23
Environment	Non-Housing	Public Realm - St Johns Street Public Realm Improvements	0.250	-	0.250	0.100	- 0.150	-	Reprofiling - Non CV-19	Project has changed wards from Bunhill to St Peters - currently in design, with consultation taking place.
Environment	Non-Housing	Recycling Site Improvement	0.150	0.035	0.185	0.185	-	-	No Current Variance	
Environment	Non-Housing	School Streets	0.400	0.193	0.593	0.593	-	0.024	No Current Variance	
Environment	Non-Housing	Traffic & Parking - T&E Cycle Schemes	0.450	0.014	0.436	0.436	-	0.004	No Current Variance	
Environment	Non-Housing	Traffic & Parking - T&E EV Charging Points	0.160	0.131	0.291	0.291	-	-	No Current Variance	
Environment	Non-Housing	Traffic & Parking - T&E Safety Schemes	0.500	0.762	1.262	0.682	- 0.580	0.068	Reprofiling - Non CV-19	Borough-wide safety and corridor schemes - support of People Friendly Streets programme by delivering walking and cycling improvements on main roads. Forecasted underspend will be partially offset by overspend in T&E Enforcement / Parking.
Environment	Non-Housing	Traffic & Parking - T&E Traffic Enforcement/Parking	0.300	0.017	0.317	0.687	- 0.370	-	Reprofiling - Non CV-19	Borough-wide traffic enforcement and parking schemes, including dedicated disabled bay scheme and other accessibility improvements across the borough. Forecasted overspend will be offset by underspend in T&E Safety Schemes.
Environment	Non-Housing	Tree Planting Programme	0.210	-	0.210	0.210	-	-	No Current Variance	
Environment	Non-Housing	Vehicle fleet electrification (infrastructure)	2.375	1.498	3.873	3.873	-	0.186	No Current Variance	
Environment	Non-Housing	Vehicle Replacement	4.000	0.520	3.480	3.480	-	0.460	No Current Variance	
Environment	Non-Housing	Wray Crescent Cricket Pavilion	0.139	-	0.139	0.139	-	0.010	No Current Variance	
		TOTAL NON-HOUSING	45.202	9.195	54.397	47.553	- 6.844	3.231		
Housing	Housing	Housing Revenue Account Major Works and Improvements	45.500	-	45.500	45.500	-	4.751	No Current Variance	
Housing	Housing	HRA Current New Build Programme - General Fund Open Market Sales Units	16.139	3.394	19.533	11.036	- 8.497	2.220	Reprofiling - Partly CV-19	Slippage has arisen in part due to unforeseen on site events but is primarily driven by global inflationary pressures either delaying contract award or creating supply chain issues/labour shortages which is impeding productivity and progress on site
Housing	Housing	HRA Current New Build Programme - HRA Social Rented Units	54.984	11.563	66.547	37.599	- 28.948	7.562	Reprofiling - Partly CV-19	
Housing	Housing	HRA Pipeline New Build Programme - General Fund Open Market Sales units	7.584	-	7.584	3.896	- 3.688	0.359	Reprofiling - Partly CV-19	
Housing	Housing	HRA Pipeline New Build Programme - HRA Social Rented Units	11.884	-	11.884	6.104	- 5.780	0.563	Reprofiling - Partly CV-19	
Housing	Housing	Property Acquisitions	32.016	4.221	36.237	36.237	-	6.694	No Current Variance	Total planned purchases 140 - 57 acquired in 21/22. In 22-23 16 complete £7m and a further 8 complete not yet posted £3m a further 37 have offers accepted £15m - this leaves a further 22 purchases to be funded from the remaining.
Housing	Housing	Retrofitting Existing Council Housing Stock-Pilots	0.500	-	0.500	0.500	-	-	No Current Variance	
		TOTAL - HOUSING	168.607	19.178	187.785	140.872	- 46.913	22.149		
		TOTAL - CAPITAL PROGRAMME	213.809	28.373	242.182	188.425	- 53.757	25.380		

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Environment

Town Hall, Upper Street, N1 2UD

Report of: Cllr Rowena Champion, Executive Member for Environment, Air Quality and Transport

Meeting of: Executive

Date: 01/09/22

Ward(s): All Wards

Subject: Procurement Strategy for Parking Debt Recovery Services (Concessions Contract)

1. Synopsis

- 1.1.** This report seeks pre-tender approval for the procurement strategy in respect of Procurement Strategy and Contract Award of Parking Debt Recovery Services (Concessions Contract) in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2.** This report seeks approval to utilise an existing framework agreement to procure the services of three debt recovery suppliers for debt recovery of unpaid Penalty Charge Notices (PCN's). Two of the suppliers will be primary suppliers with the third as a reserve supplier to recover debts the primary suppliers are unable to. Applicable charges are set out in law therefore evaluation of the tender responses will be based upon social and added value, recovery rates, innovation and environmental credentials.

2. Recommendations

- 2.1.** To approve the procurement strategy for Parking Debt Recovery Services (Concessions Contract) as outlined in this report.
- 2.2.** To delegate authority to award the contract to the Corporate Director of Environment in consultation with the Executive Member for Environment, Air Quality and Transport.

- 2.3.** To delegate authority for sign off of the final specification to the Corporate Director of Environment.

3. Background

3.1. Nature of Service

- 3.1.1. The Council's Parking Operations Service is seeking to procure three suppliers to recover unpaid Penalty Charge Notices (parking fines). This is the final stage of a penalty charge notice when all other avenues have been exhausted yet the charge remains unpaid. Approximately 10% reach this stage, of which up to approximately 30% are actually recovered. After sending several items of correspondence to the registered keeper of the vehicle, if the charge remains unpaid and the keeper has not engaged, or been successful in, the appeal process, the Council will register the unpaid case as a debt with the Traffic Enforcement Centre after which it can legally be passed to a debt recovery agent as a warrant for collection. This process is part of decriminalised parking, which was introduced in London from 1993.
- 3.1.2. The income to the Council received from the current debt recovery contract (which expires on 19th November 2022) is £909,615 per annum (based on 2021/22).
- 3.1.3 Two supplier days have been held whereby a notice was released via the procurement portal for any suppliers in this market to have an informal (Teams) conversation with the Council regarding social and added value, industry innovation, technology and environmental credentials, as well as optimum pre-debt cleansing, contract terms and extensions and recovery rates, and applicable framework agreements. This has been used to determine the route to market (the YPO framework) and the specification which will focus on social and added value and build on Islington's current environmental credentials.

3.2. Estimated value

- 3.2.1. This is a concessions contract so there will not be a cost to the Council although the contract will generate a significant revenue stream of in the region of £909,000 per annum.
- 3.2.2. The total turnover of the contract is £1,651,376 per annum, of which £741,761 is income to the supplier and £909,615 is income to the Council (based on 21/22 figures). Over the maximum term of the contract (4 years consisting of 2 years plus option to extend for a further 1 year and then a further 1 year extension) this gives a total contract value of £6,605,504, of which £2,967,044 is income to the

supplier and £3,638,460 is income to the Council. This is based on historical data from the last 2 years. It is not anticipated that the revenue income will reduce during the term of the contract so service levels will not be impacted.

- 3.2.3. This contract is at no cost to the Council.
- 3.2.4. A supplier event has been held over two days to identify best practice, innovation, environmental credentials and social and added value to the Council, as well as how pre debt cleansing techniques can be used to maximise recovery rates. Note that this is a concessions contract therefore there is no cost to the Council although added value and social value and higher recovery rates can be achieved via appointing the most successful suppliers through a mini competition under a framework agreement.
- 3.2.5. Note this is a concessions contract therefore there is no cost to the service although it is expected we will increase the recovery rates from 18.24% to 23 to 25% within 12 months. This will be achieved through improved pre-debt cleansing as part of the new contract as well as reductions in the age of debt as part of the parking team restructure due for implementation in Summer 2022.
- 3.2.6. The Council intends to performance manage the competing contractors to drive up the recovery rate and therefore income to the Council for this contract. The Parking Service is aiming to restructure the service which will strengthen the debt management contract management process and capacity. Monthly performance meetings will be held with suppliers to review performance, with the allocation of warrants reviewed on a quarterly basis in favour of the most successful supplier. There will be PI's set for collection rates which are monitored and reviewed at the monthly meetings, there will be a further quarterly assessment which determines the allocation of warrants. The highest performing supplier will be issued with 70% of the warrants and the other will receive 30%.
- 3.2.7. Evaluation of the tenders will be 100% quality based because the fees that the debt recovery agents can charge are set in law (at £75 per letter sent and £235 per enforcement visit).
- 3.2.8. Upon receipt of the warrant (after the Council has registered the unpaid penalty charge notice as a debt at the Traffic Enforcement Centre) the debt recovery agent

will engage with the debtor via letter. The debtor will be given the opportunity to set up an affordable payment plan via the web or portal, at any point in time approximately 5% of cases are subject to a payment arrangement. In the event the customer does not engage or fails to meet the payment plan commitments, an enforcement agent will then visit the debtors known address and attempt to clamp the vehicle. The debtor will then need to pay the release fee or the vehicle will be impounded and eventually sold, assuming there is no outstanding hire purchase agreement. If no vehicle is accessible, for example, because it is stored in a garage or has been sold, the enforcement agent will attempt to secure goods from the debtors property, which again can be sold if the debt is not paid. The debtor is still able to make a payment plan arrangement at this stage and seizing goods is a last case resort that occurs in approximately 0.5% of recoveries. At every stage of the process, the enforcement agent will assess the debtor to determine whether they are of a vulnerable status (further information in 3.5.5)

- 3.2.9. There are a whole range of reasons why debtors are unable to pay, these range from a change in personal circumstances, the debt rising so high due to multiple penalty charge notices issued to those who ignore the problem and hope it goes away. There are also cases where an individual has deliberately tried to avoid payment and has allowed the case to escalate as a point of principle, for example if they disagreed with the parking restriction and felt they should not have been booked. Each case however is unique, and Debt Recovery Agents have in place robust and well tested policy and procedures to help the vulnerable, as well as ensuring payment is ultimately made (further information on vulnerability in 3.5.5).
- 3.2.10. The Council approves the appointment of the debt recovery agency via a tendering process. The debt recovery agency is not permitted to sub-contract the recovery of debts without prior permission.

3.3. Timetable

- 3.3.1. September 2022 – approval to tender by Executive
September/October 2022 – mini competition under framework
October/November 2022 – delegated authority to award
December 2022/January 2023 – New contract goes live
- 3.3.2 The current contract expires on 20th November 2022.

3.3.3 Warrants are only valid for 12 months and the most successful recovery rates are for the most recently issued warrants (as people have not had time to move away) therefore it is important to pass warrants over to the suppliers in a timely manner.

3.3.4 Internal consultation has been held with legal and procurement, as well as consultation via well attended supplier events with wide and varying range of current market.

3.4. Options appraisal

3.4.1. A non-framework approach was considered although as the vast majority of the market is on the chosen YPO framework available this option was considered unnecessary and would have increased procurement costs and time-frame. YPO is a publicly owned Public Purchasing Organisation.

3.4.2. An in-sourcing option was investigated as part of the options appraisal. However, it was concluded that this would not be viable as with significant number of the debts are from outside of the borough, across the country and overseas. A two-tier process would need to be in place with local debts recovered internally and national debts recovered externally. This would dilute the contract significantly and thus reduce the social and added value available to the Council. This is a specialised and heavily legislated area of work and not one which the Council has the in-house, skills, expertise or IT systems to deliver the service. Benchmarking information from neighbouring authorities has confirmed that all choose to procure the service because of the specialist nature of the work.

3.4.3. Framework agreement – A mini competition under the YPO framework – Enforcement Agency Services 953.

3.4.4. As this service is provided at no cost to the Council there are no benefits from a collaborative approach with other boroughs.

3.4.5. Framework agreements are a simple, low cost and effective method of procurement. The drawback is that they tend to be restricted to a four year maximum term although in this instance this is suitable for the Council's current needs.

3.5. Key Considerations

3.5.1. We will include a requirement to provide social value which may include such things as funding apprenticeship schemes, working with the homeless to provide

jobs and accommodation as well as funding staff days off for charitable activities. Social and added value will be 35% of the evaluation criteria

- 3.5.2. The London Living Wage will apply for debts recovered by Enforcement Agents within the borough. The National Living Wage will apply for debts recovered outside of the borough.
- 3.5.3. Best value will be included by way of added value and additional free services available to the Council as part of the contract, for example, pre-debt cleansing, data analytics, surveys and potentially installation of electric vehicle charge points.
- 3.5.4. The specification and evaluation will have a high focus on environmental sustainability including recovering as many debts via means other than visits (e.g. letters, telephone calls, e-mails) as well as use of electric vehicles including bicycles and scooters for in borough debt recovery (as well as walking).
- 3.5.5. Economic and social sustainability will be managed by way of robust vulnerable customer management offering achievable and affordable payment plans via web portal and app. Vulnerable debtors will be given the opportunity to seek independent advice before cases proceed to recovery. Upon making contact for the first time, the enforcement agent will seek to identify whether a debtor is vulnerable which may involve ongoing mental illness/severe depression, allegations of attempted suicide, long standing health conditions, learning disabilities, terminally ill, recently bereaved, elderly (where the person is unable to deal with their affairs), people with severe physical or mental disabilities, where the debtor or partner is in the final weeks of pregnancy (to be reviewed after the birth), where severe social deprivation is evident or communication difficulties where an interpreter would be useful (profound deafness, blindness or language difficulties).
- 3.5.6. There are no TUPE, pensions or staffing implications. As standard practice at contract hand-over to a new supplier, the Authority would stop passing warrants over to the incumbent contractors 1 month prior to the end of the contract term, in this case, 19th November 2022, to allow the new suppliers to commence the contract with a significant workload. This would fit with the contract time-frames whereby the new supplier would likely commence contract in December 2022.

3.6. Evaluation

- 3.6.1 The evaluation of this will be conducted after a further competition is undertaken under the YPO framework 953. The evaluation criteria is set out below;

- 3.6.2 35% innovation, social and added value
- 3.6.3 15% environmental credentials
- 3.6.4 10% dealing with vulnerable customers
- 3.6.5 10% technology
- 3.6.6 25% maximising collections
- 3.6.7 5% continuous improvement, complaint handling and training
- 3.6.8 The social and added value is likely to consist of access to services such as surveys, pre-debt cleansing (to optimise the recovery rate), data analytics, goods such as electric vehicle charge points, funded apprenticeship schemes and assisting in borough charities, for example, charitable days off and housing, training and employing in borough homeless people. This will represent approx 15% of the value of the contract to the supplier (up from approx 10% under the current arrangement).

3.7. Business risks

- 3.7.1. There is a risk that a significant lapse in contract will result in older warrants being passed to the new suppliers which are likely to be less recoverable. There is a risk of industry challenge to the procurement this is mitigated by the use of a framework and could potentially be avoided if a direct award was made under the framework although this would not ensure the Council achieved the best service with added and social value, therefore it has been decided to tolerate the risk.
 - 3.7.2. There is the opportunity to increase the recovery rate to generate more income. There are also opportunities to provide added value services free to the Council which would otherwise need to be paid for from revenue. There is an opportunity to improve social value with innovative schemes, for example, recruiting and housing the homeless in borough as well as adding additional electric vehicle charge points and also increasing the focus on environmental credentials.
- 3.8.** The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

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

Relevant information	Information/section in report
1. Nature of the service	Procurement Strategy for Parking Debt Recovery Services
2. Estimated value	<p>The estimated value per year is £1,651,376</p> <p>The agreement is proposed to run for a period of 2 years with an optional extension of 1 year plus 1 year.</p> <p>The total contract value to the supplier over a 4 year term is £6,605,504</p>
3. Timetable	<p>September 2022 – approval to tender</p> <p>September/October 2022 – mini competition under framework</p> <p>October/November 2022 – delegated authority to award</p> <p>December 2022/January 2023 – New contract goes live</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Option 1 – Do Nothing This will result in a significant loss of income to the Authority</p> <p>Option 2 – Direct Award This will not achieve any added and social value</p> <p>Option 3 – Full Tender This will be expensive and time consuming and is not likely to result in a better outcome than the recommended option</p> <p>Option 4 – Competition under framework (recommended option)</p>

	This is a simple and cost effective option to achieve the best outcome for the Authority
<p>5. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	<p>There are no LLW implications as most of the enforcement agents will operate outside of London and/or be self- employed. Those within London that are direct employees will receive LLW.</p> <p>There are no TUPE, staffing or other implications as this is a concessions contract</p> <p>35% of the evaluation will be based on social and added value.</p>
6. Award criteria	The award is 100% quality based as fees are set in legislation. See appendix 1
7. Any business risks associated with entering the contract	Generally new contracts require a period to settle in before (in this instance) optimum recovery rates are achieved and improved upon. There is a small risk that the current recovery rates will drop during this period which will affect income, however, this likelihood of this risk is considered low.
8. Any other relevant financial, legal or other considerations.	None

4. Implications

4.1. Financial Implications

4.1.1. The contract is a concession contract at no cost to the council. Based upon current performance it is estimated that the contract will provide a revenue income stream of c.£0.9m per annum over the 4 years of the contract with a supplier value of c.£0.74m per annum. Income generated from parking activities are paid into the ring-fenced Parking Place Reserved Account (PPRA).

4.2. Legal Implications

- 4.2.1 The council has power to enter into the proposed contracts under section 111 of the Local Government Act 1972 and section 1 of the Local Government (Contracts) Act 1997, which enable the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, and to enter contracts accordingly.
- 4.2.2 The proposed contract is Concession Contract subject to the Concession Contracts Regulations 2016 (“the Regulations”) as the total contract value, based on 4 years’ turnover, of £6,605,504 plus VAT exceeds the current relevant statutory threshold of £4,447,448 plus VAT (assuming the VAT rate at 20%).
- 4.2.3 The procurement route of a mini-competition under YPO framework (Enforcement Agency Services 953) is a compliant route to market under the Regulations and under the council’s Procurement Rules.
- 4.2.4 Framework YPO 953 is valid from 1st April 2019 to 31st March 2024 and call-off contracts based on the Framework can validly run for up to 4 years as long as the contracts commence before the Framework itself expires.
- 4.2.5 The value of the proposed contract is above £2m (Revenue) and therefore above the delegated power of the Corporate Director to award under Procurement Rule 18.1.1, unless the Executive grants express delegated power to the Corporate Director for Environment in consultation with the Executive Member for Environment pursuant to the recommendation in this report.
- 4.2.6 This is a Key Decision to be taken by the Executive as the Proper Officer has determined that the decision is financially significant.

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

- 4.3.1. The service is design to operate largely remotely and digitally. However, where visits to properties are necessary the successful supplier will be expected to use electric vehicles (with a minimum requirement that this forms at least 10% of their fleet from contract commencement, to be increased annually) including bicycles and scooters, as well as standard bicycles, public transport and walking in borough. Therefore the environmental impact of the contract and service is considered low.

4.4. Equalities 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. An Equalities Impact Assessment was completed on 05/05/22. The main findings are that this will not negatively impact anyone with protected characteristics. However, those identifying as vulnerable will be given an additional support to manage payments or arrange a payment plan. The full Equalities Impact Assessment is appended.

5. Conclusion and reasons for recommendations

- 5.1. This report recommends agreement for the procurement strategy for the Parking Debt Recovery Service (concession contract) via a framework agreement as this will achieve the best social and added value for the Council. It also recommends delegation of the authority to award the contract to the Corporate Director of Environment in consultation with the Executive Member for Environment, Air Quality and Transport, and for the sign off of the final specification to the Corporate Director of Environment

Appendices:

- Appendix A - EQIA

Background papers:

- None

Final report clearance:

Signed by:



Executive Member for Environment, Air Quality and Transport

Date: 23 August 2022

Report Author: Sara Bailey, Specialist Parking Project Manager
Tel: 07400 286662
Email: sara.bailey@islington.gov.uk

Financial Implications Author: Steve Abbott, Head of Finance
Email: steve.abbott@islington.gov.uk

Legal Implications Author: Clive Sheldon, Senior Lawyer
Tel: 0207 527 2965
Email: clive.sheldon@islington.gov.uk

Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Procurement of Debt Recovery Services
Reference number (if applicable)	
Service Area	Parking
Date screening completed	05/05/22
Screening author name	Sara Bailey
Fairness and Equality team sign off	
Authorising Director/Head of Service name	Rubena Hafizi

Before completing the EQIA Screening Tool please read the guidance and FAQs. For further help and advice please contact equalities@islington.gov.uk.

Please provide a summary of the proposal.

Please outline:

- What are the aims/objectives of this proposal?
- Will this deliver any savings?
- What benefits or change will we see from this proposal?
- Which key groups of people or areas of the borough are involved?

This proposal will ensure that the Council is able to continue to recover unpaid penalty charge notice (PCN - parking fine) debts and provides an income stream of C£900K per annum to the Council. It is a no cost to the Council contract. Additional benefits will include social and added value which represents 35% of the evaluation criteria (the tender evaluation being 100% quality based as the fees are set in law). This is likely to include additional goods and services including paying for apprenticeships within the borough, housing and employing the homeless, staff charitable days off, free data analytics, pre-debt cleansing, surveys and electric vehicle charging points.

The successful suppliers will also be appointed based on their environmental credentials including use of technology and green transport to recover debts.

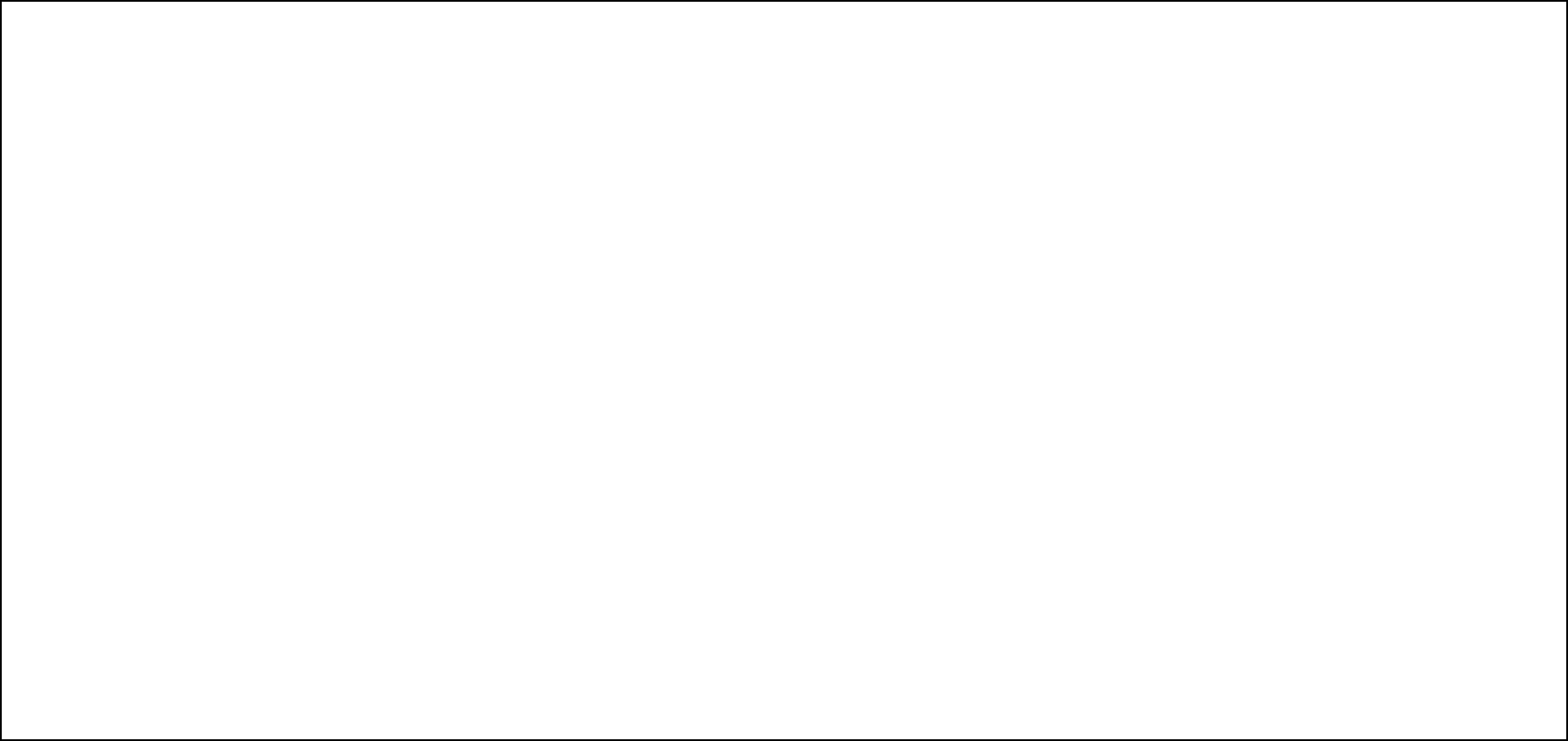
The evaluation criteria will also consider how the suppliers deal with vulnerable debtors although much of this is set out in legislation we will also review how easily a debtor can identify themselves as vulnerable and arrange a payment plan or acquire support from an external agency such as the Citizens Advice Bureau. Payment plans will also be available to set up easily and

quickly via the suppliers portal, with the debtor having the flexibility to set this at a manageable level for them, irrespective of whether they identify as vulnerable.

Economic and social sustainability will be managed by way of robust vulnerable customer management offering achievable and affordable payment plans via web portal and app. Vulnerable debtors will be given the opportunity to seek independent advice before cases proceed to recovery. Upon making contact for the first time, the enforcement agent will seek to identify whether a debtor is vulnerable which may involve ongoing mental illness/severe depression, allegations of attempted suicide, long standing health conditions, learning disabilities, terminally ill, recently bereaved, elderly (where the person is unable to deal with their affairs), people with severe physical or mental disabilities, where the debtor or partner is in the final weeks of pregnancy (to be reviewed after the birth), where severe social deprivation is evident or communication difficulties where an interpreter would be useful (profound deafness, blindness or language difficulties).

It is a very small minority of people within the borough affected. In 21/22 c380,000 PCN's were issued, of which approximately 10% reach the debt recover stage (c38,000) of this only about 20-30% is recovered (c7,600 – c11,400) of which approximately 50% reside outside of the borough (c3,800 – c5,700). These are people that have had several opportunities to make payment of the PCN but have been unable to pay.

The ultimate seizing of goods to recover the unpaid parking debt is a very rare occurrence happening in just 0.5% of the 10% of cases passed to the debt recovery agent (c190).



On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes
Residents	Yes
Businesses	Yes
Visitors to Islington	Yes
Voluntary or community groups	No
Council staff	No
Trade unions	No
Other public sector organisations	No

Group of people	Impacted?
Others	Please specify:

What consultation or engagement has taken place or is planned?

Please outline:

- Which groups or communities you have consulted/plan to consult
- Methods used/will use to engage (for example, focus groups)
- How insight gained from engagement or consultation has been/will be fed into decision making or proposal design

If you have not completed any engagement activity and do not plan to, you should outline why this decision has been made.

This is a contract renewal to ensure continuity of service and income to the Council. There is no requirement to consult with any groups or communities as they are not affected. Two supplier days have been held with the industry.

What impact will this change have on people with protected characteristics and/or from disadvantaged groups?

Of the groups you have identified above, please now indicate the likely impact on people with protected characteristics within these groups by checking the relevant box below. Use the following definitions as a guide:

Neutral – The proposal has no impact on people with the identified protected characteristics

You should then assess whether the negative impact has a low impact, medium impact or high impact. Consider the level and likelihood of impact. Please also think about whether the proposal is likely to be contentious or

perceived as a negative change by certain groups, as this could justify the completion of a full EQIA. See the guidance for help.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	
Disability (include carers)	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	
Race or ethnicity	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	
Religion or belief (include no faith)	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	
Gender and gender reassignment (male, female or non-binary)	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Choose an item.	

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Sex and Sexual Orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	
Other (e.g. people living in poverty, looked after children, people who are homeless or refugees)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Choose an item.	

How do you plan to mitigate negative impacts?

Where there are disproportionate impacts on groups with protected characteristics, please outline:

- The other options that were explored before deciding on this proposal and why they were not pursued
- Action that is being taken to mitigate the negative impacts

Action	Lead	Deadline	Comments

Screening Decision	Outcome
Neutral or Positive – no full EQIA needed*.	Yes
Negative – Low Impact – full EQIA at the service director’s discretion*.	Yes/No
Negative – Medium or High Impact – must complete a full EQIA.	Yes/No
Is a full EQIA required? Service decision:	No

Screening Decision	Outcome
Is a full EQIA required? Fairness and Equality recommendation:	Yes/No

* If a full EQIA is not required, you are still legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please send this completed EQIA Screening Tool to equalities@islington.gov.uk for quality checking by the Fairness and Equality Team.

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Resources Department
Town Hall, Upper Street
London, N1 2UD

Report of: Children's Services Scrutiny Committee

Meeting of: Executive

Date: 1 September 2022

Ward(s): All

Subject: Special Educational Needs and Disabilities (SEND) Transitions – Review of the Children's Services Scrutiny Committee

1. Synopsis

- 1.1. This report requests that the Executive receive the report of the Children's Services Scrutiny Committee following the completion of its review of SEND Transitions. A response to the recommendations set out in the report will be considered at a future meeting of the Executive.

2. Recommendations

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

3. Background

3.1 The review was held between July 2021 and June 2022. The overall aim of the review was to assess the ways in which the council supports young people with SEND and their families at various points of transition: early years to primary school, primary to secondary school, secondary school to the world of work or further education as well as the transition from Children's Services to Adult Social Services, and paying particular attention to the experiences of SEND children (i) with emerging needs at key transition points and (ii) who move between schools outside of expected transition points.

3.2 The Committee also agreed to the following objectives:

- To investigate whether schools and families are properly consulted by the local authority when the local authority is considering their request for a particular school.
- To ascertain whether some mainstream settings are taking significantly more/less children from disadvantaged groups than others and, if this is happening, what impact that has on all stakeholders and what measures the local authority could take to ensure fairness.
- To look at whether where a child attends primary school affects outcomes (for example, in terms of securing earlier diagnosis/support/intervention).
- To evaluate how joined up the local authority is where a child's borough of residence is not the same as the borough where the child goes to school or accesses services.
- To consider the factors that influence parental choice in selecting out-of-borough provision.
- To consider whether young people with SEND are disproportionately NEET, missing in education or permanently excluded and, if they are, what can be done.
- To consider which council services/interventions work well; to identify best practice and to investigate services/interventions which are less successful.
- To look at outcomes for young people with SEND who are experiencing additional disadvantage (e.g., by virtue of (i) being a child at risk, (ii) economic disadvantage, (iii) criminal justice system involvement, or (iv) being missing from care etc).

- To consider the impact of Covid on children with SEND and whether there is a specific recovery strategy for children with SEND, the success of which could be evaluated.

3.3 In undertaking the review, the Committee met with young people with SEND, parents of children with SEND, headteachers, SENCOs, school governors, council officers, support groups, educational psychologists and others to gain a balanced view. The committee surveyed both parents of children with SEND and headteachers, SENCOs, Governors and other professionals. The Committee also visited a mainstream school, special school and a pupil referral unit. In addition, the Committee considered local and national data and a variety of documentary evidence.

4. Implications

4.1. Financial Implications

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

4.2. Legal Implications

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

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

4.3.1 There are no environmental implications or contributions to achieving a net zero carbon Islington by 2030 at this stage. Any environmental implications and contributions to achieving a net zero carbon Islington by 2030 will be identified as part of the Executive Member response.

4.4. Equalities 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. An Equalities Impact Assessment is not required in relation to this report. Any equality impacts will be identified as part of the Executive Member response.

5. Conclusion and reasons for recommendations

- 5.1 Thirty-four recommendations have been made in response to the evidence received. The Committee would like to thank all the witnesses that gave evidence in relation to the review. The Executive is asked to endorse the Committee's recommendations.

Appendices:

- Report of the Children's Services Scrutiny Committee – SEND Transitions

Background papers:

- None

Report Author: Zoe Lewis, Senior Democratic Services Officer
Tel: 020 7527 3486
Email: democracy@islington.gov.uk



ISLINGTON

For a more equal future

Special Education Needs and Disabilities - Transitions



REPORT OF THE CHILDREN'S SERVICES SCRUTINY COMMITTEE – JUNE 2022

Foreword:

Islington Council's vision, articulated in its Corporate Plan¹, is to make Islington a fairer place where everyone, whatever their background, has the same opportunity to reach their potential and enjoy a good quality of life. For Children and Young People this means making the borough the best place for all young people to grow up and lead healthy and independent lives.

In Islington, as elsewhere, the number of children with SEND is rising. Systems and service providers, including the local authority, are facing the dual challenges of rising need and the presentation of significant numbers of children and families for whom multiple and complex disadvantage intersect. The backdrop to these challenges is years of cuts to local authority funding which is why it is unsurprising that nationally and locally, in terms of educational attainment and securing sustainable employment, children and young people with SEND do less well than their peers and, evidence suggest, have been hardest hit by the pandemic.

For these reasons, the Committee decided to make SEND provision the focus of its 2021/22 scrutiny.

Recognising that SEND provision is a huge area and aware of anecdotal evidence suggesting that children and young people with SEND are more likely than their peers to experience difficulties during times of transition, the Committee decided to focus on the ways in which the council supports children and young people with SEND and their families through key changes in their lives.

Committee members undertook visits to mainstream and specialist schools and convened meetings with Headteachers, SENCOs, school governors, council leaders and other professionals as well as meeting with parents of children and adults with SEND and young

¹ Building a Fairer Islington, Our Commitment, 2018-2022

people with SEND themselves. We held meetings in person, online and solicited input via surveys. We interrogated data showing how the cohort of children and young people with SEND is spread through our mixed economy of schools, how the numbers have been increasing over time and the breakdown into different types of educational need and disability.

We recognise that navigating the SEND system presents additional challenges for families from ethnic minority backgrounds and/or those for whom English is not a first language. We were not as successful as we would have liked in capturing voices from these communities and urge Islington Council to redouble efforts to ensure engagement is fully inclusive.

The evidence gathered reveals some excellent work being done by officers and local partners in this field. In fact, during the scrutiny year Ofsted and the Care Quality Commission² carried out a joint inspection and found that the council's leadership in this area is "dedicated and ambitious", focused on continual improvement that "brings together well-established teams across education, health and social care" to ensure children and young people quickly receive the services they need."

However, the Committee believes that Islington Council aspires to do better and that it can do better for our children and young people with SEND.

With that in mind we offer 34 recommendations. Some are general and other pertain to specific areas such as Communication and Education Health and Care Plans. Some recommendations are specific to key transition points (Early Years to primary school, primary to secondary school and secondary school to the world of work or further education). We have also made specific recommendations relating to children with SEND who are in the care of the local authority.

² Ofsted and the Care Quality Commission's joint inspection of the local area of Islington to judge the effectiveness of the area in implementing the SEND reforms as set out in the Children and Families Act 2014 published 21 December 2021.

Towards the end of the municipal year during which the evidence supporting the recommendations contained in this report was gathered, and after years of delay, the government published its green paper³ seeking feedback on its proposals for providing better support for children with SEND. Later this year, the government will publish a national SEND delivery plan.

This means that the road ahead, in terms of central government funding and a national SEND strategy is an uncertain one.

We remain confident that Islington Council will continue to hold the highest aspirations for our children and young people with SEND and will welcome our recommendations and work hard to implement them.

The Committee would like to convey its sincere thanks to the schools that invited us to visit them and to the council officers, teachers, governors, psychologists, and other professionals who provided their expert input.

We are especially grateful to the children and young people with SEND and their parents who shared their lived experiences with us and who offered us their suggestions.

Councillor Sheila Chapman

Chair of the Children's Services Scrutiny Committee

³ SEND Review: Right support, Right place, Right time, Government consultation on the SEND and alternative provision system in England published March 2022 by H M Government

GLOSSARY

ASC	<p>Autistic Spectrum Condition(s)</p> <p>Autistic spectrum condition(s) are characterised by difficulties interacting and communicating. The characteristics of autism can be described as the 'triad of impairment':</p> <ul style="list-style-type: none"> • Socialisation - poor social skills. • Communication - difficulties with speech language and communication. • Imagination - rigid thought and resistance to change. The commonly used terms 'autism' and 'Asperger's syndrome' are autistic spectrum disorders.
CAMHS	<p>Child and Adolescent Mental Health Services</p> <p>Part of the NHS, specialising in providing help and treatment for children and young people with social, emotional and mental health difficulties.</p>
Code of Practice	<p>Statutory guidance for early education settings, schools, local authorities and those that help them, on meeting their responsibilities for children with SEND.</p>
DfE	<p>Department for Education</p> <p>The Department for Education is a ministerial department responsible for education and children's services in England, supported by agencies and public bodies including Ofsted, the Education Funding Agency and the Standards and Testing Agency.</p>
Early Years Settings	<p>Providers who receive government funding to deliver early education including maintained mainstream and special schools, maintained nursery schools, independent schools, non-maintained special schools, local authority day-care providers such as day nurseries and family centres, other registered day-care providers such as pre-schools, playgroups and private day nurseries, and accredited childminders.</p>
EAL	<p>English as an Additional Language</p> <p>Referring to students who were born in Britain for whom English is not the first language at home and for students not born in Britain, having arrived in the country after the acquisition of their first language (typically 5 years old or over).</p>
EHCP, EHC Plan	<p>Education, Health and Care Plan</p> <p>Some children or young people with more complex educational needs receive support through an Education, Health and Care (EHC) plan. An EHC plan is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person to achieve what they want to in their life. The plan is drawn up by the local authority after an EHC needs assessment.</p>

EP	<p>Educational Psychologist</p> <p>Educational psychologists are trained in psychology, pedagogy and child development. They provide advice, consultation and assessment to schools and other settings</p>
Governor	Each school has a board of Governors that is responsible to parents, funders and the community for making sure the school provides a good quality education.
IDLP	<p>Islington Learning Disabilities Partnership</p> <p>Islington Learning Disabilities Partnership works with people affected with learning disabilities.</p>
LA	<p>Local Authority</p> <p>Local government body responsible for providing education and for making statutory assessments and maintaining statutory plans.</p>
LDD	<p>Learning Disabilities and Difficulties</p> <p>A child has learning difficulties if he or she finds it much harder to learn than most children of the same age, or has a disability which prevents them from making use of educational facilities provided.</p>
Local Offer	All Local Authorities must publish a Local Offer. The purpose of the Local Offer is to enable parents and young people to see more clearly what services are available in their area and how to access them. The offer will include provision from birth to 25, across education, health and social care and should be developed in conjunction with children and young people, parents/carers and local services, including schools, colleges, health and social care agencies.
LAC	<p>Looked After Children</p> <p>A child is looked after by a local authority if he or she is in their care or is provided with accommodation for more than 24 hours by the authority.</p>
Mainstream School	A school which is not a special school
MLD	<p>Moderate Learning Difficulties</p> <p>Definitions of Moderate Learning Difficulties vary. However, a common understanding is that there must be substantial difficulties (3+ years below standard progress) in two or more of the following areas: literacy, numeracy, speech and language, social skills, memory, concentration - typically in conjunction with an exceptionally low score on an individual test of intelligence and notable low self-esteem / independence in learning.</p>
NEET	A NEET is a young person who is 'Not in Education, Employment, or Training'.
OFSTED	<p>Office for Standards in Education</p> <p>OFSTED is the inspectorate for children and learners in England and they oversee the quality of the provision of education and care through inspection and regulation. They inspect childcare providers, schools, colleges, children's services, teacher training and youth work.</p>
OT	<p>Occupational Therapist</p> <p>Occupational Therapists see children who have difficulties with practical everyday activities such as dressing, eating, playing with toys etc.</p>
Physiotherapists	Physiotherapists see children who have difficulties with movement (e.g.: walking, kicking a ball). The therapist will assess the child's movements and identify what the physical problems are and then devise a treatment plan.

PMLD	<p>Profound and Multiple Learning Difficulties</p> <p>Children with profound and multiple learning difficulties have severe and complex learning needs, in addition they have other significant difficulties, such as physical disabilities or a sensory impairment. Children require a high level of support, both for their learning needs and also for personal care.</p>
PRU	<p>Pupil Referral Unit</p> <p>Provides education for children who may be out of school for a variety of reasons including exclusion.</p>
SEN	<p>Special Educational Needs</p> <p>Children have special educational needs if they have a learning difficulty which requires special educational provision to be made for them.</p>
SENCO	<p>Special Educational Needs Coordinator</p> <p>The member of staff with responsibility for coordinating special educational provision within a school setting.</p>
SEND	<p>Special Educational Needs and Disability</p>
SEN Support/SEN K	<p>Children who have special needs but do not have an EHCP are entitled to help in school under the SEN Support category</p>
Short Breaks	<p>Short breaks are provided to give children and young people with a disability enjoyable experiences away from their primary carers, helping them to develop their personal and social skills and reducing social isolation. These breaks can include day, evening, overnight and weekend activities and can take place in the child's own home, the home of an approved carer, a residential or community setting.</p>
Social, Emotional and Mental Health needs (SEMH)	<p>Social, emotional and mental health needs are a type of special educational needs in which children/young people have severe difficulties in managing their emotions and behaviour. They often show inappropriate responses and feelings to situations. This means that they may have trouble in building and maintaining relationships with peers and adults; they can also struggle to engage with learning.</p>
Special School	<p>A school which caters for the needs of children with Special Educational Needs.</p>

EXECUTIVE SUMMARY

Special Educational Needs and Disabilities – Transitions

Aim:

To assess the ways in which the council supports young people with SEND and their families at various points of transition: early years to primary school, primary to secondary school, secondary school to the world of work or further education as well as the transition from Children’s Services to Adult Social Services, and paying particular attention to the experiences of SEND children (i) with emerging needs at key transition points and (ii) who move between schools outside of expected transition points.

Evidence:

The Committee commenced the review in July 2021. Evidence was received from a variety of sources:

Visits to:

- New River College – Meeting with Headteacher, Deputy Headteacher, Staff from Outreach Service, Teachers, Acting SENCO, Heads of Centres and three pupils
- The Bridge – Meetings with the Chief Executive Officer, the Head of Primary School and Head of Secondary School plus a tour of the primary and secondary sites
- St Mary Magdalene Academy – Meeting with the Headteacher, Deputy Headteacher, SENCO and Head of Year 7
- North Islington Nursery School – Virtual Meeting with Headteacher and SENCO

Evidence Sessions with:

- Parents of children with SEND
- Parent Carers Forum Chair and colleague
- One of the Youth Councillors
- SENCOs and Headteachers
- SEND Governors

Evidence From Council Officers

- Candy Holder, Head of Pupil Services
- Sue Imbriano – Assistant Director – School Improvement and Pupil Progression
- Charisse Monero, Assistant Director – Commissioning
- Gill Sassienie, Principal Educational Psychologist
- Alan Loivette – SEND Operations Manager
- Matthew Blood, Headteacher of Virtual School
- Brenda Amisi-Hutchinson, Service Manager, Independent Futures
- Karen Gibbings, Head of Service, Children Looked After
- Melanie Davies, Head of Service, Children in Need
- Rodney Gray, Service Manager, Disabled Children’s Team

Surveys

- Survey of Parents and Carers
- Survey of Headteachers, SENCOs, Governors and Professionals

Other Evidence

- The Chair attended a Local Government Association workshop on Political Leadership of Effective SEND systems.
- Members attended a Services Transition Action Group meeting
- Members attended Family Carers Action Group meetings

- The Chair attended a virtual workshop facilitated by Linzi Roberts-Egan, Chief Executive and Cate Duffy, Corporate Director- People for Headteachers about a vision for education, collaborative working and building trust between schools and the local authority

Documentary Evidence

- SEND Parent Forum: <https://centre404.org.uk/wp-content/uploads/2019/02/Parents-Forum-2019.pdf>
- SENDIAS Independent Parent Advice Service: <https://www.family-action.org.uk/what-we-do/children-families/send/islingtonsend/>
- Islington's SEND Local Offer: <https://directory.islington.gov.uk/kb5/islington/directory/localoffer.page?localofferchannelnew=1>
- Ofsted and the Care Quality Commission's joint inspection of the local area of Islington to judge the effectiveness of the area in implementing the SEND reforms as set out in the Children and Families Act 2014 published 21 December 2021.
- SEND Review: Right support, Right place, Right time, Government consultation on the SEND and alternative provision system in England published March 2022 by H M Government
- The Early Years Commission – A Cross-Party Manifesto published July 2021

RECOMMENDATIONS

Communication

- 1) Parents/carers struggle to find out what inclusive events are going on across the borough. The council should raise the profile of its online "Things To Do" calendar for children and their families with SEND⁴.
- 2) Each year there is a SENCO network day when primary and secondary SENCOs come together to share information. It is not limited to Islington schools and out-of-borough receiving schools should be encouraged to attend.
- 3) Islington Council's Local Offer website⁵ (co-produced with parents) is where current information, advice and services for children with SEND can be found. The Council's Corporate Communications Team should work with the Children's Services team to consider how it can better publicise the Local Offer and a translate facility should be made available on the Council's website so that the Local Offer can be accessed by non-English speakers. (See Endnote.)

Education Health and Care Plans

- 4) Islington Council do not require an Educational Psychologist report to be submitted with a request for an EHCP assessment. This is not widely known. The council should communicate this to families and schools thinking about submitting requests.

⁴ <https://directory.islington.gov.uk/kb5/islington/directory/results.page?searchtype=event&activity=10>

⁵ www.islington.gov.uk/localoffer

- 5) Some parents/carers found EHCPs overly long and unwieldy with many strategies and interventions recommended. Every effort should be made to make sure EHCPs are concise and bespoke to individuals.
- 6) Some parents/carers found EHCPs difficult to understand. This is even more difficult for parents for whom English is not a first language. Islington Council should (i) make every effort to use simple, non-technical language and provide explanations of words/phrases not in common use and (ii) offer workshops to parents of children with EHCPs to explain the process and answer questions.

Transition: from Early Years to Primary School

- 7) Islington Council should continue its ongoing work with a group of Headteachers to establish a protocol to ensure that children with SEND not known to services are identified as early as possible so that the relevant early years setting can be informed.
- 8) Primary schools sometimes receive no prior notice that a child with SEND is about to join. Sometimes information is provided but it is incomplete or provided very late. This makes it difficult for the receiving school to plan appropriately. The council should create a "transitions toolkit" to provide guidance to early years settings of what information about a child with SEND should be provided to the primary school the child is moving to. The toolkit should set out best practice in terms of what information should be provided, when and in what format.

Transition: from Primary School to Secondary School

- 9) Similar to recommendation [8] above, there should be a "transitions toolkit" for children with SEND moving from primary to secondary school.

- 10) Islington Council should promote the guidance set out in its *Transition Good Practice* booklet which sets out expectations of schools to ensure there is a consistent transition offer.

Transition: Secondary School to Education, Employment, Training Opportunities and Adult Services

- 11) Islington Council and Islington secondary schools should ensure that all partners work together to consistently begin joint planning for this important transition for children with SEND when the child is 14 years old.
- 12) For any child with SEND who has a social worker, a Transitions team member should attend the annual review that takes place when the child is in Year 9.
- 13) The council should develop a specific strategy to support young people with SEND who are transitioning from Pupil Referral Units and alternate provision into Education, Employment or Training opportunities.
- 14) Islington Council should work with City and Islington college and with young people and their families to ensure that the college is meeting the needs of young people with SEND and providing what is required by their EHCPs.
- 15) Islington Council should undertake a longitudinal study of a subset of young people at 1 year, 2 year and 5 years after completion of the Progression to Adulthood programme to measure the long-term success of the programme.
- 16) Islington Council should consider becoming a Business Partner in Supported Internships.

- 17) Members heard the council had a supported employment programme and as part of this disability-friendly jobs were created or found and a disability-friendly recruitment process was used to fill the roles. This had stalled during lockdown as it was not possible to operate the programme virtually. The council should restart the programme as soon as possible.

Transition: General

- 18) Islington Council should support schools to establish electronic databases to store reports prepared in respect of children with SEND. There should be a specified day each year when all such reports are transferred electronically to the receiving school.

Other

- 19) Islington Council should complete the audit of school buildings currently underway, so that improvements to create a more SEND-supportive schools' estate in the borough can be planned and prioritised, as and when funding becomes available.
- 20) When any physical space intended for use by children and young people is being designed, commissioned, or refurbished, Islington Council should ensure that the space is as inclusive as possible.
- 21) To embed inclusion, Islington Council should work with schools to ensure all teachers and not just SENCOs, understand attachment theory and trauma informed approaches.
- 22) During the covid pandemic some services stopped visiting schools. All services should return to in-person delivery as soon as feasible.

- 23) On a visit to The Bridge it was noted that the swimming pool at Beacon High next door was not available to be used by students at The Bridge. The possibility of offering sessions to students the Bridge should be explored by Islington Council.

Looked After Children

- 24) Islington Council should produce local guidance outlining guiding principles it will use and that it will encourage other local authorities to subscribe to in respect of looked after children with EHCPs. Such local guidance should set out the circumstances in which Islington Council will retain responsibility for an EHCP in respect of a child who is moving to another authority.
- 25) Islington Council should consider whether all young people entering care should be assessed for SEND screening.
- 26) In relation to a child not in a stable placement, Islington Council should liaise with the relevant Clinical Commissioning Group with a view to an Islington mental health professional being allocated to that child, if appropriate, until the child is in a stable placement.
- 27) Islington Council should roll out the Progression to Adulthood framework in Adult Services.

Support for Families

- 28) Members heard that there is currently one disability swim session per week at one swimming pool in Islington for children with SEND and their families. Islington Council should extend this model across all Islington swimming pools and leisure facilities such as trampoline parks, adventure playgrounds and encourage cinemas to provide viewings for SEND children and their families.

- 29) Islington Council should promote more social events for adolescents and young adults with SEND.
- 30) The SEND Parent and Carers Forum already exists but consideration should be given by Islington Council as to (i) how to make more families aware of its existence and (ii) how the Forum can help fathers and siblings connect with each other.
- 31) Members heard that in general, parents welcomed social care assessments to look at the needs of the whole family. However, consideration should be given to the wording of the form to ensure that it is not the same as is used in the context of child protection.
- 32) Members were advised that the wording of the short breaks form currently referred to "severe and complex needs" which could prevent some entitled families from completing the form. Islington Council should therefore review the wording of the form.
- 33) Some Islington Council and Islington School SEND support groups had stopped meeting due to the Covid pandemic and where possible these groups should be restarted post-Covid.
- 34) Members heard that there was a Camden transition pack that Islington might be able to learn from. The Council should work with the Family Carers Action Group to produce transition packs including case studies of families of children with SEND who were willing to share their stories. This would enable parents and carers to imagine future options for their child and help them gain knowledge from others who had been in similar situations. Work should also take place to distribute packs more widely.

Endnote

The Local Offer Website contains current information, advice and services for children with SEND. Below are some areas that are covered on the Local Offer Website but that some parents were struggling to get information on.

- Islington SEND Community Support Service:
<https://directory.islington.gov.uk/kb5/islington/directory/service.page?id=W3osEWwjFGk>
- Education, Health and Care Assessment – Parent Carers Guide:
<https://directory.islington.gov.uk/kb5/islington/directory/advice.page?id=HtotHWNAyCU>
- Education information required by the Local Authority to consider an EHC needs assessment request:
<https://directory.islington.gov.uk/kb5/islington/directory/advice.page?id=0-u9y7LcyGs>
- It is important parents/carers are aware of the site and that is available in different languages.

CHILDREN'S SERVICES SCRUTINY COMMITTEE

MEMBERSHIP – 2021/22

Councillors:

Councillor Sheila Chapman

Councillor Kadeema Woodbyrne (Vice-Chair)

Councillor Santiago Bell-Bradford

Councillor Janet Burgess MBE

Councillor Paul Convery

Councillor Toby North

Councillor Gulcin Ozdemir

Councillor John Woolf

Co-opted Members:

Claire Ballak, Parent Governor Representative (Primary)
(Until October 2021)

Mary Clement – Roman Catholic Diocese Representative

Zaleera Wallace, Parent Governor Representative (Secondary)

Acknowledgements:

The Committee would like to thank all the witnesses who gave evidence to the review.

Officer Support:

Candy Holder – Head of Pupil Services

Sue Imbriano – Assistant Director – School Improvement and Pupil Progression

Zoe Lewis – Senior Democratic Services Office

1. INTRODUCTION

- 1.1 The review took place between July 2021 and March 2022. The overall aim was to assess the ways in which the council supports young people with SEND and their families at various points of transition: early years to primary school, primary to secondary school, secondary school to the world of work or further education as well, as the transition from Children’s Services to Adult Social Services, and paying particular attention to the experiences of SEND children (i) with emerging needs at key transition points and (ii) who move between schools outside of expected transition points.
- 1.2 The Committee also agreed to the following objectives:
- To investigate whether schools and families are properly consulted by the local authority when the local authority is considering their request for a particular school.
 - To ascertain whether some mainstream settings are taking significantly more/less children from disadvantaged groups than others and, if this is happening, what impact that has on all stakeholders and what measures the local authority could take to ensure fairness.
 - To look at whether where a child attends primary school affects outcomes (for example, in terms of securing earlier diagnosis/support/intervention).
 - To evaluate how joined up the local authority is where a child’s borough of residence is not the same as the borough where the child goes to school or accesses services.
 - To consider the factors that influence parental choice in selecting out-of-borough provision.
 - To consider whether young people with SEND are disproportionately NEET, missing in education or permanently excluded and, if they are, what can be done.
 - To consider which council services/interventions work well; to identify best practice and to investigate services/interventions which are less successful.

- To look at outcomes for young people with SEND who are experiencing additional disadvantage (e.g., by virtue of (i) being a child at risk, (ii) economic disadvantage, (iii) criminal justice system involvement, or (iv) being missing from care etc).
- To consider the impact of Covid on children with SEND and whether there is a specific recovery strategy for children with SEND, the success of which could be evaluated.

1.3 In undertaking the review, the Committee met with young people with SEND, parents of children with SEND, headteachers, SENCOs, school governors, council officers, support groups, educational psychologists and others to gain a balanced view. The committee surveyed both parents of children with SEND and headteachers, SENCOs, Governors and other professionals. The Committee also visited a mainstream school, special school and a pupil referral unit. In addition, the Committee considered local and national data and a variety of documentary evidence.

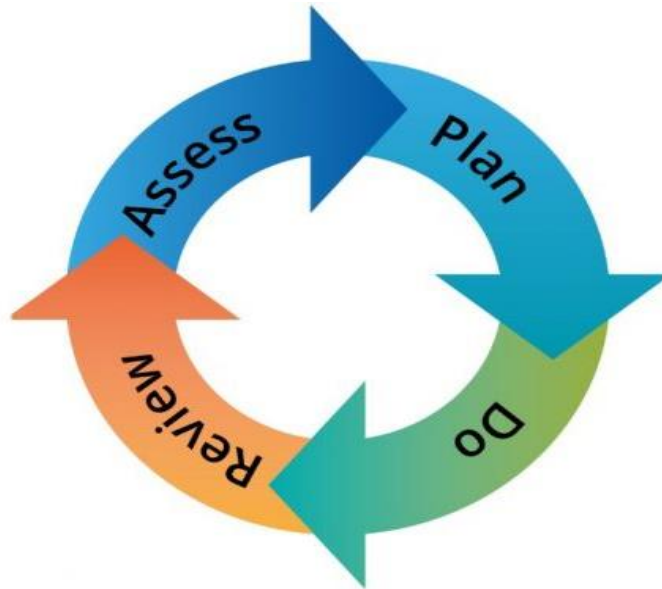


2. THE NATIONAL CONTEXT

THE SEND CODE OF PRACTICE

- 2.1 The SEND Code of Practice, which applies to all children and young people with SEND age 0-25, provides statutory guidance on duties, policies and procedures relating to the Children and Families Act 2014. Where the Code includes the word 'must' it refers to a statutory requirement under primary legislation, regulations, or case law.
- 2.2 The key principles of the Code are: 1) Full participation of parents, children and young people in assessment, planning and review, 2) Collaboration between Education, Health and Care Services, 3) A focus on inclusive practice and 4) Supporting successful transition to adulthood.
- 2.3 All relevant bodies (including local authorities, governing bodies and all schools and settings) must fulfill their statutory duties towards children and young people with SEND in light of the guidance set out in the Code.
- 2.4 When considering an appeal from a parent or young person, the First-tier Tribunal (SEND) ('the Tribunal') must have regard to the Code of Practice. The Tribunal expected Local Authorities and schools to be able to explain any departure from the Code.
- 2.5 The Children and Families Act 2014 secured the general presumption in law of mainstream education in relation to decisions about where children and young people with SEND should be educated, and the Equality Act 2010 provided protection from discrimination for disabled people.
- 2.6 Where a child or young person has SEND but does not have an Education, Health and Care Plan (EHCP) they must be educated in a mainstream setting.

- 2.7 The School Admissions Code of Practice requires children and young people with SEND to be treated fairly. Admissions authorities: 1) must consider applications from parents of children with SEND but not an EHCP on the basis of the school's published admissions criteria as part of normal admissions procedures; 2) must not refuse to admit a child with SEND but without an EHCP because they do not feel able to cater for those needs; 3) must not refuse to admit a child on the grounds that they do not have an EHCP.
- 2.8 Where a child or young person has an EHCP, the child's parent (or the young person over the age of 16) has the right to request a particular school / college (including an independent school) be named in their EHCP. Where this happens, the local authority must comply with that preference and name the school or college in the EHCP unless it would be unsuitable for the age, ability, aptitude or SEND of the child or young person, or the attendance of the child or young person would be incompatible with the efficient education of others, or the efficient use of resources. The local authority must consult the school or college concerned and consider their comments before deciding whether to name it in the child or young person's EHCP. Where a parent or young person does not make a request for a particular school or college, the local authority must specify mainstream provision in the EHCP. Mainstream education cannot be refused by a local authority on the grounds that it is not suitable. A local authority can rely on the exception of incompatibility with the efficient education of others only if it can show that there are no reasonable steps it could take to prevent that incompatibility. The SEND Code of Practice sets out in some detail with examples, what 'reasonable steps' might look like in paragraphs 9.91 to 9.94.
- 2.9 In mainstream schools, school-based provision is called SEND Support. Schools are expected to follow a 'graduated approach' to SEND Support intervention that takes the form of cycles of 'assess, plan, do, review' as an ongoing process to make sure provision is meeting identified needs. They should also consult relevant external agencies, make use of assessment tools and materials, record observations and evidence of progress.



- 2.10 For children with significant or complex needs, where levels of support and intervention do not lead to expected progress, schools or parents can request a statutory Education Health and Care assessment. If needs are assessed as beyond a level that can be met from resources normally available to schools, an EHCP may be issued.
- 2.11. The national model has three levels of funding for SEND, with Elements 1 and 2 paid through school budgets, and Element 3 directly from the local authority. All schools receive funding for each pupil as part of their delegated funding - the Age Weighted Pupil Unit (AWPU) or Element 1. Support which is in addition to/different from the general is covered by another source of funding which is part of a school's delegated budget, known as Element 2. For children with more complex needs, Element 3 'top-up' funding (i.e. to top up already available Element 1 and 2) funding is managed by the local authority, normally through an EHCP.
- 2.12 The government refreshed the national strategy for improving the lives of autistic people and their families (published in July 2021) and has for the first time extended its scope to include children and young people. The revised strategy also takes account of the impact of the COVID-19 pandemic on people with Autism, backed by research from the Policy Innovation and Evaluation Research Unit (LSE) ([Autistic People's Experiences During the Pandemic](#)) and by the National Autistic Society and others ([Left Stranded](#)) which confirmed the view that the pandemic has exacerbated challenges many autistic

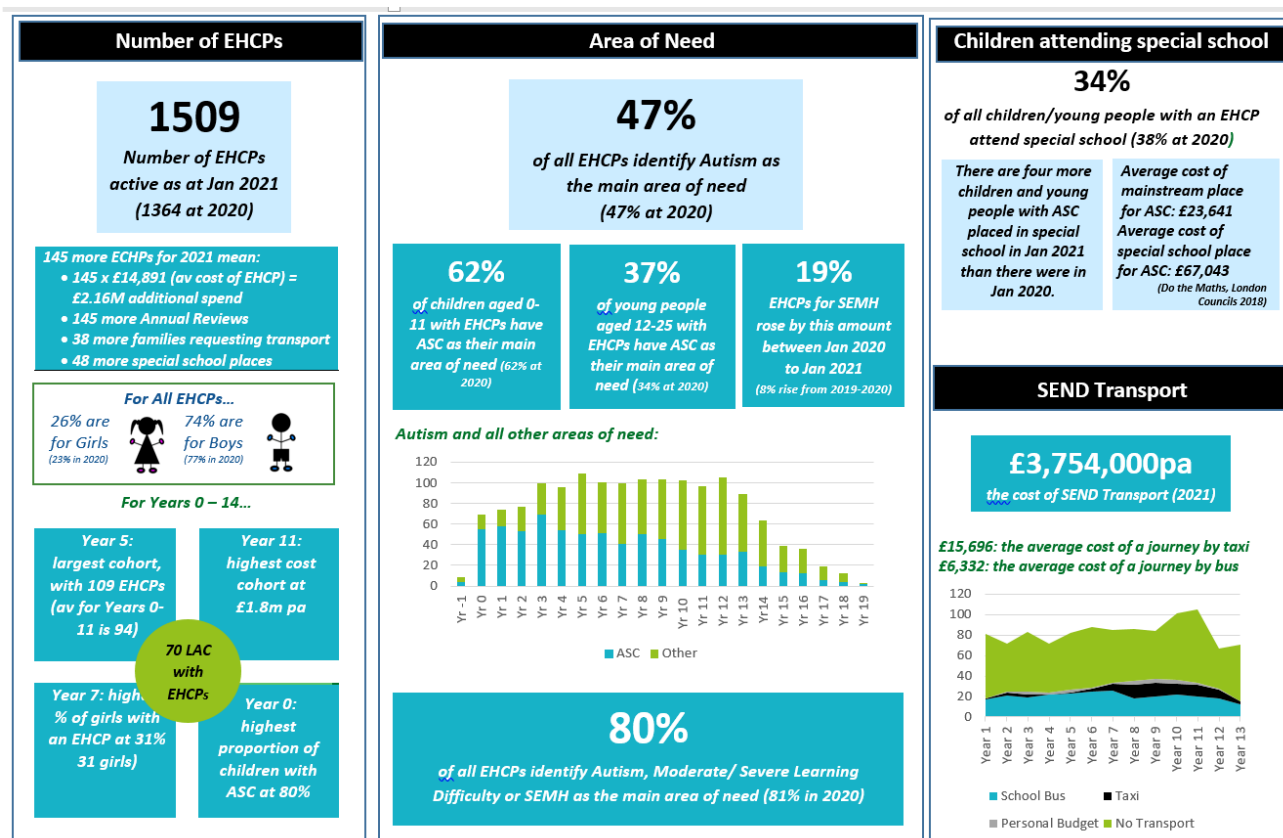
people already face, such as loneliness, social isolation and anxiety, with those with higher support needs, autistic women and non-binary people particularly impacted. The changes include:

- 1) Improving autistic children and young people's access to education and supporting positive transitions into adulthood.
- 2) Supporting more autistic people into employment.



3. THE LOCAL CONTEXT

Statistics



- 3.1 Candy Holder, Head of Pupil Services gave a presentation outlining the statistics.
- 3.2 The Committee heard that there are currently 1,509 children with an EHCP, 178 of whom have no additional education top up. Of the remaining 1331, the total Islington cost (mainstream & special) is £14,609,451. This relates to 991 children/young people at an average cost of £14,742 per pupil and the total out-of-borough cost (mainstream & special) is £5,225,996. This related to 334 children/young people at an average cost of £15,515 per pupil. Of these 334 children/young people, 44 (13%) are Looked After Children at a cost of £775,993 (£17,634 average cost per pupil) and 140 (41%) are in Further Education.

- 3.3 Of the 255 children/young people in out-of-borough mainstream education, 117 (around 50%) are in Further Education colleges. Of the £2,383,607 spent on out-of-borough special provision, 31 children/young people (2%) are in independent schools at a cost of £1,164,565 with an average cost of £35,566 per pupil). Islington's spend is lower than comparators.
- 3.4 Of those in out-of-borough (mainstream and special provision) 193 (57%) are attending school / college in adjacent boroughs (Camden, Hackney, Haringey). Another 44 (13%) are Looked After Children. 22% of Islington resident children/young people with SEND attend schools out of borough. 25% of non-SEND children/young people attend schools out of borough.
- 3.5 40 county councils in England are warning of a £1.3bn SEND deficit which threatens to derail their finances and undermine capacity to support recovery efforts after the pandemic.
- 3.6 There is disparity between boys and girls with autism. Islington's average of girls to boys is better than the national average. However, often girls present as adolescents and sometimes this manifests as self-harming or eating disorders.
- 3.7 The demand on services will become greater in the future with higher rates of autism in the primary cohort and a larger cohort at primary level. There are approximately 120 children with autism in each year at primary level.
- 3.8 There is a disproportionately high number of Black African children who have EHCPs at primary school and this reverses at secondary school. There is double the average number of EHCPs amongst Black Somali young people. Work is taking place with Somali groups and consideration is being given to whether diagnostic tools are accurate. It is recognised that trauma and inherited trauma could be factors in the overrepresentation.
- 3.9 It is anticipated, based on a three year trend, that next year there will be an additional 40 children with SEMH needs. There has also been a significant increase in those with

Autism. There are more children entering the system than there are exiting it. Health colleagues have advised that it currently takes 2.5 years for an autism diagnosis. There is a broad Autism spectrum, with some children requiring minimal support and others having complex needs.

- 3.10 During covid only 50% of EHCPs were issued in the 20-week timeframe due to prioritisation of other areas e.g. food supplies to families. Since then, the figures have been on track and are currently at 80%. Sometimes delays occur when parents want more advice or are waiting for health assessments.



The Local Offer

- 3.11 Candy Holder, Head of Pupil Services gave a presentation on the Local Offer which includes schools for physical and sensory need, SEMH, communication and interaction and learning and cognition. Where a child has more specialist needs, these may be provided out of borough.
- 3.12 Islington had 'SEN Support in Islington' handbooks for: 1) the Early Years and Primary Local Offer, 2) Secondary and Post 16 Local Offer, 3) Advice, Guidance and Expectations and 4) Behaviour.



- 3.13 The council recognises that all children might need support at some time to enjoy the new opportunities and meet the challenges they face as they move through different stages of their life. Some children and young people, including those with SEND are likely to need more support however, particularly at key transition times.
- 3.14 The four over-arching principles of guidance are: 1) the effective planning to support children and young people and their families in managing change; 2) the engagement and participation of children and young people and their families in assessment, planning and review; 3) ensuring information exchange – with children and young people and their parents as well as across services and between institutions; and 4) effective commissioning to ensure the right provision and support is in place for the right children at the right time – this sometimes means conversations about funding has to take place with parents.
- 3.15 A SEND Strategy 2018-21 is being updated. Islington is looking again at SEND funding arrangements through a SEND Review to see how 'front load' funding for predicted intake could be improved. In the meantime, schools can apply for exceptional needs funding in individual / unforeseen circumstances. As part of the work Children's Services is undertaking, a survey of Headteachers had been undertaken. Some respondents stated that they were at capacity but with the right vision they could do more. Spending had been contained through the existing budget and there was an extra £4m this year which will be directed to where it will be most effective. Officers had discussed other funding models with other boroughs. If the second tier of funding was front-loaded, this would give schools greater flexibility and mean resources could be moved to where most needed. Formal consultation would take place but it was expected that schools would formally support the change.
- 3.16 It was important to create a local system that could be trusted. There was a need to look at provision due to increased need and complexity. There was also a need for inclusive practice as this was not currently fully embedded across all settings. Fairness and equity were therefore of high priority in considering whether the system could be funded differently.

- 3.17 Culture, ethos and philosophy were important. It would be a challenge to ensure consistency of practice across provisions, but work would be taking place on this.
- 3.18 There were many transition points and parents are often of the view that they are always in some type of transition. Transitions are more complex where a child moves in or out of borough. Moving from mainstream to a special school or vice versa is often a difficult transition to support.

OFSTED SEND Inspection

- 3.19 The recent SEND Inspection has been long awaited. The new inspection regime had been introduced in 2015 to see how well the 2014 reforms have been embedded and this was the first Islington inspection under the regime. The introduction of EHCPs was one of the 2014 reforms. Islington Council had passed the inspection.
- 3.20 The inspection was a rigorous process. There were five inspectors for four days. Their work included meetings with focus groups, interviews with parents and they also undertook a parent survey. They also visited seven schools which were randomly selected by Ofsted. There was a focus on self-evaluation and whether this was accurate. The results of the inspection were published in January 2022 and can be found at [Ofsted | London Borough of Islington](#)

4. TRANSITION FROM EARLY YEARS TO PRIMARY SCHOOL



- 4.1 In a presentation on transitions, Candy Holder, Head of Pupil Services and Sue Imbriano, Assistant Director – School Improvement and Pupil Progression reported on transitions from early years to primary schools.
- 4.2 Members were advised that children with SEND are supported across the Early Years provision by well trained staff, with advice and guidance from Area SENCOs, Educational Psychologists, CAMHS, therapists and other support services. There are also 36 specialist (additionally resourced) places across Early Years Settings and Early Years Providers could also apply for additional funding to put in place additional support for identified children. It is important to identify children with SEND as early as possible.
- 4.3 Early years, the SEND Team and Health colleagues work closely together to identify those children who might have SEND that would require support over and above what is

normally available, and therefore might need an EHCP to support them when they transfer to school.

- 4.4 Transition is carefully planned and managed between the Early Years provider and destination school, with support from the Area SENCO Team. This will normally include an exchange of information, visits and joint planning that fully involves parents and carers. For those children who might require an EHCP, every effort is made to ensure this is in place before the transition to school so that the school has a clear understanding of needs, outcomes and provision for that child as well as any necessary top-up funding assessed to support the delivery of the plan. The school will always be consulted before they are named in a plan, but the local authority has to comply with parental preference unless there is concrete evidence that this would not be compatible with the efficient use of resource or the education of others.
- 4.5 Challenges in Early Years to Primary Transition include a rapid increase in the number and complexity of children with SEND in Early Years. This has led to more demand for specialist places at transition, which has both immediate and longer-term implications for the Local Offer. 25 additional places have been made available at The Bridge Special School (for children with Autism) from September 2021, while longer-term solutions are being considered through the current SEND Review. All schools are seeing a higher number of children with EHCPs and SEND Support needs across Key Stage 1, and for a small number of mainstream schools, 10% or more of children in one class have complex needs.

Transition From Early Years To Primary School -

Good Practice Identified In The Discussion with North Islington Nursery School and the Discussions with Headteachers, SENCOs and SEND Governors

- Primary School SENCOS offering tours for prospective parents.
- Early Years Settings holding information meetings for parents about transitioning and assisting parents with completing forms and providing a checklist of questions they could ask prospective primary schools.
- Early Years Settings starting the EHCP process where appropriate, so children receive them as early as possible.
- Early communication between Early Years Settings and primary schools once it is known which primary school a child will attend. This could include staff from the primary school visiting the Early Years Setting.
- Schools providing transition booklets.

5. TRANSITION FROM PRIMARY SCHOOL TO SECONDARY SCHOOL



- 5.1 In a presentation on Transitions, Candy Holder, Head of Pupil Services and Sue Imbriano, Assistant Director – School Improvement and Pupil Progression reported on transitions from primary school to secondary school.
- 5.2 The Committee heard that to support primary to secondary transition, the primary school should share information with the secondary school the child or young person is moving to. This is achieved in a number of ways including visits, through review meetings and/or at an annual SENCO conference organised by the local authority. There are some examples of good practice in Islington schools, e.g. one secondary school has all children with SEND in attendance for a week before term starts to enable them to get the know the building, rules and the staff who will be supporting them. The school should agree with parents and pupils the information to be shared as part of the planning process.
- 5.3 For children with an EHCP, the plan must be reviewed and amended by 15 February in the calendar year of the transfer. The SEND Team has an officer dedicated to secondary transfer who guides parents through the process.

- 5.4 Each secondary transfer cohort includes approximately 100 children. Parents are encouraged to identify more than one preference. Where the parents' preferred school is not named in the plan, the parents have the right of appeal to the independent First Tier (SEND) Tribunal. Within the context of the requirements of the Code of Practice, the SEND Team keeps oversight of parental choice to identify any school that has a disproportionately high number of EHCP preferences. In such cases, and where the school may not be the closest to the home address, consideration is given to whether naming the school will be compatible with the efficient use of resource or the efficient education of others, although the burden of proof on this is high.
- 5.5 Challenges in primary to secondary transitions includes: 1) Different schools operate different practice in transition arrangements; 2) Despite the good transition practice, the majority of schools (Islington and out-of-borough) respond negatively to the initial consultation (which normally takes place in early January); 3) Parents may not give consent to information sharing; 4) Children with an EHCP receive confirmation of the school named in their plan by 15 February while all other children receive their offer on 1 March; 5) The First Tier (SEND) Tribunal found in favour of Local Authorities who did not name the parents preferred school for only 8% of cases; 6) Some Islington secondary schools feel that that decision making regarding placement of children is not transparent or fair. For the 2021 exercise, secondary school SENCOs were invited to join officers when they considered the cohort, preferences and placement. In the current cycle, 50% of preferences have been received and there have been 18 requests for one special school with only six places available; 7) Where a parent identifies an out-of-borough school, not only must the school be consulted, but also the home local authority for that school. This could make negotiations more challenging. Similarly, other Local Authorities must consult Islington before naming an Islington school for one of their residents and this also had to be taken into account in planning.

Transition from Primary School to Secondary School -

Current Good Practice Identified In The Discussions with Headteachers, SENCOs, SEND Governors and the visits to New River College (NRC), The Bridge and St Mary Magdalene Academy

- The boroughwide SENCO network day when primary and secondary SENCOs came together to share information.
- Staff from secondary schools visiting primary schools.
- Secondary schools offering parent and child tours and taster days.
- Secondary schools offering activities in the summer holidays for those transitioning.
- Secondary schools using pupil passports, directed by children and their families to aid transition.
- Often pupils at New River College were dual registered so that if transition to another school was unsuccessful, the pupil could easily return to New River College. This also meant New River College could keep exam results of the children which removes a disincentive for mainstream schools who are concerned about exam league tables.
- Close working with parents.
- Parents being assisted to complete paperwork, meet teachers, staff and therapists.
- Schools providing transitions booklets.
- Children being placed with the right guardian/form tutor for their needs and being allocated a named keyworker who would meet them a couple of times a week.

6. TRANSITION FROM SECONDARY SCHOOL TO EDUCATION, EMPLOYMENT, TRAINING OPPORTUNITIES AND ADULT SERVICES



- 6.1 In a presentation on Transitions, Candy Holder, Head of Pupil Services and Sue Imbriano, Assistant Director – School Improvement and Pupil Progression reported on transitions from secondary school to education, employment, training opportunities and adult services.
- 6.2 In relation to the Transition to Adulthood, the Code of Practice expects that high aspirations about employment, independent living and community participation should be developed from the earliest possible stage. It also expects schools to seek partnerships with employment services, businesses, housing agencies, disability organisations and arts and sports groups, to help children understand what is available to them as they get older, and what is possible for them to achieve.
- 6.3 Local authorities are required to ensure for those with SEND that the relevant services are in place to help prepare the young people for adulthood. These might include housing services, adult social care and employment. There are good examples of these relationships through Islington’s special schools and New River College (PRU),

supported by wider Council services such as iWork, iSet (Islington Supported Employment Team) and the *100 hours of Work* initiative. New River College had won a national award for their career's advice.

- 6.4 For teenagers, preparation for adult life should become a more explicit element of their planning and support, focused on what they want to achieve and the best way to support them. Considering the right post-16 option is part of this planning. Local authorities have a range of other duties which are particularly relevant to this area, including: 1) to offer advice and information directly to young people over the age of 16 together with health services, to make joint commissioning arrangements about the education, health and care provision of children and young people to secure positive adult outcomes, 2) to co-operate with Further Education colleges, sixth-form colleges, 16-19 academies and independent specialist colleges; 3) to include in the Local Offer provision which will help children and young people prepare for adulthood and independent living. Also, EHCPs cover Education, Health and Care, so that transition to adult health and where necessary, social care services is also a very important part of this planning.
- 6.5 Maintained schools and PRUs have a statutory duty (section 42A of the Education Act 1997) to ensure all pupils from Year 8 until Year 13 are provided with independent careers guidance. Academies, including 16-19 academies, and free schools are subject to this duty through their Funding Agreements. All young people should be helped to develop the skills and experience, and achieve the qualifications they need, to succeed in their careers, with the expectation that the vast majority of young people with SEND are capable of sustainable paid employment. All professionals working with them should share that presumption.
- 6.6 One of the most effective ways to prepare young people with SEND for employment is through work-based learning that enables them to have first-hand experience of work, such as: 1) Apprenticeships: paid jobs that incorporate training, leading to nationally recognised qualifications. Young people with EHCP can retain their plan when on an apprenticeship; 2) Traineeships: Education and training programmes with work experience, focused on giving young people the skills and experience they need to help

them compete for an apprenticeship or other jobs; 3) Supported internships: Structured study programmes for young people with an EHCP, based primarily with an employer. Internships normally last for a year and include extended unpaid work placements for at least six months. Wherever possible, they support the young person to move into paid employment at the end of the programme. Young people with EHCP retain their plan when undertaking a supported internship. Local examples include Project Search Whittington Hospital – in conjunction with Ambitious College (for young people with autism), Project Search Moorfields (for young people with learning difficulties and/or autism). These opportunities are in a range of areas such as IT, catering, engineering and maintenance. The potential employment opportunities at the council and its partner organisations are vast.

- 6.7 Local authorities must ensure that the EHCP review at Year 9, and every review thereafter, includes a focus on preparing for adulthood.
- 6.8 Preparing for adulthood planning in the review of the EHCP includes: 1) support to prepare for further education and/or employment to include identifying appropriate post-16 pathways, training options such as supported internships, apprenticeships and traineeships, or support for setting up businesses. Reviews cover support in finding a job, learning how to do a job (e.g. through work experience opportunities) and help in understanding any welfare benefits that might be available; 2) support to prepare for independent living including discussing where the child or young person wants to live in the future, who they want to live with and what support they will need; 3) support in maintaining good health in adult life, including effective planning with health services regarding the transition from specialist paediatric services to adult health care; 4) support in participating in society, including understanding mobility and transport support, and how to find out about social and community activities, and in developing and maintaining friendships and relationships; 4) the review should identify the support the child or young person needs to achieve these aspirations and should also identify the components that should be included in their study programme to best prepare them for adult life; 5) For young people moving from secondary school to a post-16 institution or apprenticeship, the review and amendments to the EHCP must be completed by the 31 March in the calendar year of the transfer.

- 6.9 The Islington Multi-Agency Progression to Adulthood protocol set out the role of each agency and processes for accessing support for those transitioning to adulthood.
- 6.10 There was a Progression to Adulthood Programme of Work which included work in relation to goals and aspirations (education, employment and training), independent living, health and wellbeing, health and wellbeing and community cohesion.

Transition from Secondary School to Education, Employment, Training Opportunities and Adult Services -

Good Practice Identified in the visits to New River College, The Bridge and St Mary Magdalene Academy

- A focus on independence skills
- Work experience and visits to workplaces
- Parents being involved in transition pathways discussions once their child was 14.
- Supporting Year 10 and 11 pupils to make college applications and help with career progression.

7. WORK BEING UNDERTAKEN ACROSS THE COUNCIL

Progression to Adulthood Programme

- 7.1 Charisse Monero, Assistant Director – Commissioning gave a presentation on Progression to Adulthood.
- 7.2 The Progression to Adulthood (PTA) Strategy was developed in 2019/2020 and was a joint strategy between Children’s Services and Adult Social Services. The Strategy set out a range of needs, aims and aspirations to support and improve how young people with SEND are enabled to progress into adulthood. This included goals and aspirations, information, health and wellbeing, housing, and data and commissioning. A Programme Board has been established to oversee the strategic direction, delivery and implementation of the PTA programme.
- 7.3 A programme of work was devised to realise the PTA Strategy. Key workstreams were: 1) Health and wellbeing; 2) Independent living; 3) Community inclusion; and 4) Goals and aspirations (education, training and employment). The PTA service was being developed to make it impactful for those making the transition. Overall good progress has been made in ensuring young people making the transition are supported.
- 7.4 A pilot scheme was established to proactively undertake care act assessment and provide transition support for young people with: 1) SEMH needs; 2) Autistic spectrum conditions; 3) Sensory needs; 4) Complex health needs. The pilot started in December 2020/January 2021 and was funded for a year.
- 7.5 Collaborative working had been strengthened across Children’s Services and Adult Social Care to ensure young people that would otherwise ‘fall through the gaps’ are being supported. The PTA services has enabled timely assessments for young people with complex mental health needs, preventing escalation, and higher costs in the future and

boosted the confidence of young people as well as enabled stability and supported employment outcomes and signposted families to services.

- 7.6 10 young people who had participated in the PTA pilot scheme were sampled to understand impact. These had identified positive working relationships with young people and their new practitioners/social workers. The team had undertaken mental health capacity assessments, put in place deprivation of liberty safeguards and ensured there was a full range of PTA outcomes for young people including housing, education/training/employment, health and community inclusion.
- 7.7 Young people and their families had stated that: 1) the team had helped with education independence, helped to work on CVs and guidance towards employment and college; 2) assessment of need was very good; 3) having someone to turn to and pick up pieces was really important and; 4) parents found carer assessment really helpful.
- 7.8 Areas for development were: 1) assessments as there was some frustration at the number of assessments; 2) strengthening joint working between services and collaborating earlier to enable earlier intervention.
- 7.9 The plan for the next 12 months included; 1) developing relationships with the wider system; 2) strengthening the partnership with the leaving care team; 3) diversifying disciplines within the team from predominantly social workers to include more mental health input; 4) identifying further opportunities for strengthening shared ways of working between children's and adult service to shape shared ways of working; and 5) strengthening the skills of the workforce in relation to autism and mental health, particularly given the prevalence, complexity and severity of need in relation to autism and the shortage of suitable employment opportunities.
- 7.10 For those aged 16, 17 and 18 there are approximately 100 young people in each group with EHCPs. Approximately 50% could live independently with support and the other 50% require more support. The PTA project works with young people aged 17-25.

- 7.11 Currently the average intervention with the team lasts 6-9 months. Going forward, it is anticipated shorter, 16-week interventions could be offered to young people with less complex needs in addition to a longer-term programme for those with more complex needs. The 16-week programme would aim to create independence and empower a young person to access services in a shorter time frame. Before a young person left the programme, work took place with other services on an exit pathway to ensure a safe transition out with the young person being able to live independently.
- 7.12 Across the cohort of 100, there are approximately 67% males and 33% females and in the cohort of young people with autism, it is approximately 60% males and 40% females. Post-Covid there have been more girls presenting at Tier 4 (the highest level of hospital admissions) in relation to mental health. Asperger's is at the higher functioning end of the autism spectrum and although data is not broken down into types of autism, approximately 20% of young people on the spectrum are at the higher-functioning end of the spectrum.
- 7.13 Work has been undertaken with the police and health colleagues to raise awareness about autism. 130 young people in the borough have received police orders in the last year and of these 20% have a diagnosis of autism. More work would be done to raise awareness and provide support for these young people.
- 7.14 It was important to ensure there was not just a whole family response but also a whole system approach with progression to adulthood being a shared endeavour and responsibility between education, social care and health services providing wraparound support. A diverse menu of support would be provided and interventions would have a life course approach and provide a safe landing into community services.
- 7.15 Work is taking place to create an environment of cultural inclusion. Co-production workshops would be run in the lead up to the launch of the new service and the service wanted to reach out to harder to reach families and hear from bilingual families and disadvantaged groups as part of this. There would be multi-communication channels to enable parents to communicate.

7.16 The success of the programme would be measured by examining case studies and using key performance measures with baseline, mid-point of intervention and end of intervention measurements taken as well as measurements 3-6 months after the intervention to check transitions into employment, education and secure housing had been successful and that outcomes had been sustained without support. This would give a comprehensive evaluation.

Supported Internships



7.17 Candy Holder, Head of Pupil Services, gave a presentation on Supported Internships.

7.18 The Committee heard that one of the areas for development that had been identified locally with parents and young people is that options for post-16 for pupils with the most complex needs are limited. Although individual schools and training providers found future pathways on an *ad hoc* basis, a more systemic and co-ordinated approach is needed.

- 7.19 Supported Internships is one way of extending options. Supported Internships involve a structured study programme being delivered by a Further Education provider (such as Mencap or CandI). They are unpaid, last a minimum of six months and are based primarily at an employer. Alongside their time with the employer, young people complete a personalised study programme which includes the chance to study for relevant substantial qualifications, if appropriate, and English and maths.
- 7.20 Supported Internships enable young people aged 16-24 with an EHCP to achieve sustainable paid employment by equipping them with the skills they require for work, through learning in the workplace.
- 7.21 Supported Internships involve the young person and their family, the business, a training provider, a job coach and the young person's school/college working in partnership.
- 7.22 The council has an ambition to develop supported internships. Demand will grow as the number of young people with Autism and SEMH needs is projected to increase significantly.
- 7.23 There have been some successes already. There are many opportunities, many of which are in hospitals or hospitality. Ideally, an offer with a wider range of opportunities would be developed. At first, opportunities would be sought through the council and its services and major contractors. Larger employers in the borough could also be asked to offer placements.
- 7.24 In response to a member's question about ensuring that supported internships followed an education programme and were not just young people working unpaid, the officer stated that one of the objectives of the programme was for those who had completed their supported internships to enter paid employment, where appropriate, with the same employer. There had already been some successes with this.

- 7.25 The Community Wealth Building team were undertaking a piece of work on measuring social value e.g. ensuring the planning application process required significant planning schemes to deliver social value which would include providing internships or work experience opportunities to young people with SEND.
- 7.26 The first local internships were in 2017 and there were five interns. This had grown to 32 interns by 2020. The Local Offer now included competitive access to a range of supported internships including Mencap, Leisure@National Star College and hospital-based programmes (Moorfields, Whittington, Great Ormond Street Hospital). Jobs included: Childcare, Hotels, Retail, Catering, Leisure (e.g. Tottenham Football Club).
- 7.27 On average, 71% moved into employment by 2020, but this dipped during the COVID period, and there were currently interns repeating study programmes.
- 7.28 Through the development of Internship programmes, some important themes had been identified:
- For those with EHCPs, the inclusion of PTA outcomes from the earliest stage, rather than just from Year 9 onward, helped discussions about employment and raised aspirations.
 - Opportunities for exposure to the world of work and work experience – 100 hours of work, Think Forward / Move Forward programmes had an impact.
 - Transition planning and support, including engaging people over the summer holidays, was key.
 - There was a need for a family curriculum to address concerns such as changes in benefits and how to deal with increased independence of young people.
 - There was a need for follow-on support.
- 7.29 Challenges included:
- There remained a low expectation that young people with SEND would enter paid employment.

- The capacity to keep track of the offer and making sure information about what was available, recruitment days etc. got to those who needed it.
- COVID restrictions meant that some programmes finished in April 2020 and had not reopened.
- Too many 'Employment study programmes' at local Further Education (FE) colleges were not actually linked to employers and were not able to offer work-based learning. Development work was needed with FE providers.
- Monitoring progress and job outcomes was an area for further work as there was a need to track people over a longer period and monitor if they stayed in employment.
- The offer of Adjusted Apprenticeships remained underdeveloped for young people with SEND locally, as elsewhere.

7.30 One way of delivering Supported Internships was through Project SEARCH. Project SEARCH is a recognised internship support model that could accommodate different business sectors / regional variation whilst keeping to the critical core model components which are:

- 1) The sole definition of a successful outcome was competitive employment in an integrated setting for each intern;
- 2) Being business-led with interns learning relevant marketable skills whilst immersed in the business;
- 3) There being true collaboration among partner agencies which included businesses, schools/colleges, supported employment and families;
- 4) Interns experiencing total immersion in the workplace;
- 5) On-site support provided by a tutor and job coach;
- 6) Data being submitted to a national Project SEARCH database;
- 7) Project SEARCH graduates receiving effective follow-along services to retain employment.

- 7.31 The DFN Foundation is a UK commissioning charity established by David Forbes-Nixon in 2014, inspired by his disabled son, to make a positive difference to the lives of young people with SEND.
- 7.32 In 2018, the foundation was awarded the franchise rights in the UK to deliver Project Search, forming DFN Project Search. DFN Project Search is a transition to work programme for students with learning disabilities and autism spectrum conditions, aimed at those motivated to achieve competitive employment.
- 7.33 As of October 2021, they had operated over 70 schemes throughout the UK and Europe and had supported more than 1,300 young people into paid work, including at both Lambeth and Hackney Councils. As the largest employer in Islington, consideration could be given to the council becoming a business partner in Project Search.
- 7.34 Project Search is open to those aged 16-24. If a young person is still in school, it makes bridging easier but it was still possible for those not in school to join the project. There are limits on spaces and motivation to take part is a key indicator.
- 7.35 In response to a member's question about how long the unpaid internships lasted, the officer advised they usually last 6-12 months.
- 7.36 In response to a member's question, the officer advised that 70% went into paid employment after the project but it was not known if they remained there. As EHCPs lasted until a young person was 25, their key workers met them each year up until the age of 25 and so would know if they were still in employment. There was a need to track the cohort as a group to know if they were staying in paid employment.
- 7.37 Adjusted apprenticeships could be used for some young people. However, no matter how much apprenticeships were adjusted, they would not be right for all young people. Project Search targeted a different group and although the internships were unpaid, they provided an opportunity for those that otherwise would not be working.

- 7.38 Members raised concerns about young people on the project not being paid. An officer stated that the project was about developing skills before progressing to paid employment, including Maths and English tuition. A member suggested that if the Council was the employer, paid work should be guaranteed after 3 or 6 months. The first part of the internship could then be for learning and the knowledge that paid work would follow would help motivate the young people.
- 7.39 Nationally over 50 Local Authorities are involved in Project Search and nationally 60% of interns who complete the project enter full term paid employment.
- 7.40 In addition to Project Search, other brands of Supported Internships are Project Choice and Royal Mencap Society. All of these schemes could be used and work would be undertaken on how the Supported Internship schemes could be evaluated and outcomes compared.



Meeting with Educational Psychologist and SEND Operations Manager

- 7.41 Members met with an Educational Psychologist and SEND Operations Manager who outlined the work of their team.
- 7.42 The Early Years Identification Working Group identify children aged three and four years old with SEND and determine needs and support. Colleagues from education, health and social care identify children in early years settings who might need assessments for EHCPs. Early Years Settings are then encouraged to submit requests for EHCP assessments so that when the children transitioned to primary school, plans are in place.
- 7.43 There is an Area SENCO for Early Years who manages the EHCP process. If a high level of need is identified, work takes place to manage this. Work is taking place to simplify the process to make it less bureaucratic so assessments can take place more quickly.
- 7.44 The service provided by the Educational Psychologists is partly council funded with schools buying in further hours for work that is not considered core or statutory. Statutory assessment is council funded and early intervention is a service that schools buy in. There is no essential requirement for Educational Psychologists to be involved before a request for an EHCP assessment is submitted however the level of need has to be demonstrated. Educational Psychologists are trying to provide more consultation and sometimes encourage schools not to wait for a report but to put in a request for an EHCP assessment after a discussion with the Educational Psychologist. If a primary school has a number of children who require assessments this would not cost £600 for each child as Educational Psychologists look at the work that has already been done and help schools fill in the gaps in their understanding and make the best use of their time, rather than duplicate work. The relationship with Academies was similar; they have the same core offer and can buy in more Educational Psychologist time. Work is taking place to review the model of delivery as some schools buy in a lot more time than others.

- 7.45 In response to a member's question about how children who required an EHCP could be presenting at secondary school without one, the officers advised that it was unusual to see a request for a child in Year 7 or above. For some young people, their needs could be met in small, nurturing primary schools. However, secondary school was a different environment and their needs could become more apparent.
- 7.46 This year funding for exceptional needs requests has been reintroduced. Where a child arrives at school without an EHCP but with a high level of need, requests could be turned around in weeks. The funding is in line with EHCP banding levels e.g. £5,500 or £8,400 on top of the £6000 available to a school. Once a child receives an EHCP, the exceptional needs funding would cease.
- 7.47 The Chair advised that schools have raised concern that there are on-costs of one-to-one support of £25,000 which means there is a significant funding shortfall after £8,740 EHCP funding and £6,000 SEND funding. The officers stated that there are very few children who require one-to-one support all day in a mainstream school. If they do, they would usually be in a special school. In Islington, plans were specific as to when one-to-one support is required e.g. during interventions.
- 7.48 EHCPs are reviewed every 12 months. There has to be a reason for amending a plan and minor changes would not result in the plan being amended. Plans are updated at key transition points to ensure they are accurate. Last year there were 90 children with an EHCP that required updating ready for transitioning to secondary school and this year there are 130 children. When amending a plan, therapy services and parents are consulted before the plan is sent to secondary schools. Local authorities try to obtain information from primary schools as they know the children best but some schools are better than others at providing this and sometimes this is due to a capacity issue. One of the roles of Educational Psychologists is to support schools in making sure the plans are deliverable in secondary school.
- 7.49 In relation to speech and language therapy, occupational therapy and physiotherapy, the review of the plans in Year 5 considers what has been provided in primary school

and whether this would be required in secondary school. There are shortages of therapists but where therapy sessions are written in the plans, this would be put in by the professionals and there should not be anything in the plans that could not be delivered.

- 7.50 In response to a member's question about a concern raised by parents that teaching assistants delivered therapy, the officers stated that this was not unusual as therapists try to ensure that the strategies they put in place do not always need to be delivered by themselves. The therapists worked with the children and then train school staff to continue delivering the strategies.
- 7.51 In response to a member's question about a suggestion from parents that getting diagnosed unlocks funding, the SEND manager stated that this was a perception held by some schools but not the local authority. The local authority is needs-led rather than diagnosis-led. Parents and schools should not delay applying for an EHCP waiting for a diagnosis. A diagnosis includes recommendations on strategies which schools are expected to deliver.
- 7.52 Within the SEND Team, there are four officers dedicated to post-16 transitions. They discuss needs with therapists and there is a broader range of professionals to consult as well as adult services teams and post-16 settings. The recent SEND Inspection complemented Islington on its plans. Educational Psychologists were not involved in transitions from secondary school to college or work unless requested.
- 7.53 The rise in numbers of children with SEND is a global issue. Diagnoses of Autism have risen significantly and the diagnosis is being given to a broader range of people. More girls are being diagnosed and intergenerational trauma could affect numbers.
- 7.54 In response to a member's question about concern raised by parents that some schools are reluctant to take children with SEND the SEND Manager stated that the number of schools and incidents is small. One school had raised concerns about access and these

had been resolved. The team tried to work through any challenges with schools in order to help them meet the needs of children with SEND.

- 7.55 It was suggested that upskilling staff in schools could be of benefit with more specialist teachers and specialist interventions.

Meeting with Headteacher of Virtual School, Service Manager, Independent Futures, Head of Service, Children Looked After, Head of Service, Children in Need and Service Manager, Disabled Children's Team

- 7.56 Members met with officers and heard that last year's PTA Team pilot had improved access to services such as adult mental health services. Staff are now being recruited to the new smaller team. The team would conduct assessments and help young people transition.
- 7.58 If a young person had both trauma and developmental needs, it could be hard to ascertain which pathway would best fit. It is important to establish the main cause of concern and then find the best fit team.
- 7.59 If young people with an EHCP are in care before their annual review when they are age 14, discussions on transitioning would begin. However, where a young person came into care later and had not had a review this could result in discussions happening later. Some of these young people did not have an EHCP but required one and therefore work had to take place to obtain one.
- 7.60 All partners should work together to start joint planning transitions age 14. There were a number of transitions to plan including where a young person would live, who would care for them, health transfer and education transfer. This happened in most cases where an EHCP was in place and there was a stable placement. When a young person

entered care age 16 or 17 and had previously been out of education it was unlikely that transition planning had taken place.

- 7.61 There was a transitions social worker who helped with the transitions of young people with profound disabilities. Transition work started in Year 9 and the social worker worked part time in Children's Services and part time in Adult Services.
- 7.62 Looked after children have access to prompt mental health support. Officers raised concern that some children entered care with complex needs and after their initial placement, they moved out of borough and their EHCP had to be referred to the new local authority. This created a delay which could be avoided if the local authority could retain responsibility until after the assessment.
- 7.63 The SEND code of practice stated that it is the responsibility of the child's ordinary residence to maintain legal responsibility of the EHCP. Exceptions are if a child is not in a settled placement or where a child is in a 52-week residential placement. In these cases, the local authority could maintain a holding position. There are 75 Looked After Children with EHCPs placed out of borough. The council held the plans of between 20 and 25 of these.
- 7.64 Officers considered that plans should not be transferred until a young person is in a stable placement and that it should be a "best interest's decision" or there could be joint responsibility. However, this had to be considered in the national context and could not be changed in isolation from other local authorities.
- 7.65 Where a child with an EHCP had placement instability and moved between local authorities this presented bureaucratic, legal and practical difficulties.
- 7.66 The rationale for transferring a plan to the local authority where a child is placed, is that they were better equipped to identify local provision.
- 7.67 Some local authorities had different philosophies about SEND. If a child is placed in a local authority with a different philosophy e.g. one where there is no special school,

even if they would have attended a special school in Islington or another local authority, they would be supported to attend a mainstream school there.

- 7.68 The chair stated that members had heard from parents that they felt driven to get diagnoses to access services. Officers stated that this was sometimes the case when young people transitioned to adult services and they required another diagnosis to access services. The adult threshold for statutory support is high and young people could be vulnerable especially as they progressed into adulthood. They could be at risk of exploitation including radicalisation. There needed to be an early screening process to identify those who did not meet the threshold and how their needs would be met.
- 7.69 If a young person lives out of borough and stayed there as an adult, the other local authority is responsible for arrangements e.g. supported housing.
- 7.70 In response to the chair's question about whether children ageing out the service are tracked, an officer advised that young people are not tracked post 25. Some kept in touch but contact is not made systematically. The chair suggested that those post 25 could be invited to keep in touch and become part of a community that could meet and find out about other services. Officers stated that Housing is working on being lifelong champions for care experienced people and that perhaps Children's Services could look at the long-term effectiveness of their work as part of this.
- 7.71 The following suggestions were made:
- It would be helpful to have local guiding principles when transferring a plan to another local authority including when it is in the child's best interests to retain the plan. The DfE is looking to produce national guidance but this could take some time.
 - It would be helpful to have EHCP screening for all young people entering care. However, it should be noted that two thirds of LAC do not have an EHCP and are supported well. This is in line with the national figure. If more EHCPs are issued, more looked after children are likely to go to special schools rather than be educated in mainstream schools.

- There should be clear pathways for children without Global Development Delay and clear thresholds set out.
- If a child is not in a stable placement, there should be flexibility to allocate an Islington mental health professional if required, who would stay allocated until the child is in a stable placement.
- The programme to adulthood framework should be rolled out in adult services.

Other Work Being Undertaken By The Council

- 7.72 Members attended two Family Carers' meetings and heard about other work being undertaken by the Council.
- 7.73 Members heard that work was being done to collate various information that the council has access to from EHCPs and information on national databases regarding older people with SEND. The idea is to project level of need based on demographic information so that appropriate services can be commissioned (e.g., working with colleagues in housing who build new properties or develop new models of supported living/co-housing).
- 7.74 There would be changes in mental health coming from NHS England around how the front door (first point of access) is for individuals. The idea is to take away the diagnostic element to services. Diagnoses would no longer be required and access would be widened to those with a mental health need. GPs or family or friend could refer a person. There would also be targets from NHS England with a target period of 4 weeks from the point of referral to the point of getting a care and support plan in place. This should mean easier and more timely access to support going forward. Work is taking place with 90 plus young people aged 17+ with a mixture of needs. Feedback has been collated to shape new service. The pilot aims to improve connections between children's services, Islington Learning Disabilities Partnership (ILDP), mental health services, employment services and voluntary services.

- 7.75 The Disabled Children's Services support 130 families including seventeen, 17 years olds. For this reason, transition is high on the agenda. The team undertakes reassessments of need for social care when children are 14 years old. The focus is on developing life skills and the progression to adulthood along with goals for the social care support plan.
- 7.76 The Transitions team is based in the ILDP. The team included five social workers, a senior social worker, a care manager, and administrative and occupational therapy support. The PTA team will be part of the Transitions team and will support those without a diagnosis of a learning disability but with support needs that will continue into adulthood. There is a working group to set up joint processes and protocols.
- 7.77 The Transitions team takes over statutory support when a young person reaches their 18th birthday. The team aims to allocate a social worker a year before transition and whilst there have been difficulties in achieving this due to covid, the team is now working to achieve this. There is a reciprocal arrangement with Children's Services to ensure young people are supported.
- 7.78 The main 'staging points' are when a young person leaves school or college or moves to supported living or their own accommodation. It is expected that they would be allocated a social worker at these times to support transition. The team works closely with Children's Services and Health colleagues at these transition points.
- 7.79 The Transitions team are looking to start attending Annual Review meetings from age 14. The Transitions team have transitions information packs they could share with parents following a refresh as a result of Covid and the two transition teams being brought together. Frequently asked questions could be created with family carers and included in the information packs. Consideration should be given to where information could be shared e.g. libraries, GP surgeries and schools. It was suggested that there is a Camden transition pack that Islington could learn from.

- 7.80 Islington Council supported over 1000 people into employment each year – this involved working with various partnership organisations. The Autism and Learning Disability Group brought together teams and partner organisations responsible for supporting people with Learning Disabilities or Autism into employment.
- 7.81 Work took place to craft disability-friendly jobs with a disability-friendly recruitment process. This involves working with employers to identify or create suitable roles for people with learning disabilities or autism. They then advertise in a variety of formats including a 'live' job description where potential employees could visit the workplace, and often held trials as part of the interview process. They also include in-work support for up to six weeks when a candidate starts but found that few people require support for the full six weeks. The programme had stalled during lockdown as the process was difficult to undertake virtually.
- 7.82 Partnership organisations for the Autism and Learning Disability Group include: Islington Supporting Employment Team, Mencap, Scope, a specialist Autism Organisation, Action for Kids and Think Forward.

8. EVIDENCE FROM PARENTS AND CARERS

8.1 Members spoke to a range of parents and carers and valued hearing about their individual experiences. They also consulted parents through a survey, received written testimonies from parents and met with the Chair of Islington Parent Carer Forum and her colleague.

The main challenges identified by parents:

- Navigating the system and advocating for their children feels like a constant battle.
- The EHCP system is particularly difficult for those with English as an additional language.
- There is a lack of opportunity for parents to present their views
- There is a lack of centralised information
- Transition discussions are not always starting aged 14.
- Transitions have been affected by the Covid 19 pandemic.
- Some parents have received negative comments from schools about admitting their children.
- There is limited support for families of children with SEND.
- Parents feel like they are constantly in the process of transitioning.
- There was a lack of communication.
- The transition process is an anxious time for children with SEND.
- The EHCP system is confusing.
- EHCPs are too long and too hard to understand.
- Parents have to undertake their own research into schools and some feel poorly informed and unsupported.

Suggestions made by parents:

- There should be help with choosing suitable schools.
- The acoustics/aesthetics of schools is important.
- There should be an events calendar.
- Parents and carers should be given a key contact person to help them navigate the system.
- There should be a transitions document outlining clear pathway options.
- There should be more internships for young people with SEND.
- More timely information should be provided.
- There should be more activities for children.
- There is currently one disability swim session per week at one swimming pool in Islington for children with SEND and their families. It would benefit families if similar sessions were offered across Islington pools and other leisure facilities.
- Although in general, parents welcome social care assessments to look at the needs of the whole family, the form should be reworded so it was not the same as the form for child protection.
- The wording of the short breaks form should be reviewed as it currently referred to "severe and complex needs" which could prevent some entitled families from completing the form.

9. EVIDENCE FROM HEADTEACHERS, SENCOS, SEND GOVERNORS AND PROFESSIONALS

9.1 Members undertook visits to New River College Pupil Referral Unit, The Bridge and St Mary Magdalene Academy. Virtual sessions took place with staff from North Islington Nursery School, SEND Governors, SENCOs and Headteachers. Further consultation took place through a survey.

The main challenges identified by schools and professionals

- The rising numbers of children with SEND and the complexity of cases
- Funding pressures and resource implications
- Inconsistency in the information received from previous settings
- Schools sometimes being unaware of children's needs when they arrive
- Delays in waiting for Educational Psychologist reports
- Not all services had returned to in-person visits post-covid

Suggestions Made By Schools

- Stronger cross borough links
- Standardised forms, procedures and offers
- Timely information sharing with a specific day for the transfer of electronic files
- More work should be done with colleges
- More paid traineeships
- Improved communication
- A checklist for the sending and receiving school would improve consistency
- A central list of contact details for SENCOs would aid communication
- It would be beneficial if all teachers and not just SENCOs, understood attachment theory and trauma informed approaches.

10. EVIDENCE FROM YOUNG PEOPLE

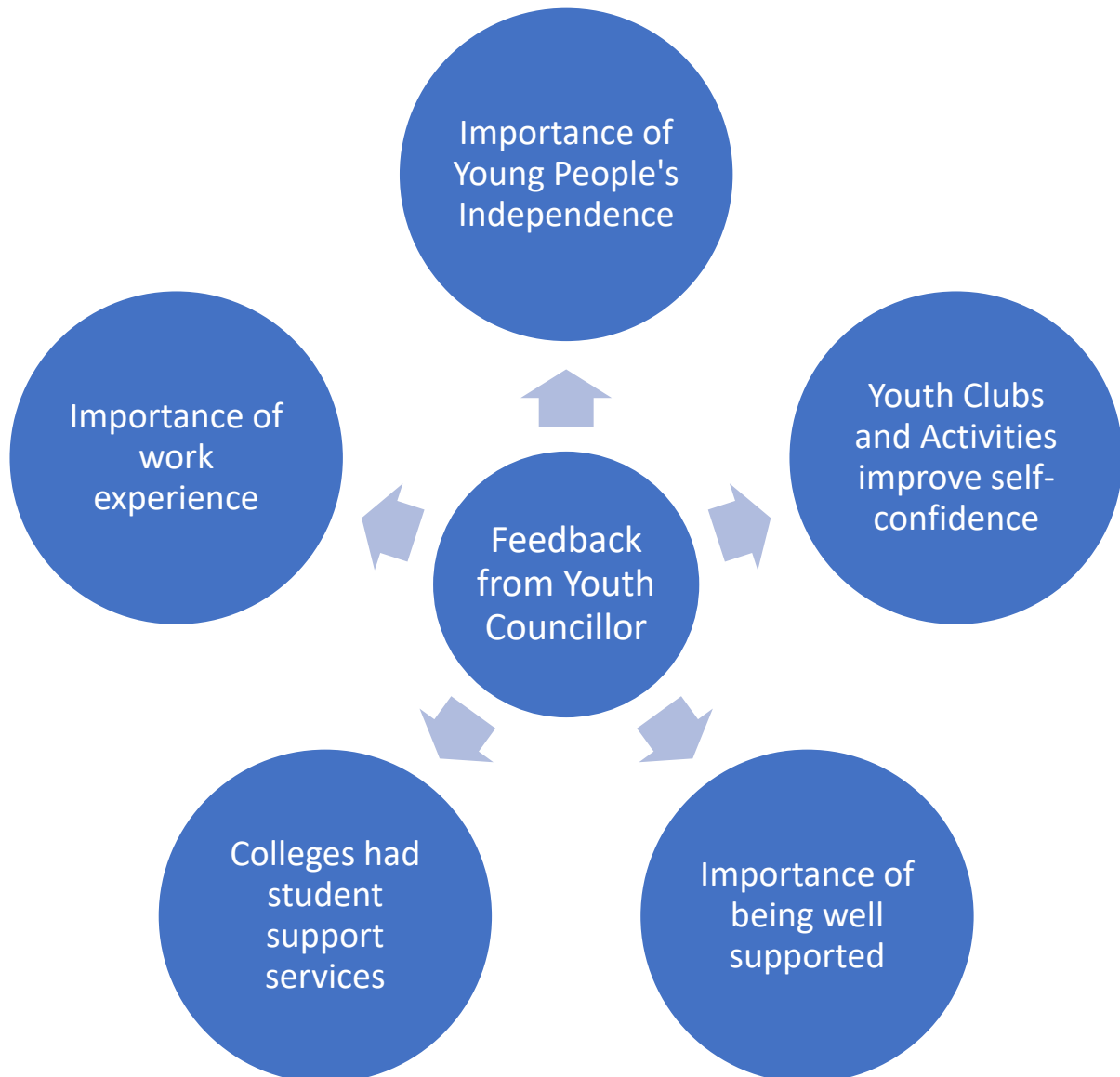
10.1 Pupils from New River College

Members had a discussion with young people at New River College. Their feedback was as follows:



10.2 Youth Councillor

Members met a Youth Councillor with SEND who had transitioned from school to college.



11. CONCLUSION

- 11.1 This review focussed on assessing the ways in which the council supports young people with SEND and their families at various points of transition to make recommendations to improve the transition process for parents, young people, education settings and professionals.
- 11.2 The Committee noted the wide-ranging work already being undertaken by the council to improve transitions and outcomes for young people. It is hoped the Committee's review will further support this work.
- 11.3 34 recommendations have been made in response to the evidence received.
- The Committee would like to thank all the witnesses that gave evidence in relation to the review. The Executive is asked to endorse the Committee's recommendations.

SCRUTINY INITIATION DOCUMENT (SID)	
<u>Review title</u>	Special Education Needs and Disabilities – Transitions
<u>Scrutiny Committee</u>	Children’s Services Scrutiny Committee
<u>Lead Director</u>	Cate Duffy, Director – People
<u>Lead officers</u>	Candy Holder, Head of Pupil Services, Learning and Schools and Sue Imbriano, Assistant Director, School Improvement and Pupil Progression
<u>Overall aim</u>	To assess the ways in which the council supports young people with SEND and their families at various points of transition: early years to primary school, primary to secondary school, secondary school to the world of work or further education as well, as the transition from Children’s Services to Adult Social Services, and paying particular attention to the experiences of SEND children (i) with emerging needs at key transition points and (ii) who move between schools outside of expected transition points.
<u>Key Objectives</u>	<ol style="list-style-type: none"> 1. To investigate whether schools and families are properly consulted by the local authority when the local authority is considering their request for a particular school. 2. To ascertain whether some mainstream settings are taking significantly more/less children from disadvantaged groups than others and, if this is happening, what impact that has on all stakeholders and what measures the local authority could take to ensure fairness. 3. To look at whether where a child attends primary school affects outcomes (for example, in terms of securing earlier diagnosis/support/intervention). 4. To evaluate how joined up the local authority is where a child’s borough of residence is not the same as the borough where the child goes to school or accesses services.

5. To consider the factors that influence parental choice in selecting out-of-borough provision.
6. To consider whether young people with SEND are disproportionately NEET, missing in education or permanently excluded and, if they are, what can be done.
7. To consider which council services/interventions work well; to identify best practice and to investigate services/interventions which are less successful.
8. To look at outcomes for young people with SEND who are experiencing additional disadvantage (e.g. by virtue of (i) being a child at risk, (ii) economic disadvantage, (iii) criminal justice system involvement, being missing from care etc).
9. To consider the impact of Covid on children with SEND and whether there is a specific recovery strategy for children with SEND, the success of which could be evaluated.

Scope of the review

The review will focus on:

1. Provision and how this is funded
2. Profile and complexity of needs
3. Projected demand
4. Inclusion in schools

Types of evidence

1. It is proposed that witness evidence is taken from:
 - a. Headteachers and SENCOs in mainstream primary and secondary schools
 - b. Senior leaders in pupil referral units
 - c. Officers responsible for drawing up Education and Health Care Plans (including educational psychologists)
 - d. Service Directors responsible for setting Islington's SEND strategy
 - e. Parents/carers of children with SEND
 - f. SEND Link governors
 - g. Representatives from transition support services / projects

- h. Officers with lead responsibility for transition
- i. Officers from comparator boroughs

2. It is proposed that member of the committee visit New River College, The Bridge and a mainstream school.

3. The Committee will:

- a. Contact policy institutes such as the Education Policy Institute.
- b. Consider data on how children with SEND were spread across schools in the borough, different categories of schools and the complexity of need of the children.
- c. Request that one of two members attend a transition review meeting for a child or young person (subject to GDPR regulations and parental consent).
- d. Request that officers map out the journey of two or three children from early years to their current stage.

Additional information

A. The SEND Code of Practice, Paragraphs 9.78-9.79 states that:

The child's parent or the young person has the right to request a particular school, college or other institution...

If a child's parent or a young person makes a request for a particular nursery, school or post-16 institution in these groups the local authority must comply with that preference and name the school or college in the EHC plan unless:

- i) it would be unsuitable for the age, ability, aptitude or SEND of the child or young person, or
- ii) the attendance of the child or young person there would be incompatible with the efficient education of others, or the efficient use of resources.

B. In carrying out the review the committee will consider equalities implications and resident impacts identified by witnesses. The Executive is required to have due regard to these, and any other relevant implications, when responding to the review recommendations.

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Strategic Commissioning and Investment
222 Upper Street

London N1 1XR

Report of: Executive Member for Health and Social Care

Meeting of: Executive

Date: 1 September 2022

Ward(s): All

Subject: Procurement Strategy for Residential Care Service for Older Men with Alcohol Misuse and Mental Health Care Needs

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of residential care home provision for older men with alcohol misuse and mental health care needs in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. The service to be procured will be for the provision of fifteen (15) residential care home beds for older adults with alcohol misuse and mental health care needs. The residential care service will be based in the borough and rated at least 'Good' by the Care Quality Commission (CQC).

2. Recommendations

- 2.1. To approve the procurement strategy for a residential care service for older men with alcohol misuse and mental health care needs as outlined in this report.

- 2.2. To delegate authority to award the contract related to this strategy to the Corporate Director of Adult Social Care following consultation with the Executive Member for Health and Social Care.

3. Background

- 3.1.1. Islington has the highest prevalence of serious mental illness (SMI) in London. SMI prevalence has been increasing in recent years, and if the current trajectory continues, we expect to have just over 4,000 individuals with diagnosed SMI in Islington by 2030, an increase of over 100 individuals.
- 3.1.2. The prevalence of alcohol dependence is also higher in Islington in comparison to the national rate across England; Islington has a rate of 17.9 per 1,000 of population compared to 13.7 for England. In 2020-21 The highest proportion of adults in alcohol treatment in Islington were within the 40-60 years age range (58%); 25% aged 40-49 years, and 33% were aged 50-59 years.
- 3.1.3. Given the local SMI and alcohol prevalence, it is projected that the current demand for residential care placements for those who have care and support needs relating to alcohol dependency and mental illness will remain.
- 3.1.4. The Council is ambitious about commissioning high quality residential care home provision to meet the needs of residents who cannot remain in their own homes or in other accommodation-based services. The council is keen to work with providers that offer high quality, personalised, enabling care and support. Our aim is that residential care homes are well-connected, at the heart of communities, active contributors to social value, and offer exciting employment opportunities.
- 3.1.5. Islington Council currently funds, via a block contract arrangement, 12 beds for residential care home provision for older men with alcohol misuse and mental health care needs. The current contract in place is due to end on 31 March 2023. This procurement strategy seeks approval to re-procure this provision and expand provision to appropriately meet local demand and ensure that a new contract is in place by 1 April 2023.
- 3.1.6. The service to be re-procured is a residential care service for men over the age of 45 with a significant history of alcohol misuse, homelessness, and mental illness. Many of the residents in the current commissioned service have cognitive impairments related to long-term alcohol dependency in addition to personal care needs. In terms of the Care Act, their primary need for care and support relates to alcohol use and mental health.
- 3.1.7. Some residents within the service may move from residential care to a less intensive accommodation setting within the community as they recover. However, the majority of residents in this service will require longer-term residential care due to deteriorating

cognitive functioning and may not make the transition to more independent living. On average one resident is stepped down from the service per annum.

- 3.1.8. Demand for in-borough residential care placements exceeds our current block provision. The service being procured is currently delivered from a 29-bed residential care home; of which Islington currently purchases 12 beds on a block arrangement, which have been at full capacity throughout the contract length. In addition to the 12 block beds, Islington currently spot purchases six additional beds from the same service, bringing the total number of beds purchased in borough by Islington to 18. There has consistently been a need for at least three additional bed above the current block of 12 beds since 2015 (i.e. at least 15 beds occupied in total since 2015).
- 3.1.9. There is currently no other residential care provision in the borough specifically for adults with alcohol misuse and mental health care needs. The only other care home provision of this type in the borough was closed in Autumn 2021 due to provider failure. Following a Care Quality Commission (CQC) inspection, the provider was deemed 'inadequate' and not to be able to deliver the required level of care for adults with complex needs related to substance misuse and mental health needs.
- 3.1.10. In light of this, the council is seeking to increase the availability of in-borough commissioned provision through this procurement to ensure that:
- There is a reduction in the number of spot placements, which will secure placements for local people against competing demand from other boroughs, this should not create any voids.
 - Residents are enabled to stay close to home, their loved ones, and professional support;
 - Residents are provided with proactive and personalised support in a community setting, equipping them with the skills to reduce a decline in their health and to live healthier lives for longer;
 - Residents are proactively supported to gain the skills necessary to live more independently and/or move to less intensive support, where possible, thereby minimising the time spent living in a residential care setting;
 - Residents can benefit from the well-established Islington care home support infrastructure, this includes specialist cognitive impairment support from health;
 - The Council has enhanced oversight of quality and safeguarding matters when contract monitoring measures are in place and we are acting as the host safeguarding authority;
 - Spending on in-borough placements supports in-borough employment opportunities and delivery of social value that residents can benefit from;
 - Better value for money is being achieved; our local arrangements represent good value for money when compared with out of borough purchased provision – the costs of which can vary greatly – enabling long-term financial stability; and
 - Block contracts facilitate development of long-term relationships with providers and offer mutually beneficial stability for the local care market.

The residential care service will be based in the borough and rated at least ‘Good’ by the Care Quality Commission (CQC).

3.2. Estimated value

- 3.2.1. It is proposed that the council procures this service via block contracting, with the contract to start from 1 April 2023.
- 3.2.2. The majority of the current service in scope for this procurement is jointly funded by the London Borough of Islington (LBI) and NHS North Central London CCG (NCL CCG), with 51% funded by LBI and 49% funded by the CCG. The additional three beds will be funded directly from ASC budget, with contributions from health as determined on a case by case basis, via applications for Continuing Health Care or Joint Funding.
- 3.2.3. It is proposed that the duration of the contract will be for a period of seven years, with break clause options for the council to terminate the contract after years two, three, four, five and six. This approach will enable commissioners to build long-term partnerships with a provider and supports stability in the local care market. Additionally, this contractual arrangement will support seamless continuity of care for residents.
- 3.2.4. There is limited provision for this client group within North Central London (Barnet, Enfield, Haringey, Islington and Camden) with only one other provider known to operate in North Central London (NCL) outside of the Islington borough that offers residential care for older adults with alcohol misuse and mental health needs). Benchmarking data indicates that out of borough placements cost are significantly more than those currently commissioned within Islington for the service provision in scope for this procurement, as indicated in Table 1 below.

Table 1- Benchmarking costs

Description	Weekly unit cost (range) 22/23
Benchmarking rate for similar service provision based in NCL outside of Islington (across 17 people)	£1,078 - £1,672
Current in-borough rate for this commissioned service provision	£736
Current rate(s) for spot contracts in borough for this service provision	£757-£836 Average £800

- 3.2.5. The annual price of the current contract was £427,200 for 2020/21, with an uplift of 3% applied in 2021/22 to cover inflationary costs, and a further 4.5% uplift applied to the contract price for 2022/23, which results in a weekly cost of £736. The spot bed rate for 2022-23 is £836.83 (see Table 2 below). Financial modelling and care cost analysis has been undertaken and a viable cost to ensure a sustainable market for a block contract is estimated to be £815 per week, representing a 11% increase, on our current block price. While this seems high it should be noted that comparable costs outside of borough are significantly higher, and soft market testing has indicated that the procurement will fail without this increase.
- 3.2.6. The new service to be procured from April 2023 will be for 15 beds, an increase of three additional beds. Table 2 below outlines the annual expenditure over the past two years for current block and spot purchased beds alongside, the proposed annual cost for the new service to be procured (commencing on 1 April 2023).

Table 2 Total spend for residential care for adults with alcohol dependency and mental health care needs, and projected cost of the new contract

	2021-2022	2022-2023	Projected costs for 2023-2024 if only 12 beds are procured via block contracting arrangements	Projected contract cost 2023-2024 for procurement of 15 beds
Block spend per annum	£440,020 For provision of 12 beds at unit cost of £703.27 per week	£460,707 For provision of 12 beds at unit cost of £736.33 per week	£509,929 For provision of 12 beds at unit cost of £815 per week	£637,412 For provision of 15 beds at unit cost of £815 per week
Spot bed spend per annum	£250,327 For provision of 6 spot placements Average weekly cost £800 (Range - £765.50 - £836.83)	£261,794 For provision of 6 spot placements at unit cost of £836.83 per week	£261,794 For provision of 6 spot placements at unit cost of £836.83 per week*	Not included in this procurement, however there is likely to be three initially, but the figure is subject to change over the course of the contract.
Total spend per annum	£690,347	£722,501	£771,723	£637,412

- 3.2.7. The estimated annual value of the contract to be awarded following completion of a competitive procurement process from 1 April 2023, will be up to £637,412 per annum and £4,461,881 across the contract's maximum period of seven years (total global contract value).
- 3.2.8. The projected contract cost has been developed based on benchmarking with current block contracts in Islington and in comparative London boroughs and based on intelligence gathered via soft market testing with existing providers in borough. As indicated in Section 3.1 above, the current block unit cost for this service is considerably lower than residential care spot beds for adults with substance misuse and mental health care needs within the North Central London (NCL) footprint. The new proposed unit cost of £815 per week is still significantly lower than NCL spot beds.
- 3.2.9. The increased unit price and total contract price reflects the council's commitment to drive up the quality of residential care provision, and to pay a fair cost of care in the borough. The current provider has indicated that delivering this service at the current contract value beyond March 2023 is not financially viable. Benchmarking and market engagement activity to date has indicated that the price of the contract should be increased to provide a more financially viable service model that supports the delivery of strength-based care and support and ensures ongoing provision of high quality. This service was last procured via competitive tender in 2014/15; care market prices have increased during this time and therefore, it is recommended that the contract price is increased to reflect a fair market rate, a core component of the Care Act, and will enable the council to continue to meet its aspirations for providing high quality care closer to home.

3.3. **Timetable**

- 3.3.1. The anticipated timetable is as follows:

Key Milestone	Indicative completion date
Invitation To Tender published	September 2022
Evaluation	October 2022
Contract award	December 2022
Implementation	January - March 2023
New contract start date	April 2023

3.4. **Options appraisal**

- 3.4.1. Four options have been explored for procuring residential care provision – a summary is set out below.

Option 1: Do not reprocore block bed provision and purchase placements via spot contracts only	
Description	Do nothing and needs are met via spot purchasing of placements.
Benefits	This would enable the council to purchase individual packages of care as required, with no commitment to any fixed costs that are associated with block contracts or in-house provision.
Dis-benefits	Needs analysis shows continuing and increased demand and there has been good utilisation of the residential care beds this procurement aims to replace. Spot placement availability and costs are more variable than that of block provision and there is no other similar provision offered in-borough for residents with both alcohol use and mental health care needs – meaning more residents are likely to be placed in spot placements, some out of borough where costs are likely to be higher. The Council has less oversight and influence over spot placements compared to blocks, therefore there is a lesser degree of quality assurance, and it is less likely the Council can shape the market constructively (e.g., on London Living Wage).
Recommended	No
Option 2: Deliver in-house	
Description	Adult Social Care In-House services develop residential care provision to meet needs.
Benefits	The Council is committed to delivering services in-house wherever feasible. In house residential care home provision would maintain provision within the borough. It would also enable residents to benefit from Islington’s social care and health services, and quality monitoring. It would provide opportunities for local recruitment, fair terms and conditions for the workforce. The Council would have greater control over the quality of provision and the contribution the service makes to wider council ambitions including environmental and community wealth building priorities. The Council retains full control to drive efficiencies/economies of scale With a suitable building and time to develop expertise in delivering specialist mental health residential care home provision this may be a feasible consideration in the future.

Dis-benefits	<p>The Council does not have sufficient estates, staffing, the requisite CQC registration, nor clinical governance in place to enable delivery from April 2023.</p> <p>Establishing Council mental health and alcohol dependence residential care provision would have significant financial and resource implications in an already challenging financial context.</p> <p>While the Council provides training and development for staff delivering residential care in-house currently, this is not for the same cohort of needs. It therefore does not have the necessary skills, or qualified staff to deliver training and development to the standard of specialist residential care for complex mental health and alcohol use needs. This is a highly specialised form of care.</p> <p>Delivering the service in-house would reduce opportunities for developing long term relationships and opportunities for collaboration with providers to meet council priorities.</p> <p>Establishing Council run residential care would require a specialist aspect to our work above any that we are currently providing.</p> <p>The Council would have to source an appropriate property and to date no suitable properties have been identified in the borough which meet the needs of the service and within the required timeframe.</p> <p>Delivery of in-house residential care home provision comes with increased reputational, financial and operational risks to the council should the service fail to deliver good quality provision.</p> <p>At this time, in-house mental health and alcohol use residential care provision is not feasible.</p>
Recommended	No
Option 3: Procure external block provision in collaboration with other boroughs	
Description	Commissioners procure residential care beds on a block basis from an external provider that meets the criteria, in collaboration with other London boroughs who currently purchase spot placements in Islington.
Benefits	<p>It would enable more residents to stay closer to home (in-borough or within North Central London area) – in line with resident choice.</p> <p>It would enable residents to benefit from Islington’s Multi-Disciplinary Quality Team (provided it was in-borough), and quality monitoring associated with strategically commissioned provision.</p>

	<p>Ensures services share Islington’s vision and take a strengths-based approach to transform outcomes.</p> <p>Commissioning externally run provision would enable the council to tap into existing provision in a borough where access to buildings suitable for care home delivery are limited. The Council would also benefit from a provider who has experience of delivering residential care provision for this client group and have the necessary expertise, CQC registration and governance.</p> <p>It provides greater value for money than spot provision, in part due to spot provision on average costing more, but also due to the calibre of staff as a result of stipulations the council can make in the contract.</p> <p>External procurement can promote inclusive economy and social value priorities through a specification that stipulates measures such as payment of the London Living Wage and advertising jobs locally through iWork as well as a tender process that gives 20% weighting to social value.</p>
Dis-benefits	<p>Engagement with other boroughs has indicated no interest in jointly procuring at this time.</p> <p>External procurement provides the council with less direct control over quality.</p> <p>It also provides less control over the level of contribution towards the council’s environmental, social value and community wealth building priorities than if the council were to deliver in-house.</p> <p>Not guaranteed to meaningfully change the marketplace of providers and landlords available in the borough.</p> <p>Reciprocal arrangements with other boroughs are challenging to set up and maintain due to complexity, and fluctuating demand in other boroughs. There are five other boroughs that currently spot purchase places from the existing service provision (not all of which are boroughs based in NCL) in Islington. To undertake a collaborative procurement with another borough/other boroughs with different governance arrangements would not be possible in the timescale available.</p> <p>It would not guarantee the service being located in-borough.</p>
Recommended	<p>Not at this time. However, Islington commissioners will continue to engage with other boroughs within North Central London to explore if there is interest in carrying out a joint procurement in the future.</p>

Option 4: Procure external block provision as a single borough	
Description	Commissioners procure residential care beds on a block basis from an external provider that meets the criteria.
Benefits	<p>Retaining/expanding the in-borough block bed base via procurement would meet the identified commissioning requirements on bed type/quality by April 2023.</p> <p>It would also enable more residents to stay close to home – in line with resident choice.</p> <p>It would enable residents to benefit from Islington’s Multi-Disciplinary Quality Team, and quality monitoring associated with strategically commissioned provision.</p> <p>Ensures services share Islington’s vision and take a strengths-based approach to transform outcomes.</p> <p>Commissioning externally run provision would enable the council to tap into existing provision in a borough where access to buildings suitable for care home delivery are limited. The Council would also benefit from a provider who has experience of delivering residential care provision for this client group and have the necessary expertise, CQC registration and governance. The providers in this market are registered charities.</p> <p>It provides greater value for money than spot provision, in part due to spot provision on average costing more, but also due to the calibre of staff as a result of stipulations the council can make in the contract.</p> <p>It provides greater flexibility to support future commissioning intentions for this service provision; break clauses within the contract term support allowing early termination to the contract to allow joint re-procurement to be undertaken in the future should other boroughs within NCL express interest in jointly procuring this service provision.</p> <p>It provides greater flexibility to support future commissioning intentions for this service provision; tender documentation will include details of how any voids, should they occur throughout the life course of the contract, will be managed to ensure that the contract delivers value for money throughout its life term.</p> <p>External procurement can promote inclusive economy and social value priorities through a specification that stipulates measures such as payment of the London Living Wage and advertising jobs locally through</p>

	iWork as well as a tender process that gives 20% weighting to social value.
Dis-benefits	External procurement provides the council with less direct control over quality. Though the council would have robust quality monitoring processes in place. It also provides less control over the level of contribution towards the council's environmental, social value and community wealth building priorities than if the council were to deliver in-house.
Recommended	Yes.

3.5. Key Considerations

Key Consideration	Notes
Social Value	20% of the award criteria will be allocated to social value for the new contract. This will provide a range of benefits for the borough including: <ul style="list-style-type: none"> • Commitment from the provider to supporting local recruitment – including in partnership with the iWork Service; • Commitment from the provider on training and upskilling of staff, including via apprenticeship and formal qualifications; • Commitment from the provider to using local supply chains; • Community engagement commitments from the provider; • Provision of student placement and volunteering opportunities within the service, including peer support/volunteering opportunities for people with lived experience; • Commitment from the provider to staff wellbeing – for example via adoption of specific workplace health initiatives; and • Commitment from the provider on delivering environmental and bio-diversity improvements within the service, reducing waste, use of sustainable resources, and limiting energy consumption.
London Living Wage (LLW)	<ul style="list-style-type: none"> • Payment of at least LLW to all staff working on Islington contracts will be mandated as a condition of the new block contract.
TUPE/Staffing	<ul style="list-style-type: none"> • TUPE may apply.
Best value	<ul style="list-style-type: none"> • The service will implement a robust performance-monitoring framework so that value for money, quality, outcomes, and cost effectiveness can be assessed. The monitoring framework will include activity levels, evidence of outcomes achieved, as measured against the desired service KPIs outcomes in the service specification and individual support plans. Expenditure against the service budget will also be required.

Key Consideration	Notes
	<ul style="list-style-type: none"> Regular contract monitoring reviews will take place and the provider will submit information on the service on a quarterly basis. This process allows for continuous improvement and service development. The service specification will include provisions to ensure the provider offers continuous improvement against delivery targets and works with commissioners and service users to co-produce a service where innovations can be quickly implemented.

3.6. Evaluation

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated. The council will reserve the right to award the contract on the basis of initial tenders without negotiation where this offers value for money. The council also reserves the right not to make an award of contract at all.

Bids will be evaluated on the basis of 80% quality of which 20% will be allocated to social value, and 20% price.

Quality criteria (80%) will be split as outlined below:

the price and ability to deliver the contract as set out in the evaluation criteria below:

	Weighting %
Quality	80%
Service model and delivery	25%
Social value	20%
Safeguarding and risk management	15%
Workforce and staffing	10%
Service user engagement and involvement	10%

These criteria have been selected to ensure providers are able to deliver a safe, well-led, high quality, person-centred offer to Islington residents.

The evaluation panel will include professionals with a range of experience including from NHS mental health Trust.

3.7. Business risks

Risk	Mitigation
<p>Providers not applying for the tender, resulting in failed tender procedure.</p>	<p>Market engagement has been carried out with potential providers to ensure the tender is viable and attractive to potential applicants. A Prior Information Notice will be issued in advance of the ITT being published.</p> <p>The new contract value proposed takes into account feedback from soft market intelligence and benchmarking, ensuring that the service will be financially viable and sustainable for a provider to deliver.</p>
<p>TUPE implications, which may impact on the timescale required to mobilise a new contract.</p>	<p>TUPE may apply to this procurement, therefore sufficient time has been factored into the mobilisation period to take this into account.</p>
<p>A transition to a new service/new service provider could have a detrimental impact on resident wellbeing and mental health.</p>	<p>If there is a change in provider, the transition to any new service will need to be carefully managed to ensure continuity of support and to manage any service user anxieties arising from a change in support provider. Consequently, the transition to a new service would be carried out in conjunction with service users, carers, and family members (where appropriate).</p> <p>As part of the tender submission bidders will be required to provide a robust mobilisation and implementation plan to support the new service go live.</p> <p>Commissioners will also undertake significant engagement activity with residents and their families pre-tender and in the development of the new service specification.</p>

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

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

Relevant information	Information/section in report
1. Nature of the service	As outlined in section 3.1
2. Estimated value	<p>The estimated value per year is up to £637,412.</p> <p>The duration of the contract is proposed for a period of seven years, with break clause options available for the council to terminate the contract after years two, three, four, five and six.</p> <p>See section 3.2</p>
3. Timetable	<ul style="list-style-type: none"> • Advert published – September 2022 • Evaluation – October 2022 • Contract Award – December 2022 • Implementation - January - March 2023 • New contract start date - April 2023 <p>See section 3.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Proposal to procure external block provision.</p> <p>See section 3.4</p>

Relevant information	Information/section in report
5. Consideration of: <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	See paragraph 3.5
6. Award criteria	Bids will be assessed on the basis, 80% Quality of which 20% will be allocated to social value, and 20% Price. The award criteria price/quality breakdown is more particularly described within the report. See paragraph 3.6
7. Any business risks associated with entering the contract	See paragraph 3.7
8. Any other relevant financial, legal or other considerations.	See paragraph 4.

4. Implications

4.1. Financial Implications

- 4.1.1. The current budget for the service in scope of this procurement sits within the Mental Health Commissioning Pool within the Adult Social Care Budget. This is a S75 arrangement between the London Borough of Islington and Islington CCG. The Council contributes £224,410 (51%) and the CCG contribute £215,610 (49%). The budget for this service for 2021-22 was £440,020.

- 4.1.2. The contract amount has been uplifted as previously agreed by £20,687 for 2022/23. Therefore, the budget for 2022-23 is £460,706.
- 4.1.3. The new contract value following procurement will be a maximum of £637,412 per annum for 15 beds, which is an increase of three beds. There are three residents in spot-purchased beds costing £130,897 that are currently funded within the Placements budget. These beds will transfer from the spot-purchased arrangement to this block contract. The budget and the cost of these beds will be moved to the Mental Health Commissioning budget in 2023-24.
- 4.1.4. The additional £45,807 will be funded within the Mental Health Commissioning Pool contract inflation allocation in 2023-24. Therefore, this will not create a budgetary pressure on the Mental Health Commissioning Pool or the Adult Social Care budget.
- 4.1.5. The value of this contract over the seven-year period based on the maximum contract value will be £4,461,884.
- 4.1.6. Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.
- 4.1.7. Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

4.2. **Legal Implications**

- 4.2.1. The Council has a general duty under the Care Act 2014 to meet the needs of a person who needs care and support. The council may enter into contracts with providers to secure the provision of mental health and alcohol use residential care services under section 1 of the Local Government (Contracts) Act 1997). The Executive may provide Corporate Directors with responsibility to award contracts with a value over £2,000,000 (Procurement Rule 18.1.3).
- 4.2.2. The social care services being procured are subject to the light touch regime (Light Touch Services) set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £663,540. The value of the proposed contract is above this threshold. The council's Procurement Rules for Light Touch Services require competitive tendering for contracts over the value of £500,000.

4.2.3. The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

4.2.4. On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

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

4.3.1. Care homes are contractually required to have adequate systems in place for the storage, disposal and documentation associated with any clinical waste produced.

4.3.2. There are several environmental implications for care homes. These include energy use in the building for heating, cooking and appliances, water use and waste generation by residents. These can be mitigated by ensuring the building is well-insulated and uses an efficient heating system, ensuring appliances in the building have a good energy rating, that bathroom and kitchen fittings are water efficient, and that recyclable or compostable waste is separated and disposed of appropriately.

4.3.3. The council is committed to engaging residents and partner health sector organisations in their drive to meet emission reductions as part of the Net Zero Carbon 2030 Programme. The provider will be asked to demonstrate in the tender how they intend to minimise the environmental impact of the service and recommended environmental improvements at the care home will be introduced, where feasible.

4.3.4. The Council will encourage measures that mitigate environmental impact and promote the council's ambitions, assessed as part of the 20% social value evaluation criteria.

4.4. **Equalities 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. An Equality Impact Assessment Screening Tool has been completed for this service, a summary of which is included below.

The contract is for a service specifically for older residents in the borough (45+). It is intended to have a positive impact on this group by offering care home placements to those with complex needs who can no longer live at home. Such services are for some of the most vulnerable in our communities and by accessing them people can expect to:

- improve their quality of life
- reduce their risk of social isolation and exclusion
- reduce their risk of harm.

The contract is for a service specifically for older residents who have severe and enduring mental health conditions and are alcohol-dependent, therefore it is intended to have a positive impact on residents of the borough with a disability or long-term conditions.

- 4.4.3. For all the other protected characteristics, the contract is deemed to be equality neutral in the category as all groups are treated with equality of opportunity by the service.

- 4.4.4. The full Equalities Impact Assessment Screening Tool is appended.

5. Conclusion and reasons for recommendations

- 5.1. This report recommends commissioning fifteen (15) residential care home beds for adult males with care needs related to alcohol use and mental illness, based in the borough, rated at least 'Good' by the CQC. Procurement of this contract will be through open tender.
- 5.2. The council has a current block contract with one provider for 12 residential care beds which expires on 31 March 2023. Additionally, the council currently purchases six spot placements with the current provider for Islington residents. This procurement aims to maintain much needed mental health residential care bed capacity, with alcohol misuse specialism in borough when the current contract comes to an end and deliver better value for money through increasing

commissioned block provision. It will deliver value for money for the council, will facilitate development of long-term relationships with the successful provider, and offer mutually beneficial stability for the local care market.

Appendices:

- Equalities Impact Assessment Screening Tool

Background papers: None

Final report clearance:

Signed by:



Executive Member for Health and Social Care

Date: 3 August 2022

Report Author: Alice Clark, Senior Joint Commissioning Manager – Mental Health
Tel: 020 7527 71868
Email: alice.clark@islington.gov.uk

Financial Implications Author: Kelly Ward, Assistant Finance Manager
Tel: 020 7527 8968
Email: kelly.ward@islington.gov.uk

Legal Implications Author: Mark Ferguson, Senior Commercial Contracts and Procurement Lawyer
Tel: 020 7527 3099
Email: mark.ferguson@islington.gov.uk

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Equality Impact Assessment: Screening Tool

Summary of proposal

Name of proposal	Procurement of Residential Care Service for Men with Alcohol Misuse and Mental Health Care Needs
Reference number (if applicable)	
Service Area	Strategic Commissioning and Investment, Adult Social services
Date screening completed	March 2022
Screening author name	Alice Clark
Fairness and Equality team sign off	Sydney Alexander
Authorising Director/Head of Service name	Jill Britton

Before completing the EQIA Screening Tool please read the guidance and FAQs. For further help and advice please contact equalities@islington.gov.uk.

Please provide a summary of the proposal.

Please outline:

- What are the aims/objectives of this proposal?
- Will this deliver any savings?
- What benefits or change will we see from this proposal?
- Which key groups of people or areas of the borough are involved?

This proposal relates to the procurement of 15 residential care home beds for older men with alcohol misuse and mental health care needs. The residential care service will be based in the borough and rated at least 'Good' by the Care Quality Commission (CQC).

Islington Council currently funds, via a block contract arrangement, 12 beds for residential care home provision for older men with alcohol misuse and mental health care needs. The current contract in place is due to end on 31 March 2023. Approval is being sought to re-procure this provision and expand provision to appropriately meet local demand and ensure that a new contract is in place by 1 April 2023.

The service to be re-procured is a residential care service for men over the age of 45 with a significant history of alcohol misuse, homelessness, and mental illness. Many of the residents in the current commissioned service have cognitive impairments related to long-term alcohol dependency in addition to personal care needs. In terms of the Care Act, their primary need for care and support relates to alcohol use and mental health.

Demand for in-borough residential care placements exceeds our current block provision. The service being procured is currently delivered from a 29-bed residential care home; of which Islington currently purchases 12 beds on a block arrangement, which

have been at full capacity throughout the contract length. In addition to the 12 block beds, Islington currently spot purchases six additional beds from the same service, bringing the total number of beds purchased in borough by Islington to 18. There has consistently been a need for at least three additional beds above the current block of 12 beds since 2015 (i.e., at least 15 beds occupied in total since 2015).

There is currently no other residential care provision in the borough specifically for adults with alcohol misuse and mental health care needs. The only other care home provision of this type in the borough was closed in Autumn 2021 due to provider failure. Following a Care Quality Commission (CQC) inspection, the provider was deemed 'inadequate' and not to be able to deliver the required level of care for adults with complex needs related to substance misuse and mental health needs.

In light of this, the council is seeking to increase the availability of in-borough commissioned provision through this procurement to ensure that:

- There is a reduction in the number of spot placements, which will secure placements for local people against competing demand from other boroughs, this should not create any voids.
- Residents are enabled to stay close to home, their loved ones, and professional support.
- Residents are provided with proactive and personalised support in a community setting, equipping them with the skills to reduce a decline in their health and to live healthier lives for longer.
- Residents are proactively supported to gain the skills necessary to live more independently and/or move to less intensive support, where possible, thereby minimising the time spent living in a residential care setting.
- Residents can benefit from the well-established Islington care home support infrastructure; this includes specialist cognitive impairment support from health.
- The Council has enhanced oversight of quality and safeguarding matters when contract monitoring measures are in place and we are acting as the host safeguarding authority.
- Spending on in-borough placements supports in-borough employment opportunities and delivery of social value that residents can benefit from.

- Better value for money is being achieved; our local arrangements represent good value for money when compared with out of borough purchased provision – the costs of which can vary greatly – enabling long-term financial stability; and
- Block contracts facilitate development of long-term relationships with providers and offer mutually beneficial stability for the local care market.

Financial modelling and care cost analysis has been undertaken and the new contract unit cost represents an 11% increase on the current unit cost for this service. It should be noted that the current block unit cost for this service is considerably lower than residential care spot beds for adults with substance misuse and mental health care needs within the NCL footprint. The new proposed unit cost of £815 per week is still significantly lower than NCL spot beds.

The increased unit price and total contract price reflects the council's commitment to drive up the quality of residential care provision, and to pay a fair cost of care in the borough. The current provider has indicated that delivering this service at the current contract value beyond March 2023 is not financially viable. Benchmarking and market engagement activity to date has indicated that the price of the contract should be increased to provide a more financially viable service model that supports the delivery of strength-based care and support and ensures ongoing provision of high quality. This service was last procured via competitive tender in 2014/15; care market prices have increased during this time and therefore, it is recommended that the contract price is increased to reflect a fair market rate, a core component of the Care Act, and will enable the council to continue to meet its aspirations for providing high quality care closer to home.

On whom will the proposal impact? Delete as appropriate.

Group of people	Impacted?
Service users	Yes
Residents	No
Businesses	No
Visitors to Islington	No
Voluntary or community groups	No
Council staff	No
Trade unions	No
Other public sector organisations	No

Group of people	Impacted?
Others	Please specify:

What consultation or engagement has taken place or is planned?

Please outline:

- Which groups or communities you have consulted/plan to consult
- Methods used/will use to engage (for example, focus groups)
- How insight gained from engagement or consultation has been/will be fed into decision making or proposal design

If you have not completed any engagement activity and do not plan to, you should outline why this decision has been made.

The council has undertaken soft market testing to inform the procurement strategy and commissioners are undertaking further stakeholder engagement through one to one and small group discussions to develop the updated service specification, including colleagues in Public Health and Camden and Islington NHS Foundation Trust.

Commissioning are undertaking engagement with current Islington residents of the care home (up to 18 people) and family carers which will include:

- Face to face meeting with current residents, to inform them of the tender process and what that means for residents and to obtain their feedback on the existing service model, and their thoughts regarding a strengths-based approach, and how they can be proactively supported to help maximise their recovery and increase their independence. what works well, any key areas for improvement they would like to see in how the service is delivered, to ensure their views are incorporated into the updated service specification.
- A short survey will also be circulated to service users and carers to provide additional opportunity to provide individual feedback.
- Providing residents and families with the opportunity to meet with commissioning individually should they wish (this will likely be remotely via video or phone call).

Each resident will be provided with FAQs related to the tender and any potential changes, and they will be supported by care home staff and/or family member or friend where required, to ensure they are able to contribute.

All engagement activity is due to be completed by August 2022.

What impact will this change have on people with protected characteristics and/or from disadvantaged groups?

Of the groups you have identified above, please now indicate the likely impact on people with protected characteristics within these groups by checking the relevant box below. Use the following definitions as a guide:

Neutral – The proposal has no impact on people with the identified protected characteristics

Positive – The proposal has a beneficial and desirable impact on people with the identified protected characteristics

Negative – The proposal has a negative and undesirable impact on people with the identified protected characteristics

You should then assess whether the negative impact has a low impact, medium impact or high impact. Consider the level and likelihood of impact. Please also think about whether the proposal is likely to be contentious or perceived as a negative change by certain groups, as this could justify the completion of a full EQIA. See the guidance for help.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	The contract is for a service specifically for older residents 45 years+. Prevalence of alcohol dependency is higher for those aged between 40-60 years. In 2020-21 The highest proportion of adults in alcohol treatment in Islington were within the 40-60 years age range (58%); 25% aged 40-49 years, and 33% were aged 50-59 years. The service and environment will offer an opportunity to deliver a person-centered experience and meet age-related needs.
Disability (include carers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Choose an item.	The service being procured will have a positive impact on adult males with serious mental-illness and needs related to alcohol use, by expanding the provision of commissioned care home placements in the borough to those with complex needs who can no longer live at home. The service will improve the support and accommodation for some of the most vulnerable residents with long term mental health conditions by:

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<ul style="list-style-type: none"> • Offering care and support in a non-institutionalised setting and that meets needs with a strength-based approach; enabling people to live as independently as possible, reducing risk of social isolation and exclusion, reducing risk of harm, and improving their overall quality of life. Support staff will take a proactive approach to increasing skills around daily living and encouraging participation in activities outside of the building where possible. • Care and support around meeting physical health needs. • Provision of a building that is accessible and able to meet physical needs, including ground floor accessible units and bathroom facilities. • The service will be in the borough, enabling residents to stay close to home, their loved ones, and professional support. • The care home service will be rated at least 'Good' by the Care Quality Commission (CQC).

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				All written communications to residents will be in plain English.
Disability (include carers)	<input type="checkbox"/>	<input type="checkbox"/>	Low	<p>There is a potential risk of breakdown in service users' mental health as a result in change of support provider and/or service location. This will be mitigated to reduce/eliminate negative impacts through the following actions:</p> <p>1) If there is a change in provider, the transition to any new service will need to be carefully managed to ensure continuity of support and to manage any service user anxieties arising from a change in support provider. We will work with the current and a new service provider (if applicable) and community mental health teams to ensure residents are supported throughout the procurement process and particularly leading up to and immediately following the transition to new service. Robust transition plans would be devised with each</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>resident and carefully monitored. The transition to a new service would be carried out in conjunction with service users, carers, and family members (where appropriate).</p> <ol style="list-style-type: none"> 2) Ensure appropriate and timely communications and engagement with residents, and their families. 3) A robust process and methodology will be in place for evaluating and assessing tender submissions, to ensure the provider meets quality requirements. As part of the tender submission bidders will be required to provide a robust mobilisation and implementation plan to support the new service go live. 4) Commissioners will also undertake engagement activity with residents and their families pre-tender to provide an opportunity for them to have an input into the service specification and ensure we are fully meeting resident need.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
Race or ethnicity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	The new service will engage with people from all ethnic backgrounds through personalised approaches to care and support. As an expectation of the service specification, the provider will have training plans around cultural awareness to ensure personalised approaches to care and support are culturally appropriate.
Religion or belief (include no faith)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	The new service will engage with people from all religions through personalised approaches. Residents will be supported to observe and practice their faith, and participate in their faith community, where that is their choice/is applicable.
Gender and gender reassignment (male, female or non-binary)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	People that have experienced gender reassignment experience poorer mental health outcomes. Commissioning will ensure the service has training plans around tailored support to different groups, including gender reassignment.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>Men are higher users of inpatient and crisis care and less likely to seek preventative support. They are also more likely to experience homelessness and use mental health accommodation services. This is reflected in wider accommodation pathway demographics data; the majority of service users in the mental health accommodation pathway are currently male (73%). This is also reflected in the demand for specialist residential care beds for needs related to alcohol use and Serious Mental Illness, where number of referrals is predominantly for older adult males.</p> <p>This service is specifically for older male residents 45 years+ with complex needs related to severe and enduring mental illness, alcohol use, and often a significant history of homelessness. The re-procurement and expansion of the service to include additional residential care beds in-borough, will have a positive impact on meeting the needs</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>of this cohort, in-line with known prevalence rates noted above.</p> <p>In 2021/22 the council also increased the number of beds providing specialist mental health residential care in the borough. This included mixed-gender provision and a specific female-only unit within one of the care homes. The new service specifications for these services included specific requirements around providing a tailored approach to meeting women's needs, ensuring women feel supported and safe within their accommodation</p>
Maternity or pregnancy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	Residents will be supported to maintain important relationships, through a close partnership approach with, and inclusion of, families, where this is the individual's wish. This could include women and people who are pregnant and working parents under this characteristic.
Sex and Sexual Orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	LGBTQ people experience poorer mental health outcomes compared to the general population.

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<p>The service provider will support residents who are LBGT+ by working with both staff and other residents to foster a culture of dignity and respect, enabling residents to feel safe and secure. This includes a zero-tolerance approach to bullying and harassment.</p> <p>Key community providers, such as Islington Mind have developed strong links with LGBTQ communities to ensure that they can meet this need. The residential care service provider will develop stronger links between these services and LGBTQ organisations, such as the London Friend and Opening Doors London, to share learning and better understand needs of this group, as well as support residents to link with local LGBTQ networks/services based on individual need/wishes.</p>
Marriage or Civil Partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	The service will support people to maintain important relationships, through a close

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				partnership approach with, and inclusion of, families, where this is the individual's wish.
Other (e.g. people living in poverty, looked after children, people who are homeless or refugees)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	<p>The service will provide residential care home provision for older men with complex needs related to a significant history of alcohol misuse, homelessness, and serious mental illness. The new service will help people lead healthier, fulfilling lives in the community, reducing social isolation and maximising life opportunities and independence.</p> <p>In the tender 20% of the award criteria will be allocated to social value for the new contract. Providers will be asked to identify additional opportunities for social value to the community that will be undertaken as part of the new contract. This will provide a range of benefits for the borough including, but not exclusively:</p>

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				<ul style="list-style-type: none"> • Commitment from the provider to supporting local recruitment – including in partnership with the iWork Service. • Commitment from the provider on training and upskilling of staff, including via apprenticeship and formal qualifications. • Commitment from the provider to using local supply chains. • Community engagement commitments from the provider. • Provision of student placement and volunteering opportunities within the service, including peer support/volunteering opportunities for people with lived experience. • Commitment from the provider to staff wellbeing – for example via adoption of specific workplace health initiatives; and • Commitment from the provider on delivering environmental and bio-diversity improvements within the service, reducing

Protected characteristic	Positive impact	Neutral impact	Negative impact	Description of the impact (if applicable)
				waste, use of sustainable resources, and limiting energy consumption.

How do you plan to mitigate negative impacts?

Where there are disproportionate impacts on groups with protected characteristics, please outline:

- The other options that were explored before deciding on this proposal and why they were not pursued
- Action that is being taken to mitigate the negative impacts

There is a potential risk of breakdown in service users' mental health in the event of a change of support provider and/or service location. The likelihood of this risk is low and the negative impact on service users is low, following the implantation of mitigating actions. This risk will be mitigated to reduce/eliminate negative impacts through the following actions:

Action	Lead	Deadline	Comments
<p>Commissioners will work with the current and a new service provider (if applicable) and community mental health teams to ensure residents are supported throughout the procurement process and particularly leading up to and immediately following the transition to new service.</p> <p>Robust transition plans devised with each resident and carefully monitored. The transition to a new service would be carried out in conjunction with service users, carers, and family members (where appropriate).</p>	Senior Mental Health Commissioning Manager, Service providers and NHS Community Rehab Team	<p>July 2022 – March 2023</p> <p>January -March 2023</p>	Pre-procurement, throughout procurement process and as part of mobilisation of the new contract.
Ensure appropriate and timely communications and engagement with residents, and their families.	Senior Mental Health Commissioning Manager	July 2022 – March 2023	Pre-procurement, throughout procurement process and as part of mobilisation of the new contract.
A robust process and methodology will be in place for evaluating and assessing tender submissions, to	Senior Mental Health Commissioning Manager	October 2022	

Action	Lead	Deadline	Comments
ensure the provider meets quality requirements.			
Robust implementation of new contracts, including regular implementation meetings with providers that are minuted, monitoring progress against the service implementation plan and monitoring risks and mitigation using an implementation risks and issues log.	Mental Health Commissioner, Contracts Team, and service provider	Implementation of new service January - March 2023	
Engagement activity (resident meeting/survey questions) with residents and their families pre-tender to provide an opportunity for them to have an input into the service specification and ensure we are fully meeting resident need.	Senior Mental Health Commissioning Manager	August 2022	

Screening Decision	Outcome
Neutral or Positive – no full EQIA needed*.	Yes
Negative – Low Impact – full EQIA at the service director’s discretion*.	No
Negative – Medium or High Impact – must complete a full EQIA.	No
Is a full EQIA required? Service decision:	No
Is a full EQIA required? Fairness and Equality recommendation:	No

* If a full EQIA is not required, you are still legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please send this completed EQIA Screening Tool to equalities@islington.gov.uk for quality checking by the Fairness and Equality Team.

Resources Department
Town Hall, Upper Street

Report of: Director of Law and Governance and Monitoring Officer

Meeting of: Executive

Date: 1 September 2022

Ward(s): All

Subject: Monitoring Report September 2022

1. Synopsis

- 1.1 Paragraph 8.9 in the Part 3 of the Council's Constitution authorises Corporate Directors to take decisions that would ordinarily be reserved to the Executive, where the matter is urgent and delay would seriously prejudice the interest of the Council or of the public.
- 1.2 Paragraph 8.10 in Part 3 of the Council's Constitution requires that any decisions made under the above provisions are reported to the next meeting of the Executive.
- 1.3 The Director Climate Change and Transport, acting on authority granted by the Corporate Director Environment effective during his absence, made a decision using the urgency procedures to 'Issue of a contract modification notice for the council's energy supply contracts' on 1 August 2022. Advance notice of our intention to take the decision was not published and call-in was waived.
- 1.4 The decision was considered urgent due to the sharp rise in energy prices since mid-June 2022 and the current forecast costs of purchasing energy for winter 2022. Further information is available in the decision report, which is attached as an appendix to this report.

2. Recommendations

- 2.1. To note the decision detailed in paragraph 3.3 of this report and the attached appendix.

3. Background

- 3.1. In accordance with the Constitution, the Chief Executive, Corporate Directors and Chief Finance Officer are authorised to take decisions where the matter is urgent. If the decision concerns an executive function, or it has not been possible to comply with the statutory notice period or call-in has been waived, the exercise of authority under that provision must be reported to the next available meeting of the Executive.
- 3.2. Director Climate Change and Transport was authorised by the Corporate Director Environment to take key decisions during his absence in accordance with paragraph 8.14 in Part 3 of the Constitution.
- 3.3. The following decision is notified to the Executive for information:

‘To approve the publication of a contract modification notice regarding the increase in value of the energy supply contracts from £48m to £64m.’

The relevant report is published on the Democracy Website ([here](#)) and attached to this report as an Appendix.

4. Implications

- 4.1.1. The implications are detailed within the attached appendix.

5. Conclusion and reasons for recommendations

- 5.1. To comply with the rules in the Council’s Constitution, the Executive are asked to note the decision made using the urgency provisions.

Appendix:

- Decision report: ‘Issue of a contract modification notice for the council’s energy supply contracts’.

Background papers:

- None

Final report clearance:

Signed by:



Director of Law and Governance and Monitoring Officer

Date: 18 August 2022

Report Author: Philippa Green, Head of Democratic Services and Governance
Tel: 020 7527 3184
Email: Democracy@islington.gov.uk

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Environment Department
Town Hall, Upper Street

Report of: Director - Climate Change and Transport
(in the absence of the Corporate Director - Environment)

Date: 1 August 2022

Ward(s): All

This decision has been taken under the urgency provisions at Procedure Rule 93 of the Council's Constitution. The reason for use of the urgency procedures is as follows:

The council needs to procure its energy (electricity and gas) for winter 2022. Global energy prices are currently highly volatile and energy trades may need to be made in the very near future to secure the best prices and to protect council funding for other vital services. Due to the sharp rise in energy prices since mid-June 2022, the current forecast costs of purchasing energy for winter 2022 would exceed the existing contract value threshold. Therefore a contract modification notice is required to raise the estimated contract value threshold in order to allow the winter 2022 purchases to proceed as soon as possible, if needed and this decision cannot therefore wait until the next meeting of the Executive on 1 September 2022, and it is not possible to convene a quorate meeting of the Executive within the necessary timescales.

Subject: Issue of a contract modification notice for the council's energy supply contracts

1. Synopsis

- 1.1. The council's energy supply contracts for the period 2020-2024, which were awarded to SSE in 2019, were initially estimated to cost £32m. The contracts are not for a fixed price, with the council trading on the energy commodity market through SSE. This means the council is exposed to changes in market prices during the contract period.
- 1.2. Due to the increases in energy prices in 2021 and 2022, it became apparent that the original estimated cost would be significantly exceeded. As a result, a contract modification notice was issued in June 2022 to raise the threshold to £48m.

- 1.3. Further increases in energy costs since June mean the potential cost will now exceed £48m, necessitating the issue of another contract modification notice in order to allow the council to purchase its energy for winter 2022 and next financial year.

2. Recommendations

- 2.1. To approve the publication of a contract modification notice regarding the increase in value of the energy supply contracts from £48m to £64m.

3. Date the decision is to be taken

- 3.1. 1 August 2022.

4. Background

- 4.1. The council purchases its energy (electricity and gas) through its contracts with SSE, which were awarded in 2019 for the April 2020 to March 2024 period.
- 4.2. Purchasing is done by making trades in the electricity and gas commodity markets through SSE. Historically, council officers choose the timing of these trades in order to obtain competitive prices, usually purchasing for a full financial year at a time in order to give budget certainty.
- 4.3. Due to the sharp rises in energy prices in the second half of 2021, continuing into 2022, the council chose not to purchase for a full year ahead for 2022/23, deciding to wait to see whether prices would come down. Purchases have subsequently been made for Q1 2022/23 and then Q2 2022/23.
- 4.4. The original contract award included an estimated cost over the four years of £32m. Due to the increase in prices, a contract modification notice was issued in June 2022 to raise the threshold to £48m. At the time this was issued, the forecast energy costs for 2022/23 were £25m, which would mean the total estimated spend over the first three years of the contract was £40m.
- 4.5. Since the notice was issued, Russian threats to reduce gas supplies to Europe through the Nordstream pipeline have led to a significant increase in prices for the forthcoming winter (October 2022 to March 2023), for which trades have not yet been made. This has resulted in the forecast cost for 2022/23 rising to £36m, and the first three years cost to £51m. This means that we cannot currently make the trades for the winter 2022 period without exceeding the threshold.

- 4.6. The council has recently appointed BiU to develop an energy purchasing strategy. The proposed strategy involves BiU advising the council on its trades in order to ride out the market volatility. The strategy will also potentially include starting to make hedging trades for 2023/24.
- 4.7. Therefore due to the recent increase in prices for winter 2022 and desire to start purchasing for 2023/24, another contract modification notice needs to be issued to raise the threshold to a level where trades can be made. The contract modification notice would increase the threshold by 50%, raising it from £48m to £64m.

5. Implications

5.1. Financial Implications

- 5.1.1. The current contract runs up until 31 March 2024 and covers energy purchases for council buildings, HRA buildings, schools and leisure centres. Whilst the forecast volumes of energy required to be purchased has not increased the price of energy has increased substantially due to global factors.
- 5.1.2. Fixed prices had been secured up until 31 March 2022 and had been favourable due to global energy prices being subdued by the Covid-19 pandemic. Since 1 April 2022 the council has been purchasing energy on a monthly or quarterly basis on authority of the Director of Environment depending upon market prices. With external advice from BiU the council is looking to secure energy for the Winter 2022 period and until the end of the current contract.
- 5.1.3. At current prices and future market outlook this will significantly exceed the original £32m total value of the contract. A contract modification notice in June 2022 raised this to £48m and this report recommends raising this to £64m.
- 5.1.4. This pressure across the council and partners is currently severely underbudgeted.

5.2. Legal Implications

- 5.2.1. By a formal Contract Award decision taken by the Corporate Director for Environment on 12th December 2019 the following three (3) energy contracts were awarded by the council (48-month contracts for the period 1st April 2020 to 31st March 2024):
- Gas – Scottish & Southern Energy
 - HH 100KW Electricity – Scottish & Southern Energy
 - NHH Sub 100KW Electricity – Scottish & Southern Energy
- 5.2.2. Both the Contract Award Report and the Contract Notice (call for competition) published in the Official Journal of the European Union (OJEU) refer to an

estimated total contract value for the three contracts of £32m over the said four-year period (ie 4 years x £8m per annum).

5.2.3. This Report identifies certain circumstances which have given rise to unforeseeable energy prices increases and the estimated total contract value over the four-year period has therefore increased from £32m and possibly up to £64m (ie from £32m plus two increments of £16m each, the first of which was approved under Regulation 72 (1) (c) by the Executive in June 2022 and the second of which is the subject of the recommendation in this Report).

5.2.4. Regulation 72 (1)(c) of the Public Contracts Regulations 2015 provides as follows:

72.—(1) Contracts and framework agreements may be modified without a new procurement

procedure in accordance with this Part in any of the following cases:—

(c) where all of the following conditions are fulfilled:—

(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract;

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

5.2.5. The increase in the estimated total contract value above £32m and possibly up to £64m is lawful under Regulation 72(1)(c) and will require publication of a Contract Modification Notice on the Find A Tender website.

5.2.6. Paragraph 16 of the council's Procurement Rules provides:

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)

and

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

5.2.7. Accordingly, the decision to vary these three contracts in relation to the increase in total estimated contract value is normally a decision for (or as delegated by) the

Executive – due to the urgency of the recommended decision the urgency procedures of the council's Constitution will need to be utilised to enable this urgent decision to be taken by the Corporate Director for Environment (or as he may delegate).

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

5.3.1. There are no environmental implications related to the issue of a contract modification notice.

5.4. **Equalities Impact Assessment**

5.4.1. 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.

5.4.2. An Equalities Impact Assessment is not required in relation to this report, because there are no impacts from issuing a contract modification notice.

6. **Conclusion and reasons for the decision**

6.1. A contract modification notice needs to be issued to allow the council can purchase its energy supplies for winter 2022 and 2023/24.

7. **Record of the decision**

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.



Signed by:

**Director - Climate Change and Transport
In the absence of the Corporate Director - Environment**

Date: 1 August 2022

Appendices: None

Background papers: None

Related papers:

- [Executive decision to issue a contract modification notice](#) (9 June 2022)

Report Author: James Wilson

Tel: 2349

Email: james.wilson@islington.gov.uk

Financial Implications Author: Steve Abbott, Head of Finance

Tel: Steve.Abbott@islington.gov.uk

Email: 2369

Legal Implications Author: Clive Sheldon, Senior Lawyer

Tel: x2965

Email: clive.sheldon@islington.gov.uk